

HOUSE BILL No. 4673

May 13, 1999, Introduced by Reps. LaForge, Jacobs, Brater, Bogardus, Kelly, Bovin and Brewer and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1351a (MCL 380.1351a), as amended by 1997 PA
152.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1351a. (1) Beginning with bonds issued after May 1,
2 1994, a school district may not borrow money and issue bonds of
3 the district under section 1351(1). However, a school district
4 may borrow money and issue bonds of the district to defray all or
5 a part of the cost of purchasing, erecting, completing, remodel-
6 ing, or equipping or reequipping, except for equipping or ree-
7 quipping for technology, school buildings, including library
8 buildings, structures, athletic fields, playgrounds, or other
9 facilities, or parts of or additions to those facilities;
10 furnishing or refurnishing new or remodeled school buildings;

1 acquiring, preparing, developing, or improving sites, or parts of
2 or additions to sites, for school buildings, including library
3 buildings, structures, athletic fields, playgrounds, or other
4 facilities; purchasing school buses; acquiring, installing, or
5 equipping or reequipping school buildings for technology; refund-
6 ing all or part of existing bonded indebtedness if the net
7 present value of the principal and interest to be paid on the
8 refunding bonds, excluding the cost of issuance, will be less
9 than the net present value of the principal and interest to be
10 paid on the bonds being refunded, as calculated using a method
11 approved by the department of treasury; or accomplishing a combi-
12 nation of the purposes set forth in this subsection. Section
13 1351(2) to (4) applies to bonds issued under this section.

14 (2) The proceeds of bonds issued under this section or under
15 section 11i of the state school aid act of 1979, MCL 388.1611i,
16 shall be used for capital expenditures and to pay costs of bond
17 issuance, and shall not be used for maintenance costs. Except as
18 otherwise provided in this subsection, a school district that
19 issues bonds under this section or under section 11i of the state
20 school aid act of 1979, MCL 388.1611i, shall have an independent
21 audit, using generally accepted accounting principles, of its
22 bonding activities under these sections conducted within 120 days
23 after completion of all projects financed by the proceeds of the
24 bonds and shall submit the audit report to the department of
25 treasury. For bonds issued under section 11i of the state school
26 aid act of 1979, MCL 388.1611i, the independent audit required
27 under this subsection may be conducted and submitted with the

1 annual report required under section 5 of chapter III of the
2 municipal finance act, 1943 PA 202, MCL 133.5.

3 (3) Bonds issued under this section or under section 11i of
4 the state school aid act of 1979, MCL 388.1611i, for an asset
5 with a useful life of less than 30 years shall not be issued for
6 a term that is longer than the useful life of the asset.

7 (4) A school district shall not borrow money and issue notes
8 or bonds under this section to defray all or part of the costs of
9 any of the following:

10 (a) Upgrades to operating system or application software,
11 EXCEPT CUSTOMIZED APPLICATION SOFTWARE PURCHASED WITHIN 1 YEAR OF
12 THE INITIAL PURCHASE OF HARDWARE AND COMMUNICATION DEVICES
13 DESCRIBED IN SUBSECTION (6)(A).

14 (b) Media, including diskettes, compact discs, video tapes,
15 and disks, unless used for the storage of initial operating
16 system software or customized application software included in
17 the definition of technology under this section.

18 (c) Training, consulting, maintenance, service contracts,
19 software upgrades, troubleshooting, or software support, UNLESS
20 INCLUDED IN THE INITIAL PURCHASE OF HARDWARE AND COMMUNICATION
21 DEVICES DESCRIBED IN SUBSECTION (6)(A).

22 (5) A resident of a school district has standing to bring
23 suit against the school district to enforce the provisions of
24 this section in a court having jurisdiction.

25 (6) As used in this section, "technology" means any of the
26 following:

1 (a) Hardware and communication devices that transmit,
2 receive, or compute information for pupil instructional
3 purposes.

4 (b) ~~The initial purchase of operating~~ OPERATING system
5 software or customized application software, or both,
6 ~~accompanying the~~ PURCHASED WITHIN 1 YEAR OF THE INITIAL pur-
7 chase of hardware and communication devices ~~under~~ DESCRIBED IN
8 subdivision (a).

9 (c) The costs of design and installation of the hardware,
10 communication devices, and ~~initial~~ operating system software or
11 customized application software authorized under ~~this~~ subsec-
12 tion (4).