

STATE LOANS TO SCHOOL DISTRICTS (EXCERPT)
Act 112 of 1961

388.983 Appropriation for payment of principal and interest on bonds or notes.

Sec. 3.

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

(2) For the 1990-91 state fiscal year only, there is appropriated from the general fund a sufficient amount to pay in full the principal and interest upon each of the bonds or notes issued under this act, including the defeasance of the principal and interest and any redemption premium on each bond or note that matures after September 30, 1991. However, the state treasurer shall expend money from this appropriation for the defeasance of the principal and interest and any redemption premium on a bond or note that matures after September 30, 1991 only to the extent the state administrative board provides by resolution for that defeasance to be made from this appropriation.

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

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

(b) For fiscal year 2003-2004, there is appropriated from the general fund to the state school aid fund an amount equal to the amount of all school bond loan fund repayments that are received by the state treasurer from June 1, 2003 through the settlement date, that are determined by the state treasurer not to have been paid from proceeds of bonds of the school district, and that represent the difference between the outstanding amount of general obligation debt incurred by this state under this act and the outstanding amount of loans under 1961 PA 108, MCL 388.951 to 388.963, at the time of repayment. This appropriation shall be used to make state school aid payments to school districts within 90 days after the settlement date.

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

History: 1961, Act 112, Eff. Sept. 8, 1961 ;-- Am. 1991, Act 28, Eff. Mar. 30, 1992 ;-- Am. 1991, Act 64, Imd. Eff. July 3, 1991 ;-- Am. 2003, Act 110, Imd. Eff. July 24, 2003