



HOUSE BILL No. 5395

March 8 1994 Introduced by Reps Dalman Hillegonds and Stille and referred to the Committee on Education

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 and to add section 1512

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 and section 1512 is added 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

1 Laws, beginning in 1994 and each year after 1994, in order to be
2 eligible to receive funds under the state school aid act of 1979
3 the board of a school district shall levy not more than 18 mills
4 for school operating purposes or the number of mills levied in
5 1993 for school operating purposes, whichever is less Homestead
6 property is exempt from the mills levied under this subsection

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

17 (3) Beginning in 1994 and each year after 1994, the board of
18 a school district with a foundation allowance calculated under
19 section 20(3) of the state school aid act, BEING SECTION 388 1620
20 OF THE MICHIGAN COMPILED LAWS, for the 1994-95 state fiscal year
21 of more than \$6,500 00, may levy, with the approval of the school
22 electors, a supplemental property tax for school operating pur-
23 poses to conduct the educational programs authorized by the board
24 at a rate not to exceed the number of mills, as certified under
25 section 1211a, required for the school district s combined state
26 and local revenue per membership pupil for the school fiscal year
27 ending in 1995 to equal the school district s foundation

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

1 fiscal year to the next in a school district's combined state and
2 local revenue per membership pupil for a particular state fiscal
3 year after 1994-95 exceeds the dollar amount of the increase in
4 the BASIC foundation allowance under section 20 of the state
5 school aid act of 1979 being section 388.1620 of the Michigan
6 Compiled Laws, from the immediately preceding state fiscal year,
7 the number of mills the school district may levy under this
8 ~~section~~ SUBSECTION shall be reduced to limit the percentage
9 increase in the school district's combined state and local reve-
10 nue per membership pupil to the lesser of the same percentage as
11 the percentage increase in the general price level in the immedi-
12 ately preceding calendar year or the percentage that would yield
13 the same dollar amount increase in the school district's combined
14 state and local revenue per membership pupil from the immediately
15 preceding state fiscal year as the dollar amount of the increase
16 in the BASIC foundation allowance under section 20 of the state
17 school aid act of 1979 from the immediately preceding state
18 fiscal year

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

23 (5) If a school district levies millage for school operating
24 purposes that is in excess of the limits of this section, the
25 amount of the resulting excess tax revenue shall be deducted from
26 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 (1) Taxes levied by a school district for operating a commu-
 24 nity college under part 25

25 (11) Taxes levied under section 1212

26 (111) 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

16 (vi) TAXES LEVIED IN 1993 FOR OPERATION OF A COMMUNITY SWIM-
17 MING POOL OR TAXES LEVIED UNDER SECTION 1512 FOR OPERATION OF A
18 COMMUNITY SWIMMING POOL IF A SCHOOL DISTRICT INCLUDED THE MILL-
19 AGE IT LEVIED IN 1993 FOR TAXES DESCRIBED IN THIS SUBPARAGRAPH AS
20 PART OF ITS OPERATING MILLAGE REPORTED TO THE DEPARTMENT FOR
21 1993 THE SCHOOL DISTRICT MAY REPORT TO THE DEPARTMENT NOT LATER
22 THAN APRIL 15, 1994 THE NUMBER OF MILLS IT LEVIED IN 1993 FOR
23 TAXES DESCRIBED IN THIS SUBPARAGRAPH THAT THE SCHOOL DISTRICT
24 DOES NOT WANT CONSIDERED AS OPERATING MILLAGE AND THEN THAT
25 NUMBER OF MILLS IS EXCLUDED UNDER THIS SECTION FROM TAXES LEVIED
26 FOR SCHOOL OPERATING PURPOSES

1 SEC 1512 (1) A SCHOOL DISTRICT MAY OPERATE A COMMUNITY
2 SWIMMING POOL

3 (2) WITH THE APPROVAL OF THE SCHOOL ELECTORS THE BOARD OF A
4 SCHOOL DISTRICT THAT OPERATES A COMMUNITY SWIMMING POOL MAY LEVY
5 A TAX FOR THE MAINTENANCE AND OPERATION OF THE COMMUNITY SWIMMING
6 POOL

7 (3) A TAX AUTHORIZED UNDER THIS SECTION SHALL BE LEVIED AND
8 COLLECTED IN THE SAME MANNER AS OTHER SCHOOL DISTRICT TAXES ARE
9 LEVIED AND COLLECTED