

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1993**

Introduced by Reps. Alley and Middaugh

# ENROLLED HOUSE BILL No. 4301

AN ACT to amend Act No. 451 of the Public Acts of 1976, entitled as amended "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and classify the laws relating to elementary and secondary education; to provide for the classification, organization, regulation, and maintenance of schools, school districts, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, and intermediate school districts; to provide for the regulation of school teachers and school administrators; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal certain acts and parts of acts," as amended, being sections 380.1 to 380.1852 of the Michigan Compiled Laws, by adding section 143a; and to repeal certain parts of the act on specific dates.

*The People of the State of Michigan enact:*

Section 1. Act No. 451 of the Public Acts of 1976, as amended, being sections 380.1 to 380.1852 of the Michigan Compiled Laws, is amended by adding section 143a to read as follows:

Sec. 143a. (1) The board of a fourth class school district that meets the requirements specified in subsection (3) may mortgage real property owned by the board that is not being used for school purposes to secure a loan of not more than \$700,000.00 from a financial institution. The term of a loan secured by a mortgage under this section may be for any number of years not to exceed 10 years, but the board shall repay the entire unpaid principal of the loan secured by the mortgage not later than 1 year after the date of the closing of the loan. The board may repay the loan secured by the mortgage from the school district's general fund.

(2) If the board sells and transfers title to real property that is mortgaged under subsection (1), the board shall use the proceeds of the sale to pay the entire unpaid principal of the loan secured by the mortgage before using those proceeds for any other purpose.

(3) A fourth class school district that meets all of the following requirements may mortgage real property under subsection (1):

- (a) Is a constituent district of an intermediate school district with a population of 1,500,000 or more.
- (b) Had a membership of more than 2,000 pupils in the 1992-1993 school year.
- (c) Received membership aid in the 1992-93 state fiscal year under section 21(1) of the state school aid act of 1979, being section 388.1621 of the Michigan Compiled Laws.
- (4) This section is repealed effective September 1, 1993.

This act is ordered to take immediate effect.

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Co-Clerk of the House of Representatives.

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Secretary of the Senate.

Approved -----

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Governor.

