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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 482 (as reported without amendment)

Sponsor: Senator Jack Faxon

Committee: Education and Mental Health

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RATIONALE

Many families in Michigan own two homes: one that they occupy throughout the year and a vacation home or cottage that they occupy for a good part of the summer season. In either instance, these home owners pay property tax on both dwellings, and the revenue is used to fund the local public schools in each area where the dwellings are located. While these persons are able to use the services of the local schools in the district where their permanent residence is located, they are not able to take advantage of classes and services offered during the summer by the school district where the summer residence is located—even though they support that school district through their property taxes and may occupy the dwelling for most of the summer. Some people believe that summer home owners should not be denied the opportunity to take classes or use the services of the local school district where their summer home is situated.

CONTENT

The bill would amend the School Code to require the board of a school district to make available to a nonresident of the district, who pays property taxes to that district and who owns a dwelling located in the district, the same "summer classes and summer services" that the board provides to district residents. The nonresident owner would have to occupy the dwelling for at least 45 days during the summer.

"Summer classes and summer services" would include, but not be limited to, driver education, physical education, adult education, summer school classes, and evening classes that are provided to residents of the district.

Proposed MCL 380.1295

FISCAL IMPACT

The bill would have no fiscal impact on State government, and an indeterminate impact on local school districts.

The costs to local school districts would depend upon 1) the number of taxpayers who met the criterion of occupying a dwelling for 45 days during the summer, and 2) the number of such persons who would choose to take summer classes and use summer services.

If it were determined that the provisions of this bill constituted new activities or services that required State financing under Article IX, Section 29 of the State Constitution, any new cost burden would be to the State rather than to local school districts.

ARGUMENTS**Supporting Argument**

All property taxpayers in a school district should be eligible to attend school and receive services regardless of

residency. The bill would treat property taxpayers with equality, when it came to summer school classes and services.

Response: The bill raises questions about residency for persons who own summer homes in Michigan but are residents of other states and for Michigan residents who own a home in one area of the State and own a summer home in another location in the State. By law, a person is allowed only one legal residence at a time. It is not clear if the bill, in effect, would allow property owners from other states to establish a form of residency in Michigan and for Michigan residents to establish residency in another part of the State, since after dwelling for 45 days during the summer at the second home, these property owners could enjoy the same privileges to use school services and take summer classes just as permanent resident property owners are able to do.

Supporting Argument

Some people move to a summer home for several months and would find it beneficial if certain school services could be obtained in that locale. For example, an incident reportedly occurred in which a person who lived in and owned a residence in Lansing and also owned a cottage in another part of the State had wanted his child, while he was staying at the cottage, to attend water safety classes offered by the school district where the cottage was located. Because the child was not allowed to attend these classes, the family drove back and forth to Lansing on the weekends so the child could take the safety course. People should not be denied the opportunity to take classes in the district where they pay property taxes. Furthermore, if a person cannot obtain school services at a location near his or her summer home, it might be impossible to receive those services at all.

Response: If owners of summer homes and their families were eligible to receive school services, it is not clear whether these people would receive the same treatment as full-time residents. Theoretically, a class could be open to 25 students, but 30 students could apply. The bill would provide no guarantees that the summer residents would be treated the same as the permanent residents in gaining access to school services.

Opposing Argument

It is not clear if allowing summer resident students to attend school and pay tuition during the summer would affect school districts' policies on tuition students for the remainder of the school year. Most school districts have established policies for accepting tuition students from other school districts. Generally, these procedures involve: agreement between the district where the student is enrolled and the district where the student wishes to be enrolled; school board approval; and, the assessment of

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a tuition by the district accepting the student. In addition to policies for the enrollment of tuition students for the regular school year, school districts are allowed in certain cases to charge tuition for summer school. The State Board of Education in 1972 adopted a position statement concerning free textbooks and the charging of fees, which outlines circumstances in which school districts may charge for summer school. In addition, the Attorney General ruled in 1980 (Opinion No. 5656) that school districts may impose a charge for persons voluntarily attending summer school. Thus, nonresident property owners could be assessed tuition for their children to attend school during the summer at their vacation homes. In light of these policies and rulings on summer school and as a result of the bill, school districts could find that their policies for accepting tuition students for the regular school year and summer school were in conflict. In addition, it appears that the bill could establish a new policy for school districts to accept tuition students, which parents could use as a way to circumvent current school board policy on tuition students.

Opposing Argument

The bill would result in administrative complications for the home and summer school districts. School districts with a large population of summer residents would have difficulty in planning for summer classes and services because of the uncertainty and fluctuations in the size of their summer populace. In addition, both the summer and home school districts would have to deal with the transfer of credits, grade reports, etc. of students who took classes for credit during the summer and wanted that credit to transfer to records maintained by the home school district.

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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.