

# PUBLIC AND LOCAL ACTS

OF

## THE LEGISLATURE

OF THE

State of Michigan *Revised Statutes*

PASSED AT THE

REGULAR SESSION OF 1960

CONTAINING JOINT RESOLUTIONS AND ABSTRACTS  
OF PROCEEDINGS RELATIVE TO CHANGE OF BOUND-  
ARIES OF TOWNSHIPS AND INCORPORATION, ETC.,  
OF CITIES, VILLAGES AND CHARTER TOWNSHIP.



COMPILED BY

**JAMES M. HARE**

SECRETARY OF STATE

AND THE

LEGISLATIVE SERVICE BUREAU

SPEAKER-HINES AND THOMAS, INC., LANSING, MICH. — 1960



## JOINT RESOLUTIONS

## [Proposal No. 1.]

A joint resolution proposing an amendment to article 10 of the state constitution by adding a new section 28 to authorize the state to borrow an unlimited amount and to pledge its faith and credit for the payment thereof for the purpose of loaning school districts money to pay certain school bonds; to authorize the legislature, subject to limitations, to prescribe the conditions of such loans; and to authorize the levy of taxes without limitations as to rate or amount for the payment of school bonds and state loans.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to article 10 of the state constitution, by adding a new section 28 to authorize the state to borrow an unlimited amount and to pledge its faith and credit for the payment thereof for the purpose of loaning school districts money to pay certain school bonds; to authorize the legislature, subject to limitations, to prescribe the conditions of such loans; and to authorize the levy of taxes without limitations as to rate or amount for the payment of school bonds and state loans, is hereby proposed, agreed to and submitted to the people of this state:

## ARTICLE X.

**Borrowing power; loans to school districts, repayment.**

Sec. 28. The state, in addition to any other borrowing power, may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

If the minimum amount which it would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as last equalized by the state, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall loan the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall loan to it an amount sufficient to enable the school district to make the payment.

The term "qualified bonds" means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued (1) prior to May 4, 1955, (2) on or after May 4, 1955 but prior to July 1, 1962, only if, and to the extent that, such bonds shall have been qualified as provided by law pursuant to section 27 of this article, and (3) on or after July 1, 1962, but prior to July 1, 1972, if such bonds shall be qualified as provided by law pursuant to this section.

After a school district has received loans from the state, each year thereafter it shall levy for debt service, exclusive of levies for nonqualified bonds, not less than 13 mills or such lower millage as the legislature may prescribe, until the amount loaned has been repaid, and any tax collections therefrom in any year over and above the minimum requirements for principal and interest on qualified bonds shall be used towards the repayment of state loans. In any year when such a levy would produce an amount in excess of the requirements and the amount due to the state, the levy may be reduced by the amount of the excess.

Subject to the foregoing provisions, the legislature shall have the power to prescribe and/or limit the procedure, terms and conditions for the qualification of bonds, for obtaining and making state loans, and for the repayment of loans.

The power to tax for the payment of principal and interest on bonds hereafter issued which are the general obligations of any school district, including refunding bonds, and

for repayment of any state loans made pursuant to this section, shall be without limitation as to rate or amount.

All rights acquired under section 27 of this article by holders of bonds issued prior to July 1, 1962, shall remain unimpaired.

This section shall take effect on July 1, 1962.

Resolved further, That the foregoing amendment shall be submitted to the people of this state at the next regular election in the manner provided by law.

#### [Proposal No. 2.]

A JOINT RESOLUTION proposing an amendment to section 23 of article 10 of the state constitution to increase the limitation on the maximum sales tax rate to 4%.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to section 23 of article 10 of the state constitution, to increase the limitation on the maximum sales tax rate to 4%, is hereby proposed, agreed to and submitted to the people of this state:

#### ARTICLE X.

State sales tax, distribution; school districts, allocation, special school aid fund, expenditure; appropriation for school employees' retirement system; maximum sales tax levy.

Sec. 23. There shall be returned to local governmental units by the method hereinafter set forth,  $\frac{1}{2}$  cent of a state sales tax levy on each dollar of sales of tangible personal property on the 1946 statutory base (not rate). The state disbursing authority shall remit to counties as a whole on a population basis and payment shall be made to the county treasurer who shall remit to the respective cities, townships and villages within the county on a per capita basis. Population computation shall be based on the last and each succeeding state-wide federal census for purposes of division among counties and upon the same basis or upon any special federal county-wide census, whichever is later, for intra-county division purposes. There shall be excluded from such computation 50% of the total number of persons who are wards, patients or convicts committed to or domiciled in any city institution located outside the boundaries of said city or committed to or domiciled in any county, state or federal tax supported institution, provided such persons were included in said federal census. All remittances provided shall be made on a quarterly basis.

There shall be set aside for the school districts 2 cents of a state sales tax levy on each dollar of sales of tangible personal property on the 1946 statutory base (not rate), to be allocated among said school districts by law. Such taxes so collected shall be deposited in a special school aid fund and be expendable only by legislative appropriations for aid to the school districts and school employees' retirement purposes as shall be provided by law. Said school aid fund shall be separate and distinct from the state general fund.

Prior to any division or allocation of the sales tax, the cost of collection as determined by the department of revenue shall be deducted from total collections and credited to the general fund of the state.

The legislature shall by law appropriate from the school aid fund for such public school employees' retirement systems as shall from time to time be in effect under the laws of this state an amount which shall not be less than 5% nor more than  $7\frac{1}{2}\%$  of the salaries of school district employees participating in the respective retirement systems. Such percentages shall apply only to that portion of salary as may be provided by law. At no time shall the legislature levy a sales tax of more than 4%.

Resolved further, That the foregoing amendment shall be submitted to the people of the state at the next regular election in the manner provided by law.

# PUBLIC AND LOCAL ACTS

OF

# THE LEGISLATURE

OF THE

## State of Michigan

PASSED AT THE

REGULAR SESSION OF 1961

CONTAINING JOINT RESOLUTIONS, AMENDMENTS TO  
CONSTITUTION AND ABSTRACTS OF PROCEEDINGS  
RELATIVE TO CHANGE OF BOUNDARIES OF TOWNSHIPS  
AND INCORPORATION OF CITIES AND VILLAGES.



COMPILED BY

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LEGISLATIVE SERVICE BUREAU

SPEAKER-HINES AND THOMAS, INC., STATE PRINTERS, LANSING, MICH., 1961



## AMENDMENTS TO THE CONSTITUTION

### Proposal No. 1

AMENDMENT to the constitution relative to school bonds and state loans to school districts, proposed by joint resolution of the 1960 regular session and ratified by the people at the general election, November 8, 1960.

#### ARTICLE X.

Sec. 28. The state, in addition to any other borrowing power, may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

If the minimum amount which it would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as last equalized by the state, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall loan the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall loan to it an amount sufficient to enable the school district to make the payment.

The term "qualified bonds" means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued (1) prior to May 4, 1955, (2) on or after May 4, 1955 but prior to July 1, 1962, only if, and to the extent that, such bonds shall have been qualified as provided by law pursuant to section 27 of this article, and (3) on or after July 1, 1962, but prior to July 1, 1972, if such bonds shall be qualified as provided by law pursuant to this section.

After a school district has received loans from the state, each year thereafter it shall levy for debt service, exclusive of levies for nonqualified bonds, not less than 13 mills or such lower millage as the legislature may prescribe, until the amount loaned has been repaid, and any tax collections therefrom in any year over and above the minimum requirements for principal and interest on qualified bonds shall be used towards the repayment of state loans. In any year when such a levy would produce an amount in excess of the requirements and the amount due to the state, the levy may be reduced by the amount of the excess.

Subject to the foregoing provisions, the legislature shall have the power to prescribe and/or limit the procedure, terms and conditions for the qualification of bonds, for obtaining and making state loans, and for the repayment of loans.

The power to tax for the payment of principal and interest on bonds hereafter issued which are the general obligations of any school district, including refunding bonds, and for repayment of any state loans made pursuant to this section, shall be without limitation as to rate or amount.

All rights acquired under section 27 of this article by holders of bonds issued prior to July 1, 1962, shall remain unimpaired.

This section shall take effect on July 1, 1962.

### Proposal No. 2

AMENDMENT to the constitution relative to increasing the limitation on the maximum sales tax rate to 4%, proposed by joint resolution of the 1960 regular session and ratified by the people at the general election, November 8, 1960.