

# HOUSE BILL No. 4137

February 7, 1991, Introduced by Reps. O'Neill and Jondahl and referred to the Committee on Taxation.

A bill to amend Act No. 108 of the Public Acts of 1961, entitled as amended

"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 thereof, 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; and to provide for other matters in respect to such loans,"

as amended, being sections 388.951 to 388.963 of the Michigan Compiled Laws, by adding section 9a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Act No. 108 of the Public Acts of 1961, as  
2 amended, being sections 388.951 to 388.963 of the Michigan  
3 Compiled Laws, is amended by adding section 9a to read as  
4 follows:

1        SEC. 9A. (1) NOTWITHSTANDING ANY OTHER SECTION OF THIS ACT,  
2 THE STATE TREASURER MAY REDUCE THE TOTAL LOAN AMOUNT DUE FROM A  
3 SCHOOL DISTRICT ON A LOAN DESCRIBED IN THIS ACT BY AN AMOUNT NOT  
4 EXCEEDING 10% OF THE TOTAL OUTSTANDING BALANCE ON THE LOAN IF THE  
5 SCHOOL DISTRICT AGREES TO REPAY THE REDUCED OUTSTANDING BALANCE  
6 IN FULL NOT LATER THAN SEPTEMBER 30, 1991.

7        (2) IN DETERMINING THE AMOUNT OF A REDUCTION UNDER SUBSEC-  
8 TION (1), THE STATE TREASURER SHALL CONSIDER THE COSTS TO THE  
9 SCHOOL DISTRICT OF OBTAINING THE FUNDS TO USE FOR REPAYMENT OF  
10 THE OUTSTANDING BALANCE OF THE LOAN. THE STATE TREASURER SHALL  
11 MAKE REDUCTIONS UNDER SUBSECTION (1) IN AMOUNTS INTENDED TO  
12 INDUCE SUBSTANTIAL REPAYMENT OF OUTSTANDING LOANS DESCRIBED IN  
13 THIS ACT.

14        Section 2. This amendatory act shall not take effect unless  
15 Senate Bill No. \_\_\_\_\_ or House Bill No. 4136 (request  
16 no. 02471'91) of the 86th Legislature is enacted into law.