

# HOUSE BILL No. 5839

April 29, 2004, Introduced by Reps. Ruth Johnson, Voorhees, Stakoe, Robertson, Wenke, Pappageorge, Rocca, Nofs, Woodward, Garfield, Milosch and Taub and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 687 and 1731 (MCL 380.687 and 380.1731), section 687 as amended by 2003 PA 299 and section 1731 as amended by 2002 PA 70, and by adding section 625b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 625b. Beginning on the effective date of this section,  
2 the duration of any millage levied by an intermediate school  
3 district for operating purposes, debt retirement purposes, or any  
4 other purpose under this act shall not exceed 25 years. A  
5 millage described in this section may be renewed with the  
6 approval of the intermediate school electors for a duration not  
7 to exceed 25 years.

8       Sec. 687. (1) An intermediate school board in which an area  
9 vocational-technical education program is established, by a

1 majority vote of the intermediate school electors voting on the  
2 question at a regular school election or at a special election  
3 called for that purpose, may borrow money and issue bonds of the  
4 intermediate school district subject to the revised municipal  
5 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to defray all  
6 or part of the cost of purchasing, erecting, completing,  
7 remodeling, improving, furnishing, refurnishing, equipping, or  
8 reequipping area vocational-technical buildings and other  
9 facilities, or parts of buildings and other facilities or  
10 additions to buildings and other facilities; acquiring,  
11 preparing, developing, or improving sites, or parts of sites or  
12 additions to sites, for area vocational-technical buildings and  
13 other facilities; refunding all or part of existing bonded  
14 indebtedness; or accomplishing a combination of the foregoing  
15 purposes. An intermediate school district shall not issue bonds  
16 under this part for an amount greater than 1.5% of the total  
17 assessed valuation of the intermediate school district.

18 (2) A bond qualified under section 16 of article IX of the  
19 state constitution of 1963 and implementing legislation shall not  
20 be included for purposes of calculating the foregoing 1.5%  
21 limitation.

22 (3) An intermediate school board may submit a proposal to  
23 issue bonds of the intermediate school district, authorized under  
24 this section, to the intermediate school electors at the same  
25 election at which the intermediate school electors vote on the  
26 establishment of an area vocational-technical education program.  
27 If these questions are presented to the school electors at the

1 same election, the board shall include the bond proposal in the  
 2 60-day notice given the boards of constituent districts. The  
 3 establishment of an area vocational-technical education program  
 4 shall become effective if approved by a majority of the  
 5 intermediate school electors voting on the question. The  
 6 authority to issue bonds is effective only if a majority of the  
 7 intermediate school electors approve both the establishment of  
 8 the area vocational-technical education program and the issuance  
 9 of bonds.

10 (4) The ballot used in submitting the question of borrowing  
 11 money and issuing bonds under this section shall be in  
 12 substantially the following form:

13 "Shall \_\_\_\_\_ (here state the legal name of the  
 14 intermediate school district designating the name of a district  
 15 of not less than 18,000 pupils or first class school district  
 16 that has elected not to come under this act as far as an area  
 17 vocational-technical education program is concerned) state of  
 18 Michigan, borrow the sum of not to exceed \$\_\_\_\_\_ and issue  
 19 its bonds therefor, for the purpose of \_\_\_\_\_?"

20 Yes ( )

21 No ( )".

22 (5) **An intermediate school district shall not use the**  
 23 **proceeds from bonds issued or refunded under this section or levy**  
 24 **a tax to repay bonds issued or refunded under this section for**  
 25 **any purpose other than facilities used for area**  
 26 **vocational-technical education purposes. If a facility is to be**  
 27 **used for purposes other than providing area vocational-technical**

1 education programs and services, proceeds from bonds issued or  
2 refunded under this section or from millage levied to repay bonds  
3 issued or refunded under this section shall be used only for that  
4 portion of the facility that is used for providing area  
5 vocational-technical education programs and services. An  
6 intermediate school district that issues or refunds bonds and  
7 levies a tax under this section shall have an independent audit  
8 conducted annually on the uses of the bond proceeds and the  
9 millage levied and shall submit the audit report to the  
10 department of treasury. If the department of treasury determines  
11 from the audit report that the bond proceeds or millage have been  
12 used for a purpose other than those authorized under this  
13 section, the authorization for the bond millage may be  
14 reconsidered at the next intermediate school district election or  
15 at a special election called for that purpose if not less than  
16 10% of the intermediate school electors petition the intermediate  
17 school district to reconsider that millage.

18       Sec. 1731. (1) An intermediate school district may borrow  
19 money and issue bonds of the intermediate school district subject  
20 to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
21 141.2821, to defray all or part of the costs of purchasing,  
22 erecting, completing, remodeling, improving, furnishing,  
23 refurnishing, equipping, or reequipping buildings for special  
24 education facilities; acquiring, preparing, developing, or  
25 improving sites, or parts of sites or additions to sites, for  
26 buildings and other special education facilities; refunding all  
27 or part of existing bonded indebtedness; or the accomplishment of

1 a combination of ~~the foregoing~~ **these** purposes.

2 (2) An intermediate school district shall not issue bonds for  
3 purposes of purchasing, erecting, completing, remodeling,  
4 improving, furnishing, refurnishing, equipping, or reequipping  
5 buildings for special education for an amount greater than 1.5%  
6 of the total assessed valuation of the intermediate school  
7 district.

8 (3) An intermediate school district shall not use the  
9 proceeds from bonds issued or refunded under this section or levy  
10 a tax to repay bonds issued or refunded under this section for  
11 any purpose other than facilities used for special education  
12 purposes. If a facility is to be used for purposes other than  
13 providing special education programs and services, proceeds from  
14 bonds issued or refunded under this section or from millage  
15 levied to repay bonds issued or refunded under this section shall  
16 be used only for that portion of the facility that is used for  
17 providing special education programs and services. An  
18 intermediate school district that issues or refunds bonds and  
19 levies a tax under this section shall have an independent audit  
20 conducted annually on the uses of the bond proceeds and the  
21 millage levied and shall submit the audit report to the  
22 department of treasury. If the department of treasury determines  
23 from the audit report that the bond proceeds or millage have been  
24 used for a purpose other than those authorized under this  
25 section, the authorization for the bond millage may be  
26 reconsidered at the next intermediate school district election or  
27 at a special election called for that purpose if not less than

1 10% of the intermediate school electors petition the intermediate  
2 school district to reconsider that millage.