STATE LOANS TO SCHOOL DISTRICTS

Act 74 of 1955

AN ACT to authorize and provide for the issuance and sale of bonds of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; and to provide for use of moneys repaid to the state by school districts.

History: 1955, Act 74, Imd. Eff. May 26, 1955

The People of the State of Michigan enact:

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388.921 School loan bonds or notes; issuance, redemption, execution, interest, sale.

Sec. 1.

The people of the state of Michigan by constitutional amendments having authorized the state to borrow not to exceed $100,000,000.00, pledge its faith and credit and issue its bonds or notes therefor, for the purpose of making loans to school districts for the payment of principal and interest on school bonds heretofore or hereafter issued on certain conditions, the state administrative board is hereby authorized and directed to borrow on the full faith and credit of the state, from time to time, moneys not to exceed said aggregate sum, and to issue serial bonds of the state therefor. The amount to be borrowed from time to time shall not be less than such amount as shall be certified in writing by the superintendent of public instruction as being in his opinion necessary to provide funds for such loans to school districts over the next ensuing 2 calendar years. Such bonds shall be designated school loan bonds, and may be issued in series from time to time as moneys are needed for such school loan purposes, with different dates of issuance for each such series, and the state administrative board may from time to time determine and by resolution prescribe, the date of issue of each such series, the amount of bonds to be included in such series, the maturities of such bonds so included, the maximum rate or rates of interest on the bonds, the place or places of payment thereof, and provisions relative to registration of bonds, if any. Such bonds or any portion thereof may be made subject to redemption prior to maturity upon such terms as may be prescribed prior to the issuance of the bonds by resolution of said state administrative board. Said bonds shall be executed for and on behalf of the state of Michigan by the state treasurer and the secretary of state, or their deputies, and the seal of the state shall be affixed thereto by the secretary of state. Interest coupons evidencing accrued interest to the respective dates of maturity of said bonds shall bear the facsimile signature of the state treasurer. The bonds herein authorized to be issued shall be sold by the state administrative board, at not less than par and accrued interest. Such sale or sales shall be public sales held from time to time at the discretion of the said state administrative board, after notice by publication at least 5 days before each such sale, in a publication printed in the English language and circulated in the state of Michigan which carries as part of its regular service, notices of sale of municipal bonds. The bonds so sold at each such sale shall be awarded to the bidder whose bid in the opinion of said state administrative board would result in the lowest interest cost to the state. The state administrative board shall have the right to reject any or all bids.

History: 1955, Act 74, Imd. Eff. May 26, 1955 ;-- Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956
Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the Department of Education under Act No. 108 of Public Acts of 1961, as amended, being Section 388.951 et seq. of the Michigan Compiled Laws, Act No. 74 of the Public Acts of 1955, as amended, being Section 388.921 et seq. of the Michigan Compiled Laws, Act No. 112 of the Public Acts of 1961, as amended, being Section 388.981 et seq. of the Michigan Compiled Laws, and Act No. 151 of the Public Acts of 1955, as amended, being Section 388.931 et seq. of the Michigan Compiled Laws, to the Department of Treasury, see E.R.O. No. 1993-10, compiled at MCL 388.990 of the Michigan Compiled Laws.

388.922 School loan bonds or notes; deposit of proceeds.

Sec. 2.

The proceeds of sale of the bonds or notes shall be deposited in the state treasury, and shall constitute a fund to

be known as "the school bond loan fund", hereby created in the state treasury as a special trust fund, and shall be paid out in no other manner or for any other purpose than provided in section 27 of article 10 of the constitution of Michigan and laws enacted pursuant thereto.

History: 1955, Act 74, Imd. Eff. May 26, 1955 ;-- Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956
Compiler's Notes: In this section, "section 27 of article 10 of the constitution" refers to the Constitution of 1908. See now Const. 1963, Art. IX, § 16.

388.923 School loan bonds or notes; continuing appropriation for payment.

Sec. 3.

For the prompt payment of the principal and interest upon each bond or note issued under this act, the full faith and credit of the state are pledged, and there is hereby appropriated each year during the life of these bonds or notes, from the general fund, a sufficient amount to pay the principal and interest on said bonds or notes maturing each year.

History: 1955, Act 74, Imd. Eff. May 26, 1955 ;-- Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956

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388.924 School loans; repayment, reimbursement.

Sec. 4.

Any moneys repaid by school districts on loans made from the school bond loan fund shall first be used to pay principal and interest on outstanding bonds or notes issued under the provisions of this act, and shall next be used to reimburse the general fund of the state to the extent of any appropriations made therefrom for the administration of acts pursuant to section 27 of article 10 of the state constitution. Any moneys remaining after the satisfaction of these 2 priorities may be deposited in the state bond loan fund and used for the purpose for which such fund is established, but the aggregate of all loans made pursuant to said section 27 of article 10 and laws enacted pursuant thereto shall not exceed $100,000,000.00.

History: 1955, Act 74, Imd. Eff. May 26, 1955 ;-- Am. 1956, Act 192, Imd. Eff. Apr. 26, 1956
Compiler's Notes: In this section, "section 27 of article 10 of the state constitution" refers to the Constitution of 1908. See now Const. 1963, Art. IX, § 16.

388.925 School loans; notes; interest; maximum.

Sec. 5.

As an alternative method of providing funds for the purpose of making loans to school districts for the payment of principal and interest on school bonds heretofore or hereafter issued on certain conditions, the state administrative board is hereby authorized and empowered on behalf of the state of Michigan to borrow from time to time upon the full faith and credit of this state, such sums of money as may be necessary therefor. As evidence of such loan or loans, the state administrative board may by resolution direct and cause to be issued serial notes of the state of Michigan and to renew the same. Such notes, or any renewals thereof, shall be made redeemable at the option of the state administrative board upon any interest payment date. They shall bear interest at such a rate as may be approved by the state administrative board and shall be in the form approved by the state administrative board. The notes shall be executed for and on behalf of the state of Michigan by the state treasurer and the secretary of state: Provided, That the total of such notes outstanding at any one time shall not exceed the sum of $1,000,000.00.

History: Add. 1956, Act 192, Imd. Eff. Apr. 26, 1956

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