

# HOUSE BILL No. 5806

September 16, 2014, Introduced by Reps. Pscholka, Schor, LaVoy, Genetski, Oakes,  
Haveman and Schmidt and referred to the Committee on Energy and Technology.

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

1 PA 34, MCL 141.2101 to 141.2821, money as it considers necessary  
2 and issue bonds of the community college district, to purchase  
3 sites for buildings, playgrounds, athletic fields, or agricultural  
4 farms; to purchase or erect and equip any building or buildings  
5 that it is authorized to purchase and erect; or to make any  
6 permanent improvement that it is authorized to make. ~~A-**THE BOARD**~~  
7 ~~**SHALL NOT MAKE A** loan shall not be made and **OR ISSUE** bonds shall~~  
8 ~~not be issued~~ for any sum that, together with the total outstanding  
9 bonded indebtedness of the district, including bonds voted but not  
10 issued, exceeds the total of 1-1/2% of the first \$250,000,000.00  
11 plus 1% of the excess over \$250,000,000.00 of the last confirmed  
12 state equalized valuation of all taxable property in the district  
13 unless the proposition of making the loan or of issuing bonds ~~has~~  
14 ~~been~~-**IS** submitted first to a vote of the qualified electors of the  
15 district, at a regular or special election, and approved by the  
16 majority of the electors voting at the election, in which event  
17 ~~loans may be made or~~-**THE BOARD MAY MAKE A LOAN OR ISSUE** bonds ~~may~~  
18 ~~be issued~~ in an amount **THAT DOES** not ~~to~~ exceed 15% of the total  
19 ~~state equalized valuation~~-**TAXABLE VALUE** of the district.

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

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