



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 455
Sponsor: Senator Dale L. Shugars
Committee: Local, Urban, and State Affairs

Date Completed: 5-15-95

SUMMARY OF SENATE BILL 455 as introduced 4-19-95:

The bill would amend Public Act 175 of 1952, which authorizes incorporated cities and villages to borrow money and issue bonds in anticipation of future payments from the Motor Vehicle Highway Fund, to increase from 45% to 50% the maximum amount of future payments a city or village may pledge for annual debt service requirements.

The Act specifies that it does not prohibit successive borrowings if the amount pledged for annual debt service requirements does not exceed 45% of the amount of future payments, and if the total aggregate amount of borrowing does not exceed an amount that 45% of the anticipated revenues will service as to annual principal and interest requirements. The bill would increase this limit to 50%.

MCL 247.704

Legislative Analyst: L. Arasim

FISCAL IMPACT

This bill would have no effect on State government. This bill would change the amount of annual debt cities and villages may pledge from 45% to 50% of revenues received during the previous fiscal year for road improvements. Cities and villages would be authorized to borrow money and issue bonds in anticipation of future payments from the Motor Vehicle Highway Fund.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.