

Act No. 136
Public Acts of 1994
Approved by the Governor
May 24, 1994
Filed with the Secretary of State
May 24, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

**Introduced by Reps Gustafson Profit Gnodtke Hill Walberg Wetters Willard Rhead Middaugh
Whyman Horton Sikkema Gernaat Vorva McBryde, London McManus Cropsey Rocca Lowe
Oxender Brackenridge Jersevic Porreca Dalman Bodem Stille Byrum Hammerstrom Galloway
Nye Jamuan McNutt Middleton Baade Goschka LeTarte Bobier Randall Kukuk Llewellyn and
Shugars**

ENROLLED HOUSE BILL No. 5329

AN ACT to amend section 1211 of Act No 451 of the Public Acts of 1976 entitled as amended An act to provide a system of public instruction and elementary and secondary schools to revise consolidate and classify the laws relating to elementary and secondary education to provide for the classification organization regulation and maintenance of schools school districts and intermediate school districts to prescribe rights powers duties and privileges of schools school districts and intermediate school districts to provide for the regulation of school teachers and school administrators to provide for school elections and to prescribe powers and duties with respect thereto to provide for the levy and collection of taxes to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness to establish a fund and provide for expenditures from that fund to provide for and prescribe the powers and duties of certain state departments the state board of education and certain other boards and officials to provide for licensure of boarding schools to prescribe penalties and to repeal certain acts and parts of acts as amended by Act No 312 of the Public Acts of 1993 being section 380 1211 of the Michigan Compiled Laws

The People of the State of Michigan enact

Section 1 Section 1211 of Act No 451 of the Public Acts of 1976 as amended by Act No 312 of the Public Acts of 1993 being section 380 1211 of the Michigan Compiled Laws is amended to read as follows

Sec 1211 (1) Except as provided in subsection (2) and section 1211c in order to be eligible to receive funds under the state school aid act of 1979 the board of a school district shall levy not more than 18 mills for school operating purposes or the number of mills levied in 1993 for school operating purposes whichever is less Homestead property and qualified agricultural property are exempt from the mills levied under this subsection For the 1994 tax year an affidavit claiming the exemption on qualified agricultural property shall be filed with the local assessing unit by June 1 1994

(2) The board of a school district with a foundation allowance calculated under section 20(3) of the state school aid act for the 1994 95 state fiscal year of more than \$6 500 00 may levy with the approval of the school electors a supplemental property tax for school operating purposes to conduct the educational programs authorized by the board at a rate not to exceed the number of mills as certified under section 1211a required for the school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to equal the school district's foundation allowance The rate of the supplemental property tax levied after 1994 shall not exceed the number of mills necessary to ensure that the combined revenue from the school district's foundation allowance for the current state fiscal year and from the supplemental property tax for the calendar year ending in the current state fiscal year results

in a percentage increase from that combined revenue for the immediately preceding state fiscal year equal to the percentage increase in the basic foundation allowance from the immediately preceding state fiscal year or the number of mills of the supplemental property tax the school district is eligible to levy in 1994 whichever is less All or part of the millage levied under this subsection may be renewed with the approval of the school electors The mills under this subsection shall be levied only on homestead property and qualified agricultural property until the number of mills levied under this subsection equals 18 mills at which time the number of mills levied in excess of 18 under this subsection are levied uniformly on all property Additionally if the department of treasury determines that the percentage increase from 1 state fiscal year to the next in a school district's combined state and local revenue per membership pupil for a particular state fiscal year after 1994 95 exceeds the percentage increase in the general price level in the immediately preceding calendar year or that the dollar amount of the increase from 1 state fiscal year to the next in a school district's combined state and local revenue per membership pupil for a particular state fiscal year after 1994 95 exceeds the dollar amount of the increase in the foundation allowance under section 20 of the state school aid act of 1979 being section 388 1620 of the Michigan Compiled Laws from the immediately preceding state fiscal year the number of mills the school district may levy under this section shall be reduced to limit the percentage increase in the school district's combined state and local revenue per membership pupil to the lesser of the same percentage as the percentage increase in the general price level in the immediately preceding calendar year or the percentage that would yield the same dollar amount increase in the school district's combined state and local revenue per membership pupil from the immediately preceding state fiscal year as the dollar amount of the increase in the foundation allowance under section 20 of the state school aid act of 1979 from the immediately preceding state fiscal year

(3) For the purposes of this section millage approved by the school electors before January 1 1994 for which the authorization has not expired is considered to be approved by the school electors

(4) If a school district levies millage for school operating purposes that is in excess of the limits of this section the amount of the resulting excess tax revenue shall be deducted from the school district's next regular tax levy

(5) If a school district levies millage for school operating purposes that is less than the limits of this section the board of the school district may levy at the school district's next regular tax levy an additional number of mills not to exceed the additional millage needed to make up the shortfall

(6) A school district shall not levy mills allocated under the property tax limitation act Act No 62 of the Public Acts of 1933 being sections 211 201 to 211 217a of the Michigan Compiled Laws other than mills allocated to a school district of the first class for payment to a public library commission under section 11(4) of Act No 62 of the Public Acts of 1933 being section 211 211 of the Michigan Compiled Laws after 1993

(7) As used in this section

(a) Combined state and local revenue per membership pupil means that term as defined in section 20 of the state school aid act of 1979

(b) General price level means that term as defined in section 33 of article IX of the state constitution of 1963

(c) Homestead property means a dwelling or unit in a multiple unit dwelling subject to ad valorem property taxes that is owned and occupied as a principal residence by the owner of the dwelling or unit Homestead property also means all unoccupied parcels that are classified as residential and are adjacent or contiguous to a homestead and are owned by the owners of the homestead Homestead property also includes any portion of a principal single family dwelling or a single family unit in a multiple unit dwelling used as a residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in the principal residence Homestead property also includes a life care facility registered under the living care disclosure act Act No 440 of the Public Acts of 1976 being sections 554 801 to 554 844 of the Michigan Compiled Laws and property owned by a cooperative housing corporation occupied as a principal residence by tenant stockholders For purposes of this subsection owner includes but is not limited to a land contract grantee

(d) Qualified agricultural property means unoccupied property classified as agricultural or other unoccupied property and related buildings located on that property devoted primarily to an agricultural use as defined in section 2 of the farmland and open space preservation act Act No 116 of the Public Acts of 1974 being section 554 702 of the Michigan Compiled Laws Qualified agricultural property includes residences occupied by a person who is employed in or who is actively involved in the farming operation and who has not claimed a homestead exemption on other property Property used for commercial storage commercial processing commercial distribution commercial marketing or commercial shipping operations is not qualified agricultural property

(e) Membership means that term as defined in section 6 of the state school aid act of 1979 being section 388 1606 of the Michigan Compiled Laws

(f) School operating purposes includes expenditures for furniture and equipment for alterations necessary to maintain school facilities in a safe and sanitary condition for funding the cost of energy conservation improvements in school facilities for deficiencies in operating expenses for the preceding year and for paying the operating allowance

due from the school district to a joint high school district in which the school district is a participating school district under part 3a Taxes levied for school operating purposes do not include any of the following

(i) Taxes levied by a school district for operating a community college under part 25

(ii) Taxes levied under section 1212

(iii) Taxes levied under section 1356(4) for eliminating an operating deficit

(iv) Taxes levied for operation of a library under section 260 or 1451 or for operation of a library established pursuant to Act No 261 of the Public Acts of 1913 being sections 397 261 to 397 262 of the Michigan Compiled Laws that were not included in the operating millage reported by the district to the department as of April 1 1993 However a district may report to the department not later than April 1 1994 the number of mills it levied in 1993 for a purpose described in this subparagraph that the school district does not want considered as operating millage and then that number of mills is excluded under this section from taxes levied for school operating purposes

(v) Taxes paid by a school district of the first class to a public library commission pursuant to section 11(4) of the property tax limitation act Act No 62 of the Public Acts of 1933 being section 211 211 of the Michigan Compiled Laws

This act is ordered to take immediate effect

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor