

SUBSTITUTE FOR
SENATE BILL NO. 870

A bill to amend 2005 PA 92, entitled
"School bond qualification, approval, and loan act,"
by amending section 6 (MCL 388.1926).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. The state treasurer ~~shall~~**MAY** prequalify bonds of a
2 school district if the state treasurer determines all of the
3 following:

4 (a) The issuance of additional qualified bonds will not
5 prevent the school district from repaying its outstanding qualified
6 loans on the earlier of the dates described in section 9.

7 (b) The form of the ballot conforms with the requirements of
8 this act.

9 (c) IF THE SCHOOL DISTRICT HAS OWED A BALANCE ON OUTSTANDING
10 QUALIFIED LOANS IN THE 5 YEARS IMMEDIATELY PRECEDING THE DATE OF

1 THE APPLICATION FOR PREQUALIFICATION OF BONDS, THE PROPOSED BOND
2 ISSUE WILL NOT RESULT IN ADDITIONAL QUALIFIED LOANS BEING MADE
3 EARLIER THAN 5 YEARS AFTER THE BALANCE WAS FULLY REPAID.