



SENATE BILL No. 1123

April 27, 1994, Introduced by Senator EMMONS and referred
to the Committee on Finance

A bill to amend sections 2, 3, and 5 of Act No 331 of the
Public Acts of 1993, entitled

"State education tax act,"

being sections 211 902, 211 903, and 211 905 of the Michigan
Compiled Laws and to repeal certain parts of the act

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 2, 3, and 5 of Act No 331 of the
2 Public Acts of 1993, being sections 211 902, 211 903, and 211 905
3 of the Michigan Compiled Laws, are amended to read as follows

4 Sec 2 As used in this act

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

7 ~~(b) "Board" means the education finance authority board~~
8 ~~created in section 4-~~

1 (A) ~~-(e)-~~ "General property tax act" means the general
2 property tax act, Act No 206 of the Public Acts of 1893, being
3 sections 211 1 to 211 157 of the Michigan Compiled Laws

4 ~~-(d)- "Homestead" means a dwelling or unit in a multiple unit~~
5 ~~dwelling subject to ad valorem property taxes that is owned and~~
6 ~~occupied as a principal residence by the owner of the dwelling or~~
7 ~~unit— Homestead includes all unoccupied property classified as~~
8 ~~agricultural adjacent and contiguous to the home of the owner~~
9 ~~that is not leased or rented by the owner to another person if~~
10 ~~the gross receipts of the agricultural or horticultural opera-~~
11 ~~tions, if any, exceed the household income of the owner— If the~~
12 ~~gross receipts of the agricultural or horticultural operations do~~
13 ~~not exceed the household income of the owner, the homestead~~
14 ~~includes only 5 acres adjacent and contiguous to the home of the~~
15 ~~owner— Homestead includes a life care facility registered under~~
16 ~~the living care disclosure act, Act No 440 of the Public Acts of~~
17 ~~1976 being sections 554 801 to 554 844 of the Michigan Compiled~~
18 ~~Laws— Homestead also includes property owned by a cooperative~~
19 ~~housing corporation and occupied as a principal residence by~~
20 ~~tenant stockholders— For purposes of this subsection, owner~~
21 ~~includes but is not limited to a land contract grantee—~~

22 ~~-(e)- "Sales tax act" means the general sales tax act, Act~~
23 ~~No 167 of the Public Acts of 1933, being sections 205 51 to~~
24 ~~205 78 of the Michigan Compiled Laws—~~

25 (B) ~~-(f)-~~ "Tax" means the state education tax authorized
26 under section 3 ~~—or 4—~~

1 Sec 3 Beginning in 1994, ~~if the sales tax is levied at a~~
 2 ~~rate of 6% under the sales tax act,~~ there is levied a state
 3 education tax on all property not exempt by law from ad valorem
 4 property taxes or not subject to a tax under Act No 282 of the
 5 Public Acts of 1905, being sections 207 1 to 207 21 of the
 6 Michigan Compiled Laws, at a rate of 6 mills

7 Sec 5 (1) The tax under ~~section 3 or 4~~ THIS ACT shall
 8 be collected and distributed by the local tax collecting unit TO
 9 THE LOCAL SCHOOL DISTRICT OR THE STATE TREASURER under the provi-
 10 sions of the general property tax act at the same time as other
 11 taxes levied by the local school district for school operating
 12 purposes HOWEVER, IN EACH YEAR AFTER 1993 IF A LOCAL SCHOOL
 13 DISTRICT IS NOT GOING TO LEVY A TAX IN THAT SUMMER BUT LEVIED A
 14 TAX IN THE SUMMER OF 1993, AND THE LOCAL TAX COLLECTING UNIT IN
 15 WHICH THE LOCAL SCHOOL DISTRICT IS LOCATED IS COLLECTING A TAX
 16 FOR ANY TAXING UNIT IN THAT SUMMER, THE LOCAL TAX COLLECTING UNIT
 17 SHALL COLLECT 1/2 OF THE TAX UNDER THIS ACT IN THAT SUMMER

18 (2) ~~The authority upon receipt shall transmit the collec-~~
 19 ~~tions from the tax under section 4 to the state treasurer~~ THE
 20 STATE TREASURER SHALL CERTIFY THE LEVY OF THE TAX UNDER THIS ACT
 21 PURSUANT TO THE GENERAL PROPERTY TAX ACT

22 (3) The state treasurer upon receipt shall deposit the col-
 23 lections from the tax ~~under section 3 or 4~~ into the state trea-
 24 sury to the credit of the state school aid fund

25 Section 2 Section 4 of Act No 331 of the Public Acts of
 26 1993, being section 211 904 of the Michigan Compiled Laws, is
 27 repealed