

SUBSTITUTE FOR
HOUSE BILL NO. 5806

A bill to amend 1966 PA 331, entitled
"Community college act of 1966,"
by amending section 122 (MCL 389.122), as amended by 2003 PA 306.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 122. The board of trustees may do all of the following:

2 (a) Borrow, subject to the provisions of the revised municipal
3 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, for community
4 college purposes, including capital expenditures, money on the
5 terms it considers desirable and give notes of the district for
6 those purposes. If a newly organized community college district
7 borrows in anticipation of the collection of the first tax levy of
8 the district, the loan shall not exceed 50% of the estimated amount
9 of the first tax levy.

10 (b) Borrow, subject to the revised municipal finance act, 2001
11 PA 34, MCL 141.2101 to 141.2821, money as it considers necessary

1 and issue bonds of the community college district, to purchase
2 sites for buildings, playgrounds, athletic fields, or agricultural
3 farms; to purchase or erect and equip any building or buildings
4 that it is authorized to purchase and erect; or to make any
5 permanent improvement that it is authorized to make. ~~A-**THE BOARD**~~
6 ~~**SHALL NOT MAKE A** loan shall not be made and **OR ISSUE** bonds shall~~
7 ~~not be issued~~ for any sum that, together with the total outstanding
8 bonded indebtedness of the district, including bonds voted but not
9 issued, exceeds the total of 1-1/2% of the first \$250,000,000.00
10 plus 1% of the excess over \$250,000,000.00 of the last confirmed
11 state equalized valuation of all taxable property in the district
12 unless the proposition of making the loan or of issuing bonds ~~has~~
13 ~~been~~ **IS** submitted first to a vote of the qualified electors of the
14 district, at a regular or special election, and approved by the
15 majority of the electors voting at the election, in which event
16 ~~loans may be made or~~ **THE BOARD MAY MAKE A LOAN OR ISSUE** bonds may
17 ~~be issued~~ in an amount **THAT DOES** not ~~to~~ exceed 15% of the total
18 ~~state equalized valuation~~ **TAXABLE VALUE** of the district.

19 (c) Provide for energy conservation improvements to be made to
20 community college facilities and pay for the improvements from
21 operating funds of the district or from the savings that result
22 from the energy conservation improvements. Energy conservation
23 improvements may include, but are not limited to, heating system
24 improvements, fenestration improvements, roof improvements, the
25 installation of any insulation, the installation or repair of
26 heating or air conditioning controls, and entrance or exit way
27 closures. The board of trustees may acquire 1 or more energy

1 conservation improvements by installment contract or may borrow
2 money and issue notes for the purpose of securing funds for the
3 improvements or may enter into contracts in which the cost of the
4 energy conservation improvements is paid from a portion of the
5 savings that result from the energy conservation improvements.
6 ~~These contractual agreements may provide that the cost of the~~
7 ~~energy conservation improvements are paid only if the energy~~
8 ~~savings are sufficient to cover their cost. An~~ **THE TERM OF AN**
9 installment contract or notes issued ~~pursuant to~~ **UNDER** this
10 subdivision shall ~~extend for a period of time not to exceed 10~~
11 ~~years.~~ **NOT EXCEED 25 YEARS FROM THE DATE OF INSTALLATION OF THE**
12 **ENERGY CONSERVATION IMPROVEMENTS.** Notes issued ~~pursuant to~~ **UNDER**
13 this subdivision ~~shall be~~ **ARE** full faith and credit, tax limited
14 obligations of the community college district, payable from tax
15 levies and the general fund as pledged by the board of trustees.
16 The notes are subject to the revised municipal finance act, 2001 PA
17 34, MCL 141.2101 to 141.2821. This subdivision does not limit in
18 any manner the borrowing or bonding authority of a community
19 college as provided by law.