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SCHOOLS; USE OF DURANT PROCEEDS

House Bill 5507

Sponsor: Rep. Bob Brown

Committee: Appropriations

Complete to 3-2-98

A SUMMARY OF HOUSE BILL 5507 AS INTRODUCED 1-28-98

As part of the 1997 settlement of the case known as *Durant v State of Michigan*, the legislature amended the Revised School Code and the State School Aid Act to allow school districts that were not plaintiffs in the litigation to borrow money from the Michigan Municipal Bond Authority and receive annual appropriations from the state in the amount needed to pay the principal and interest on the bonds. Under the 1997 legislation, school districts are required to use the proceeds of these bonds only for capital improvements, purchasing school buses, equipping or reequipping school buildings for technology, or refunding existing bonded indebtedness. House Bill 5507 would amend the State School Aid Act to make an exception to this provision. Under the bill, a district or intermediate district that was operating with a general fund operating deficit for the two-year period ending June 30, 1998 could apply its bond proceeds to the general fund operating deficit.

MCL 388.1611i

House Bill 5507 (3-2-98)

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.