



# HOUSE BILL No. 5329

February 9 1994, Introduced by Reps Gustafson Profit Gnodtke Hill Walberg, Wetters Willard Rhead Middaugh Whyman Horton Sikkema Gernaat Vorva McBryde London McManus Cropsey Freeman Rocca Lowe Oxender Brackenridge, Jersevic, Porreca Dalman Bodem Stille Byrum Hammerstrom Galloway Nye Jamian McNutt Middleton, Baade, Goschka, LeTarte, Bobier Randall, Kukuk, Llewellyn and Shugars and referred to the Committee on Taxation

A bill to amend section 1211 of Act No 451 of the Public Acts of 1976 entitled as amended

The school code of 1976,  
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

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

5 Sec 1211 (1) Except as provided in subsection (3) and  
6 section 1211c if the sales tax is levied at a rate of 6% under  
7 the general sales tax act, Act No 167 of the Public Acts of  
8 1933 being sections 205 51 to 205 78 of the Michigan Compiled  
9 Laws, beginning in 1994 and each year after 1994, in order to be

1 eligible to receive funds under the state school aid act of 1979,  
2 the board of a school district shall levy not more than 18 mills  
3 for school operating purposes or the number of mills levied in  
4 1993 for school operating purposes, whichever is less Homestead  
5 property AND ALL REAL PROPERTY CLASSIFIED AS AGRICULTURAL UNDER  
6 SECTION 34C OF THE GENERAL PROPERTY TAX ACT, ACT NO 206 OF THE  
7 PUBLIC ACTS OF 1893, BEING SECTION 211 34C OF THE MICHIGAN  
8 COMPILED LAWS is exempt from the mills levied under this  
9 subsection

10 (2) Except as provided in subsection (3) and sections 705b  
11 and 1211b if the sales tax is levied at a rate of 4% under Act  
12 No 167 of the Public Acts of 1933, the board of a school dis-  
13 trict with the approval of the school electors or as allocated  
14 to the school district pursuant to the property tax limitation  
15 act, Act No 62 of the Public Acts of 1933, being sections  
16 211 201 to 211 217a of the Michigan Compiled Laws, shall levy ad  
17 valorem property taxes for school operating purposes to conduct  
18 the educational programs authorized by the board at a rate not to  
19 exceed 12 mills

20 (3) Beginning in 1994 and each year after 1994 the board of  
21 a school district with a foundation allowance calculated under  
22 section 20(3) of the state school aid act for the 1994-95 state  
23 fiscal year of more than \$6,500 00, may levy, with the approval  
24 of the school electors, a supplemental property tax for school  
25 operating purposes to conduct the educational programs authorized  
26 by the board at a rate not to exceed the number of mills, as  
27 certified under section 1211a, required for the school district's

1 combined state and local revenue per membership pupil for the  
2 school fiscal year ending in 1995 to equal the school district's  
3 foundation allowance. The rate of the supplemental property tax  
4 levied after 1994 shall not exceed the number of mills necessary  
5 to ensure that the combined revenue from the school district's  
6 foundation allowance for the current state fiscal year and from  
7 the supplemental property tax for the calendar year ending in the  
8 current state fiscal year results in a percentage increase from  
9 that combined revenue for the immediately preceding state fiscal  
10 year equal to the percentage increase in the basic foundation  
11 allowance from the immediately preceding state fiscal year, or  
12 the number of mills of the supplemental property tax the school  
13 district is eligible to levy in 1994, whichever is less. All or  
14 part of the millage levied under this ~~section~~ SUBSECTION may be  
15 renewed with the approval of the school electors. However, if  
16 the sales tax is levied at a rate of 6% under the general sales  
17 tax act, Act No. 167 of the Public Acts of 1933, being  
18 sections 205 51 to 205 78 of the Michigan Compiled Laws, the  
19 mills under this ~~section~~ SUBSECTION shall be levied only on  
20 homestead property until the number of mills levied under this  
21 ~~section~~ SUBSECTION equals 18 mills at which time the number of  
22 mills levied in excess of 18 under this ~~section~~ SUBSECTION are  
23 levied uniformly on all property. Additionally, if the depart-  
24 ment of treasury determines that the percentage increase from 1  
25 state fiscal year to the next in a school district's combined  
26 state and local revenue per membership pupil for a particular  
27 state fiscal year after 1994-95 exceeds the percentage increase

1 in the general price level in the immediately preceding calendar  
2 year or that the dollar amount of the increase from 1 state  
3 fiscal year to the next in a school district s combined state and  
4 local revenue per membership pupil for a particular state fiscal  
5 year after 1994-95 exceeds the dollar amount of the increase in  
6 the foundation allowance under section 20 of the state school aid  
7 act of 1979, being section 388 1620 of the Michigan Compiled  
8 Laws, from the immediately preceding state fiscal year, the  
9 number of mills the school district may levy under this section  
10 shall be reduced to limit the percentage increase in the school  
11 district s combined state and local revenue per membership pupil  
12 to the lesser of the same percentage as the percentage increase  
13 in the general price level in the immediately preceding calendar  
14 year or the percentage that would yield the same dollar amount  
15 increase in the school district s combined state and local reve-  
16 nue per membership pupil from the immediately preceding state  
17 fiscal year as the dollar amount of the increase in the founda-  
18 tion allowance under section 20 of the state school aid act of  
19 1979 from the immediately preceding state fiscal year

20 (4) For the purposes of this section, millage approved by  
21 the school electors before January 1, 1994 for which the authori-  
22 zation has not expired is considered to be approved by the school  
23 electors

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

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

6 (7) If the sales tax is levied at a rate of 6% under Act  
 7 No 167 of the Public Acts of 1933, a school district shall not  
 8 levy mills allocated under the property tax limitation act, Act  
 9 No 62 of the Public Acts of 1933, being sections 211 201 to  
 10 211 217a of the Michigan Compiled Laws, other than mills allo-  
 11 cated to a school district of the first class for payment to a  
 12 public library commission under section 11(4) of Act No 62 of  
 13 the Public Acts of 1933, being section 211 211 of the Michigan  
 14 Compiled Laws, after 1993

15 (8) As used in this section

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

19 (b) 'General price level means that term as defined in sec-  
 20 tion 33 of article IX of the state constitution of 1963

21 (c) 'Homestead property means a dwelling or unit in a  
 22 multiple-unit dwelling subject to ad valorem property taxes that  
 23 is owned and occupied as a principal residence by the owner of  
 24 the dwelling or unit ~~If the principal residence is located on~~  
 25 ~~property classified as agricultural or is adjacent to property~~  
 26 ~~classified as agricultural owned by the owner of the principal~~  
 27 ~~residence, homestead property includes all unoccupied property~~

1 ~~classified as agricultural owned by the owner of the principal~~  
 2 ~~residence that is not leased or rented by the owner to another~~  
 3 ~~person~~ Homestead includes a life care facility registered under  
 4 the living care disclosure act, Act No 440 of the Public Acts of  
 5 1976, being sections 554 801 to 554 844 of the Michigan Compiled  
 6 Laws and property owned by a cooperative housing corporation  
 7 occupied as a principal residence by tenant stockholders For  
 8 purposes of this subsection, owner includes but is not limited to  
 9 a land contract grantee

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

13 (e) School operating purposes" includes expenditures for  
 14 furniture and equipment, for alterations necessary to maintain  
 15 school facilities in a safe and sanitary condition, for funding  
 16 the cost of energy conservation improvements in school facili-  
 17 ties for deficiencies in operating expenses for the preceding  
 18 year and for paying the operating allowance due from the school  
 19 district to a joint high school district in which the school dis-  
 20 trict is a participating school district under part 3a Taxes  
 21 levied for school operating purposes do not include any of the  
 22 following

23 (i) Taxes levied by a school district for operating a commu-  
 24 nity college under part 25

25 (ii) Taxes levied under section 1212

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

1        (iv) Taxes levied for operation of a library under section  
2 260 or 1451 or for operation of a library established pursuant to  
3 Act No 261 of the Public Acts of 1913 being sections 397 261 to  
4 397 262 of the Michigan Compiled Laws that were not included in  
5 the operating millage reported by the district to the department  
6 as of April 1, 1993 However, a district may report to the  
7 department not later than April 1 1994 the number of mills it  
8 levied in 1993 for a purpose described in this subparagraph that  
9 the school district does not want considered as operating millage  
10 and then that number of mills is excluded under this section from  
11 taxes levied for school operating purposes

12        (v) Taxes paid by a school district of the first class to a  
13 public library commission pursuant to section 11(4) of the prop-  
14 erty tax limitation act, Act No 62 of the Public Acts of 1933,  
15 being section 211 211 of the Michigan Compiled Laws