

# HOUSE BILL No. 5644

May 11, 2016, Introduced by Rep. Lucido and referred to the Committee on Appropriations.

A bill to authorize the issuance of general obligation bonds of this state to pay the bonded debt and certain other debts and obligations of certain first class 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 first class school district bond authorization act".

3       Sec. 2. This state shall borrow a sum not to exceed  
4       \$515,000,000.00 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 \$515,000,000.00 to pay the bonded debt and certain other debts and  
4 obligations of first class school districts located in this state  
5 as provided in this act.

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

8 Sec. 4. The proceeds of the sale of the bonds or any series of  
9 the bonds, any premium and accrued interest received on the  
10 delivery of the bonds, and any interest earned on the proceeds of  
11 the bonds shall be deposited in a restricted fund in the state  
12 treasury and shall be disbursed from that fund only for the  
13 purposes for which the bonds have been authorized, including the  
14 expense of issuing the bonds and administrative costs as determined  
15 by the state treasurer. The proceeds of sale of the bonds or any  
16 series of the bonds, any premium and accrued interest received on  
17 the delivery of the bonds, and any interest earned on the proceeds  
18 of the bonds shall be expended for the purposes set forth in this  
19 act in a manner as provided by law as determined by the state  
20 treasurer.

21 Sec. 5. The question of borrowing a sum not to exceed  
22 \$515,000,000.00 and the issuance of the general obligation bonds of  
23 this state for the purposes set forth in this act shall be  
24 submitted to a vote of the electors of this state qualified to vote  
25 on the question pursuant to section 15 of article IX of the state  
26 constitution of 1963, at the next November general election. The  
27 question submitted to the electors shall be substantially as

1 follows:

2 "Shall the state of Michigan borrow a sum not to exceed  
3 \$515,000,000.00 and issue general obligation bonds of this state,  
4 pledging the full faith and credit of this state for the payment of  
5 principal and interest on the bonds to finance up to  
6 \$515,000,000.00 to pay the bonded debt and certain other debts and  
7 obligations of first class school districts located in this state,  
8 with the method of repayment of the bonds to be from the general  
9 fund of this state?

10 Yes.....

11 No.....".

12 Sec. 6. The secretary of state shall perform all acts  
13 necessary to properly submit the question prescribed by section 5  
14 to the electors of this state qualified to vote on the question at  
15 the next November general election.

16 Sec. 7. (1) After the issuance of the bonds authorized by this  
17 act, there shall be appropriated from the general fund and the  
18 Michigan infrastructure repair fund of this state each fiscal year  
19 a sufficient amount to pay promptly, when due, the principal of and  
20 interest on all outstanding bonds authorized by this act and the  
21 costs incidental to the payment of the bonds.

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

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

1       Sec. 9. As used in this act, "first class school district"  
2 means a school district organized as a first class school district  
3 under part 6 of the revised school code, 1976 PA 451, MCL 380.401  
4 to 380.485.

5       Enacting section 1. This act takes effect 90 days after the  
6 date it is enacted into law.