



SENATE BILL No. 886

October 13, 1993, Introduced by Senator GAST and referred to the Committee on School Finance Reform.

A bill to create the education finance authority and board; to prescribe the powers and duties of the authority and the board; to provide for the levy of a tax and the distribution of the tax; to provide for the creation of a fund and the distribution of the fund; and to prescribe the duties of certain state officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "education finance authority act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means the education finance authority cre-
5 ated in section 3.

6 (b) "Board" means the education finance authority board
7 created in section 4.

1 (c) "Fund" means the education finance authority fund
2 created in section 7.

3 (d) "General property tax act" means the general property
4 tax act, Act No. 206 of the Public Acts of 1893, being sections
5 211.1 to 211.157 of the Michigan Compiled Laws.

6 (e) "Tax" means the education finance authority tax autho-
7 rized under section 5.

8 Sec. 3. (1) The education finance authority is created.

9 (2) The education finance authority is a public corporate
10 body and is an authority under section 6 of article IX of the
11 state constitution of 1963.

12 (3) The authority has all the powers necessary to carry out
13 the purposes of this act, including, but not limited to, the
14 following:

15 (a) To levy the tax described in section 5.

16 (b) To distribute the proceeds of the tax.

17 Sec. 4. (1) The governing body of the authority shall be
18 the education finance authority board.

19 (2) The board shall consist of the state treasurer, the
20 auditor general, and the superintendent of public instruction.

21 (3) The board has all the powers necessary to carry out the
22 purposes of this act, including, but not limited to, the
23 following:

24 (a) To assure the collection of the tax.

25 (b) To facilitate the receipt by the authority, and distri-
26 bution of the proceeds, of the tax.

1 Sec. 5. (1) Beginning in 1994, the authority shall levy an
2 education finance authority tax on all property not exempt under
3 section 6 and under the general property tax act.

4 (2) The tax is an ad valorem property tax levied at a rate
5 of 16 mills.

6 (3) The tax shall be collected in the same manner as taxes
7 levied by the local tax collecting unit under the general prop-
8 erty tax act. A city that has a summer property tax levy under
9 the general property tax act shall collect 1/2 of the tax under
10 this act on the summer and 1/2 of the tax on the December levy.
11 A township or a city that does not have a summer property tax
12 levy shall collect all of the tax under this act on the December
13 levy.

14 (4) The collections from the tax shall be transmitted to the
15 state treasurer for deposit in the fund at the same times and in
16 the same manner as the collections from the local tax collecting
17 unit are transmitted to the local taxing units under the general
18 property tax act.

19 (5) The state treasurer shall deposit upon receipt the col-
20 lections from the tax into the state treasury to the credit of
21 the fund.

22 Sec. 6. (1) Property classified as residential or agricul-
23 tural under section 34c of the general property tax act, Act
24 No. 206 of the Public Acts of 1893, being section 211.34c of the
25 Michigan Compiled Laws, that is used as a homestead by the owner
26 of the property is exempt from taxation under this act if the

1 owner of the property claims an exemption as provided in this
2 section.

3 (2) The owner of property may claim an exemption under this
4 section by filing with the local tax collecting unit in which the
5 property is located before March 1 an affidavit provided and pre-
6 scribed by the authority stating that property is owned and occu-
7 pied as a homestead by the owner of the property.

8 (3) Upon receipt of the affidavit, the local tax collecting
9 unit shall exempt the property from collection of the tax under
10 this act.

11 Sec. 7. (1) The education finance authority fund is created
12 in the state treasury.

13 (2) Collections from the tax levied under this act shall be
14 deposited in the fund.

15 (3) Distributions from the fund shall be made only into the
16 state school aid fund established in section 11 of article IX of
17 the state constitution of 1963.