

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 572

A bill to amend 1961 PA 108, entitled

"An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation,"

(MCL 388.951 to 388.963) by adding section 9c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9c. (1) Notwithstanding any other section of this act,
2 if a school district repays all or a portion of the total amount
3 of the outstanding balance on all loans made to the school
4 district under this act on the settlement date described in
5 subsection (3), the state treasurer shall reduce the total loan
6 amount due from the school district by an amount equal to the
7 reasonable cost to the school district of obtaining the money to

1 make this repayment, as determined by the state treasurer in his
2 or her discretion. This amount shall not exceed 10% of the total
3 amount of the outstanding balance being repaid by the school
4 district, calculated as of the settlement date without the
5 reduction under this section.

6 (2) A school district that issues its obligations to obtain
7 the money to use for the repayment under subsection (1) shall
8 sell those obligations only to the Michigan municipal bond
9 authority created in the shared credit rating act, 1985 PA 227,
10 MCL 141.1051 to 141.1076, on terms and conditions as are required
11 by the Michigan municipal bond authority.

12 (3) The state treasurer shall determine a settlement date for
13 the purposes of this section. The settlement date shall be the
14 earliest practical date on which school districts will be able to
15 make repayments under subsection (1) but not later than September
16 30, 2004.

17 (4) Notwithstanding any other section of this act, the state
18 treasurer shall issue a certificate of qualification for a school
19 district that issues an obligation described in subsection (2).

20 (5) Notwithstanding any other section of this act, for the
21 purposes of section 4 the state treasurer shall consider an
22 obligation described in subsection (2) that is issued by a school
23 district to be a loan made to the school district under this act,
24 and for the purposes of calculating a school district's computed
25 millage under section 2 the state treasurer shall disregard the
26 obligation if inclusion of the obligation would otherwise result
27 in an increase in the school district's computed millage.

1 (6) The state treasurer shall deposit the proceeds of
2 repayments made under subsection (1) into the general fund in
3 accordance with section 4 of 1961 PA 112, MCL 388.984.

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

7 (a) Senate Bill No. 573.

8 (b) House Bill No. 4866.