

# HOUSE BILL No. 5353

February 11, 2016, Introduced by Rep. Schor and referred to the Committee on Local Government.

A bill to authorize the issuance of general obligation bonds of this state to finance certain public infrastructure improvements for local units of government and school districts located in this state; to pledge the full faith and credit of this state for the payment of principal and interest on the bonds; to pay for issuing the bonds; to provide for other measures relating to the bonds; and to provide for the submission of the question of the issuance of the bonds to the electors of this state.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "Michigan infrastructure repair bond authorization act".

3           Sec. 2. This state shall borrow a sum not to exceed  
4 \$1,000,000,000.00 and issue the general obligation bonds of this

1 state, pledging the full faith and credit of this state for the  
2 payment of principal and interest on the bonds to finance up to  
3 \$1,000,000,000.00 for public infrastructure improvements that  
4 include, but are not limited to, drinking water system  
5 improvements, sewage system improvements, lead and asbestos  
6 contamination abatement, and heating and cooling improvements in  
7 public buildings, for local units of government and school  
8 districts located in this state as provided in this act.

9       Sec. 3. Bonds shall be issued pursuant to conditions, methods,  
10 and procedures to be established by law.

11       Sec. 4. The proceeds of the sale of the bonds or any series of  
12 the bonds, any premium and accrued interest received on the  
13 delivery of the bonds, and any interest earned on the proceeds of  
14 the bonds shall be deposited in the state treasury and credited to  
15 the Michigan infrastructure repair fund created in the Michigan  
16 infrastructure repair bond implementation act and shall be  
17 disbursed from that fund only for the purposes for which the bonds  
18 have been authorized, including the expense of issuing the bonds  
19 and administrative costs. The proceeds of sale of the bonds or any  
20 series of the bonds, any premium and accrued interest received on  
21 the delivery of the bonds, and any interest earned on the proceeds  
22 of the bonds shall be expended for the purposes set forth in this  
23 act in a manner as provided by law.

24       Sec. 5. The question of borrowing a sum not to exceed  
25 \$1,000,000,000.00 and the issuance of the general obligation bonds  
26 of this state for the purposes set forth in this act shall be  
27 submitted to a vote of the electors of this state qualified to vote

1 on the question pursuant to section 15 of article IX of the state  
2 constitution of 1963, at the next November general election. The  
3 question submitted to the electors shall be substantially as  
4 follows:

5 "Shall the state of Michigan borrow a sum not to exceed  
6 \$1,000,000,000.00 and issue general obligation bonds of this state,  
7 pledging the full faith and credit of this state for the payment of  
8 principal and interest on the bonds to finance up to  
9 \$1,000,000,000.00 for public infrastructure improvements that  
10 include, but are not limited to, drinking water system  
11 improvements, sewage system improvements, lead and asbestos  
12 contamination abatement, and heating and cooling improvements in  
13 public buildings, for local units of government and school  
14 districts located in this state, with the method of repayment of  
15 the bonds to be from the general fund and the Michigan  
16 infrastructure repair fund of this state?

17 Yes.....

18 No..... .".

19 Sec. 6. The secretary of state shall perform all acts  
20 necessary to properly submit the question prescribed by section 5  
21 to the electors of this state qualified to vote on the question at  
22 the next November general election.

23 Sec. 7. (1) After the issuance of the bonds authorized by this  
24 act, there shall be appropriated from the general fund and the  
25 Michigan infrastructure repair fund of this state each fiscal year  
26 a sufficient amount to pay promptly, when due, the principal of and  
27 interest on all outstanding bonds authorized by this act and the

1 costs incidental to the payment of the bonds.

2 (2) The governor shall include the appropriation provided in  
3 subsection (1) in the governor's annual executive budget  
4 recommendations to the legislature.

5 Sec. 8. Bonds shall not be issued under this act unless the  
6 question set forth in section 5 is approved by a majority vote of  
7 the qualified electors voting on the question.