

# SENATE BILL No. 1137

February 26, 2002, Introduced by Senators STILLE, SCHWARZ, SIKKEMA, HOFFMAN, MC MANUS and NORTH and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to authorize the issuance of general obligation bonds of this state to finance infrastructure improvements at Michigan public schools and local sewage treatment improvements; 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 and local sewage treatment  
3 improvement bond authorization act".

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

1 payment of principal and interest on the bonds, to finance up to  
2 \$1,000,000,000.00 for infrastructure improvements at Michigan  
3 public schools and to finance up to \$1,000,000,000.00 for local  
4 sewage treatment improvements.

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

7       Sec. 4. The proceeds of the sale of the bonds or any series  
8 of the bonds, any premium and accrued interest received on the  
9 delivery of the bonds, and any interest earned on the proceeds of  
10 the bonds shall be deposited in the state treasury and credited  
11 to the Michigan school infrastructure and local sewage treatment  
12 improvement bond fund created in the Michigan school infrastruc-  
13 ture and local sewage treatment improvement bond implementation  
14 act and shall be disbursed from that fund only for the purposes  
15 for which the bonds have been authorized, including the expense  
16 of issuing the bonds. The proceeds of sale of the bonds or any  
17 series of the bonds, any premium and accrued interest received on  
18 the delivery of the bonds, and any interest earned on the pro-  
19 ceeds of the bonds shall be expended for the purposes set forth  
20 in this act in a manner as provided by law.

21       Sec. 5. The question of borrowing a sum not to exceed  
22 \$2,000,000,000.00 and the issuance of the general obligation  
23 bonds of this state for the purposes set forth in this act shall  
24 be submitted to a vote of the electors of this state qualified to  
25 vote on the question pursuant to section 15 of article IX of the  
26 state constitution of 1963, at the next general election. The

1 question submitted to the electors shall be substantially as  
2 follows:

3 "Shall the state of Michigan borrow a sum not to exceed  
4 \$2,000,000,000.00 and issue general obligation bonds of this  
5 state, pledging the full faith and credit of this state for the  
6 payment of principal and interest on the bonds to finance up to  
7 \$1,000,000,000.00 for school infrastructure improvements at  
8 Michigan public schools and to finance up to \$1,000,000,000.00  
9 for local sewage treatment improvements, with the method of  
10 repayment of the bonds to be from the general fund of this  
11 state?

12 Yes.....

13 No..... .".

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

18 Sec. 7. (1) After the issuance of the bonds authorized by  
19 this act, there shall be appropriated from the general fund of  
20 this state each fiscal year a sufficient amount to pay promptly,  
21 when due, the principal of and interest on all outstanding bonds  
22 authorized by this act and the costs incidental to the payment of  
23 the bonds.

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

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