

SENATE BILL NO. 517

September 03, 2025, Introduced by Senators BAYER, MCMORROW, MOSS, KLINEFELT and
CHANG and referred to Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1351a (MCL 380.1351a), as amended by 2016 PA
192.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1351a. (1) Beginning with bonds issued after May 1, 1994,
2 a school district, including, but not limited to, a school district
3 that is a community district or a qualifying school district, shall
4 not borrow money and issue bonds of the district under section
5 1351(1). However, a school district, including, but not limited to,

1 a school district that is a community district, may borrow money
2 and issue bonds of the district to defray all or a part of the cost
3 of purchasing, erecting, completing, remodeling, or equipping or
4 reequipping, ~~except for equipping or reequipping for technology,~~
5 school buildings, including library buildings, structures, athletic
6 fields, playgrounds, or other facilities, or parts of or additions
7 to those facilities; furnishing or refurnishing new or remodeled
8 school buildings; acquiring, preparing, developing, or improving
9 sites, or parts of or additions to sites, for school buildings,
10 including library buildings, structures, athletic fields,
11 playgrounds, or other facilities; purchasing school buses;
12 ~~acquiring, installing, or equipping or reequipping school buildings~~
13 ~~for~~ **purchasing** technology; or accomplishing a combination of the
14 purposes set forth in this subsection. Section 1351(2) to (4)
15 applies to bonds issued under this section.

16 (2) The proceeds of bonds issued under this section or under
17 section 11i of the state school aid act of 1979, MCL 388.1611i,
18 shall be used for capital expenditures and to pay costs of bond
19 issuance, and shall not be used for maintenance costs. Except as
20 otherwise provided in this subsection, a school district that
21 issues bonds under this section or under section 11i of the state
22 school aid act of 1979, MCL 388.1611i, shall have an independent
23 audit, using generally accepted accounting principles, of its
24 bonding activities under these sections conducted within 120 days
25 after completion of all projects financed by the proceeds of the
26 bonds and shall submit the audit report to the department of
27 treasury. For bonds issued under section 11i of the state school
28 aid act of 1979, MCL 388.1611i, the independent audit required
29 under this subsection may be conducted and submitted with the

1 annual report required under the revised municipal finance act,
2 2001 PA 34, MCL 141.2101 to 141.2821.

3 (3) A school district, including, but not limited to, a school
4 district that is a community district, shall not borrow money and
5 issue notes or bonds under this section to defray all or part of
6 the costs of any of the following:

7 ~~(a) Upgrades to operating system or application software.~~

8 ~~(b) Media, including diskettes, compact discs, video tapes,~~
9 ~~and disks, unless used for the storage of initial operating system~~
10 ~~software or customized application software included in the~~
11 ~~definition of technology under this section.~~

12 ~~(c) Training, consulting, maintenance, service contracts,~~
13 ~~software upgrades, troubleshooting, or software support.~~

14 **(a) Consumables, including storage media, ink, toner, or**
15 **batteries.**

16 **(b) Repair of end-user devices that are outside of the**
17 **initially purchased warranty.**

18 **(c) Curriculum-specific software or training in the use of**
19 **curriculum-specific software.**

20 (4) A resident of a school district, including, but not
21 limited to, a school district that is a community district, has
22 standing to bring suit against the school district to enforce the
23 provisions of this section in a court having jurisdiction.

24 (5) As used in this section, "technology" means any of the
25 following:

26 ~~(a) Hardware and communication devices that transmit, receive,~~
27 ~~or compute information for pupil instructional purposes.~~

28 ~~(b) The initial purchase of operating system software or~~
29 ~~customized application software, or both, accompanying the purchase~~

~~of hardware and communication devices under subdivision (a).~~
~~(c) The costs of design and installation of the hardware,~~
~~communication devices, and initial operating system software or~~
~~customized application software authorized under this subsection.~~

(a) Hardware, software, cloud-hosted software as a service, technological infrastructure, software licenses, software support and warranties, and relevant consulting in the use of hardware and software.

(b) Technological equipment management, building systems management, cybersecurity, physical security, and voice communication software.

(c) Relevant consulting in cybersecurity.

(d) The design, installation, or operation of any hardware, software, communication device, operating system software, or customized application software authorized under this section.