

**SUBSTITUTE FOR  
SENATE BILL NO. 1137**

A bill to authorize the issuance of general obligation bonds of this state to finance infrastructure improvements at Michigan public schools; to pledge the full faith and credit of this state for the payment of principal and interest on the bonds; to pay for issuing the bonds; to provide for other measures relating to the bonds; and to provide for the submission of the question of the issuance of the bonds to the electors of this state.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "Michigan school infrastructure improvement bond authorization  
3 act".

4           Sec. 2. This state shall borrow a sum not to exceed  
5 \$1,000,000,000.00 and issue the general obligation bonds of this  
6 state, pledging the full faith and credit of this state for the

**SB 1137, As Passed Senate, May 30, 2002**

Senate Bill No. 1137

2

1 payment of principal and interest on the bonds, to finance  
2 infrastructure improvements at Michigan public schools.

3       Sec. 3. Bonds shall be issued pursuant to conditions,  
4 methods, and procedures to be established by law.

5       Sec. 4. The proceeds of the sale of the bonds or any series  
6 of the bonds, any premium and accrued interest received on the  
7 delivery of the bonds, and any interest earned on the proceeds of  
8 the bonds shall be deposited in the state treasury and credited  
9 to the Michigan school infrastructure fund created in part 17a of  
10 the revised school code, 1976 PA 451, and shall be disbursed from  
11 that fund only for the purposes for which the bonds have been  
12 authorized, including the expense of issuing the bonds. The pro-  
13 ceeds of sale of the bonds or any series of the bonds, any pre-  
14 mium and accrued interest received on the delivery of the bonds,  
15 and any interest earned on the proceeds of the bonds shall be  
16 expended for the purposes set forth in this act in a manner as  
17 provided by law.

18       Sec. 5. The question of borrowing a sum not to exceed  
19 \$1,000,000,000.00 and the issuance of the general obligation  
20 bonds of this state for the purposes set forth in this act shall  
21 be submitted to a vote of the electors of this state qualified to  
22 vote on the question pursuant to section 15 of article IX of the  
23 state constitution of 1963, at the next general election. The  
24 question submitted to the electors shall be substantially as  
25 follows:

26       "Shall the state of Michigan borrow a sum not to exceed  
27 \$1,000,000,000.00 and issue general obligation bonds of this

**SB 1137, As Passed Senate, May 30, 2002**

Senate Bill No. 1137

3

1 state, pledging the full faith and credit of this state for the  
2 payment of principal and interest on the bonds to finance school  
3 infrastructure improvements at Michigan public schools, with the  
4 method of repayment of the bonds to be from the general fund of  
5 this state?

6 Yes.....

7 No.....".

8 Sec. 6. The secretary of state shall perform all acts nec-  
9 essary to properly submit the question prescribed by section 5 to  
10 the electors of this state qualified to vote on the question at  
11 the next general November election.

12 Sec. 7. (1) After the issuance of the bonds authorized by  
13 this act, there shall be appropriated from the general fund of  
14 this state each fiscal year a sufficient amount to pay promptly,  
15 when due, the principal of and interest on all outstanding bonds  
16 authorized by this act and the costs incidental to the payment of  
17 the bonds.

18 (2) The governor shall include the appropriation provided in  
19 subsection (1) in the governor's annual executive budget recom-  
20 mendations to the legislature.

21 Sec. 8. Bonds shall not be issued under this act unless the  
22 question set forth in section 5 is approved by a majority vote of  
23 the qualified electors voting on the question.

24 Sec. 9. This act does not take effect unless Senate Bill  
25 No. 142 of the 91st Legislature is enacted into law.