

**SUBSTITUTE FOR
HOUSE BILL NO. 4866**

A bill to amend 1961 PA 112, entitled

"An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation,"

by amending section 3 (MCL 388.983), as amended by 1991 PA 64.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) For the prompt payment of the principal and
2 interest upon each bond or note issued under this act, the full
3 faith and credit of the state are pledged, and there is
4 appropriated each year during the life of these bonds or notes
5 from the general fund a sufficient amount to pay the principal
6 and interest on the bonds or notes maturing each year.

7 (2) For the 1990-91 state fiscal year only, there is
8 appropriated from the general fund a sufficient amount to pay in
9 full the principal and interest upon each of the bonds or notes

1 issued under this act, including the defeasance of the principal
2 and interest and any redemption premium on each bond or note that
3 matures after September 30, 1991. However, the state treasurer
4 shall expend money from this appropriation for the defeasance of
5 the principal and interest and any redemption premium on a bond
6 or note that matures after September 30, 1991 only to the extent
7 the state administrative board provides by resolution for that
8 defeasance to be made from this appropriation.

9 (3) Loan repayments deposited in the general fund pursuant to
10 section 4 on the settlement date, as determined under section 9c
11 of 1961 PA 108, MCL 388.959c, shall be used as follows:

12 (a) For fiscal year 2003-2004, an amount determined by the
13 state treasurer to be equal to the difference between the
14 outstanding amount of general obligation debt incurred pursuant
15 to this act and the outstanding amount of loans under 1961 PA
16 108, MCL 388.951 to 388.963, immediately preceding the settlement
17 date, as reduced in accordance with section 9c(1) of 1961 PA 108,
18 MCL 388.959c, is appropriated to the state school aid fund. This
19 appropriation shall be used to make state school aid payments to
20 school districts within 90 days after the settlement date.

21 (b) For fiscal year 2003-2004, there is appropriated from the
22 general fund to the state school aid fund an amount equal to the
23 amount of all school bond loan fund repayments that are received
24 by the state treasurer from June 1, 2003 through the settlement
25 date, that are determined by the state treasurer not to have been
26 paid from proceeds of bonds of the school district, and that
27 represent the difference between the outstanding amount of

1 general obligation debt incurred by this state under this act and
2 the outstanding amount of loans under 1961 PA 108, MCL 388.951 to
3 388.963, at the time of repayment. This appropriation shall be
4 used to make state school aid payments to school districts within
5 90 days after the settlement date.

6 (c) The state treasurer shall use the balance of the
7 deposits, if any, within 90 days after the settlement date to pay
8 or prepay outstanding general obligation debt incurred under this
9 act.

10 Enacting section 1. This amendatory act does not take
11 effect unless all of the following bills of the 92nd Legislature
12 are enacted into law:

13 (a) Senate Bill No. 572.

14 (b) Senate Bill No. 573.