



# SENATE BILL No. 1029

February 22, 1994, Introduced by Senator BOUCHARD 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

## 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 is exempt from the mills levied under this subsection

6 (2) Except as provided in subsection (3) and sections 705b  
7 and 1211b, if the sales tax is levied at a rate of 4 $\frac{1}{2}$  under Act  
8 No 167 of the Public Acts of 1933, the board of a school dis-  
9 trict, with the approval of the school electors or as allocated  
10 to the school district pursuant to the property tax limitation  
11 act, Act No 62 of the Public Acts of 1933, being sections  
12 211 201 to 211 217a of the Michigan Compiled Laws, shall levy ad  
13 valorem property taxes for school operating purposes to conduct  
14 the educational programs authorized by the board at a rate not to  
15 exceed 12 mills

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

1 after 1994 shall not exceed the number of mills necessary to  
2 ensure that the combined revenue from the school district's foun-  
3 dation allowance for the current state fiscal year and from the  
4 supplemental property tax for the calendar year ending in the  
5 current state fiscal year results in a percentage increase from  
6 that combined revenue for the immediately preceding state fiscal  
7 year equal to the percentage increase in the basic foundation  
8 allowance from the immediately preceding state fiscal year, or  
9 the number of mills of the supplemental property tax the school  
10 district is eligible to levy in 1994, whichever is less All or  
11 part of the millage levied under this ~~section~~ SUBSECTION may be  
12 renewed with the approval of the school electors However, if  
13 the sales tax is levied at a rate of 6 $\frac{1}{2}$  under the general sales  
14 tax act, Act No 167 of the Public Acts of 1933, being  
15 sections 205 51 to 205 78 of the Michigan Compiled Laws the  
16 mills LEVIED BY A SCHOOL DISTRICT under this ~~section~~ SUBSECTION  
17 shall be levied only on homestead property until the number of  
18 mills levied under this ~~section~~ SUBSECTION equals 18 mills at  
19 which time the number of mills levied in excess of 18 under this  
20 ~~section~~ SUBSECTION are levied uniformly on all property EXCEPT  
21 THAT, FOR A SCHOOL DISTRICT IN WHICH THE STATE EQUALIZED VALUA-  
22 TION OF THE HOMESTEAD PROPERTY IN THE SCHOOL DISTRICT IS LESS  
23 THAN 30 $\frac{1}{2}$  OF THE TOTAL STATE EQUALIZED VALUATION OF ALL OF THE  
24 PROPERTY IN THE SCHOOL DISTRICT, IF THE SUM OF THE NUMBER OF  
25 MILLS LEVIED ON HOMESTEAD PROPERTY BY THE SCHOOL DISTRICT FOR  
26 SCHOOL OPERATING PURPOSES PLUS THE NUMBER OF MILLS LEVIED ON  
27 HOMESTEAD PROPERTY UNDER THE STATE EDUCATION TAX ACT, ACT NO 331

1 OF THE PUBLIC ACTS OF 1993, BEING SECTIONS 211 901 TO 211 906 OF  
2 THE MICHIGAN COMPILED LAWS, IS GREATER UNDER THE REQUIREMENTS OF  
3 THIS SENTENCE THAN THE NUMBER OF MILLS LEVIED BY THE SCHOOL DIS-  
4 TRICT FOR SCHOOL OPERATING PURPOSES IN 1993 THAT SCHOOL DISTRICT  
5 IS EXEMPT FROM THE REQUIREMENTS OF THIS SENTENCE IF THE BOARD OF  
6 THAT SCHOOL DISTRICT PASSES A RESOLUTION EXEMPTING THAT SCHOOL  
7 DISTRICT FROM THE REQUIREMENTS OF THIS SENTENCE Additionally, if  
8 the department of treasury determines that the percentage  
9 increase from 1 state fiscal year to the next in a school  
10 district's combined state and local revenue per membership pupil  
11 for a particular state fiscal year after 1994-95 exceeds the per-  
12 centage increase in the general price level in the immediately  
13 preceding calendar year or that the dollar amount of the increase  
14 from 1 state fiscal year to the next in a school district's com-  
15 bined state and local revenue per membership pupil for a particu-  
16 lar state fiscal year after 1994-95 exceeds the dollar amount of  
17 the increase in the BASIC foundation allowance under section 20  
18 of the state school aid act of 1979, being section 388 1620 of  
19 the Michigan Compiled Laws, from the immediately preceding state  
20 fiscal year the number of mills the school district may levy  
21 under this ~~section~~ SUBSECTION shall be reduced to limit the  
22 percentage increase in the school district's combined state and  
23 local revenue per membership pupil to the lesser of the same per-  
24 centage as the percentage increase in the general price level in  
25 the immediately preceding calendar year or the percentage that  
26 would yield the same dollar amount increase in the school  
27 district's combined state and local revenue per membership pupil

1 from the immediately preceding state fiscal year as the dollar  
2 amount of the increase in the BASIC foundation allowance under  
3 section 20 of the state school aid act of 1979 from the immedi-  
4 ately preceding state fiscal year

5 (4) For the purposes of this section millage approved by  
6 the school electors before January 1, 1994 for which the authori-  
7 zation has not expired is considered to be approved by the school  
8 electors

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

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

18 (7) If the sales tax is levied at a rate of 6 $\frac{1}{2}$  under Act  
19 No 167 of the Public Acts of 1933 a school district shall not  
20 levy mills allocated under the property tax limitation act, Act  
21 No 62 of the Public Acts of 1933 being sections 211 201 to  
22 211 217a of the Michigan Compiled Laws other than mills allo-  
23 cated to a school district of the first class for payment to a  
24 public library commission under section 11(4) of Act No 62 of  
25 the Public Acts of 1933, being section 211 211 of the Michigan  
26 Compiled Laws, after 1993

1 (8) As used in this section

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

5 (b) "General price level" means that term as defined in sec-  
6 tion 33 of article IX of the state constitution of 1963

7 (c) "Homestead property" means a dwelling or unit in a  
8 multiple-unit dwelling subject to ad valorem property taxes that  
9 is owned and occupied as a principal residence by the owner of  
10 the dwelling or unit If the principal residence is located on  
11 property classified as agricultural or is adjacent to property  
12 classified as agricultural owned by the owner of the principal  
13 residence, homestead property includes all unoccupied property  
14 classified as agricultural owned by the owner of the principal  
15 residence that is not leased or rented by the owner to another  
16 person Homestead includes a life care facility registered under  
17 the living care disclosure act, Act No 440 of the Public Acts of  
18 1976, being sections 554 801 to 554 844 of the Michigan Compiled  
19 Laws, and property owned by a cooperative housing corporation  
20 occupied as a principal residence by tenant stockholders For  
21 purposes of this subsection, owner includes but is not limited to  
22 a land contract grantee

23 (d) "Membership" means that term as defined in section 6 of  
24 the state school aid act of 1979, being section 388 1606 of the  
25 Michigan Compiled Laws

26 (e) "School operating purposes" includes expenditures for  
27 furniture and equipment, for alterations necessary to maintain

1 school facilities in a safe and sanitary condition, for funding  
2 the cost of energy conservation improvements in school facili-  
3 ties, for deficiencies in operating expenses for the preceding  
4 year, and for paying the operating allowance due from the school  
5 district to a joint high school district in which the school dis-  
6 trict is a participating school district under part 3a Taxes  
7 levied for school operating purposes do not include any of the  
8 following

9 (1) Taxes levied by a school district for operating a commu-  
10 nity college under part 25

11 (11) Taxes levied under section 1212

12 (111) Taxes levied under section 1356(4) for eliminating an  
13 operating deficit

14 (iv) Taxes levied for operation of a library under section  
15 260 or 1451 or for operation of a library established pursuant to  
16 Act No 261 of the Public Acts of 1913 being sections 397 261 to  
17 397 262 of the Michigan Compiled Laws, that were not included in  
18 the operating millage reported by the district to the department  
19 as of April 1 1993 However a district may report to the  
20 department not later than April 1, 1994 the number of mills it  
21 levied in 1993 for a purpose described in this subparagraph that  
22 the school district does not want considered as operating millage  
23 and then that number of mills is excluded under this section from  
24 taxes levied for school operating purposes

25 (v) Taxes paid by a school district of the first class to a  
26 public library commission pursuant to section 11(4) of the

1 property tax limitation act, Act No 62 of the Public Acts of  
2 1933, being section 211 211 of the Michigan Compiled Laws