

Senate Fiscal Agency  
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Lansing, Michigan 48909-7536

**SFA**



**BILL ANALYSIS**

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House Bills 5420 through 5423 (as passed by the House)

Sponsor: Representative Paula K. Zelenko (H.B. 5420)  
Representative Wayne Kuipers (H.B. 5421)  
Representative Tom Meyer (H.B. 5422)  
Representative Mike Pumford (H.B. 5423)

House Committee: Commerce

## **CONTENT**

The bills would amend various sections of the Community College Act to replace references to the Municipal Finance Act with references to the "Revised Municipal Finance Act".

(Public Act 34 of 2001 creates the "Revised Municipal Finance Act" to regulate borrowing by municipalities, and their issuance of securities; repeal the Municipal Finance Act; and prescribe the powers and duties of the Department of Treasury to protect the credit of the State and its municipalities. The Act will take effect March 1, 2002. The Municipal Finance Act will be repealed on that day, except for two sections that will be repealed on April 30, 2002. The Revised Municipal Finance Act applies to school districts, as well as other local units of government.)

House Bill 5420 would amend Section 122, which allows a community college board of trustees to issue bonds and notes for various purposes. In addition to adding references to the Revised Municipal Finance Act, the bill would delete provisions that pertain to refunding bonds, interest rate limits on bonds, and the term length of bonds. (These issues are covered by the Revised Municipal Finance Act.)

House Bill 5421 would amend Section 126, which allows a community college board of trustees to issue bonds to acquire lands and buildings. In addition to adding references to the Revised Municipal Finance Act, the bill would delete provisions that pertain to refunding bonds and bond term limits.

House Bill 5422 would amend Section 127, which allows a community college board of trustees to issue notes and other obligations to pay for operating expenses and previous obligations, to specify that the notes or obligations would be subject to the Revised Municipal Finance Act.

House Bill 5423 would amend Section 144, which allows a community college board of trustees to levy certain property taxes to pay bonds and other indebtedness.

MCL 389.122 (S.B. 5420)  
389.126 (S.B. 5421)  
389.127 (S.B. 5422)  
389.144 (H.B. 5423)

Legislative Analyst: George Towne

## **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Date Completed: 2-12-02

Fiscal Analyst: D. Zin

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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.