



**House  
Legislative  
Analysis  
Section**

House Office Building, 9 South  
Lansing, Michigan 48909  
Phone: 517/373-6466

**SCHOOL BONDING PROPOSAL**

**Senate Bill 1137 as passed by the Senate  
Sponsor: Sen. Leon Stille**

**House Committee: Commerce  
First Senate Committee: Natural  
Resources and Environmental Affairs  
Second Senate Committee: Education**

**Complete to 5-31-02**

**A SUMMARY OF SENATE BILL 1137 AS PASSED BY THE SENATE**

The bill would create a new act, the Michigan School Infrastructure Improvement Bond Authorization Act. It would place on the November general election ballot the question of borrowing \$1 billion and issuing general obligation bonds, pledging the full faith and credit of the state, for the purpose of financing school infrastructure improvements for Michigan public schools.

If the question is approved by the voters, the state would borrow a sum not to exceed \$1 billion and issue general obligation bonds under conditions and procedures to be established by law. (The procedures for issuing the bonds would be as set forth in Senate Bill 142, which would amend the Revised School Code. Senate Bill 1137 is tie-barred to Senate Bill 142.)

The proceeds of the bonds, any premium and accrued interest received on the delivery of the bonds, and any interest earned on the proceeds of the bonds would be deposited in the state treasury and credited to the Michigan School Infrastructure Fund, to be created under Senate Bill 142. Money in the fund would be disbursed only for the purposes for which the bonds had been authorized, including the expense of issuing the bonds.

After the issuance of the bonds, the governor would be required to include in his or her annual budget recommendations, and the legislature would be required to appropriate from the general fund, a sufficient amount each year to pay the principal and interest on all outstanding bonds authorized under the act, and the costs incidental to the payment of the bonds.

Analyst: D. Martens

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Senate Bill 1137 (5-31-02)