

HOUSE BILL No. 6086

May 16, 2002, Introduced by Reps. Godchaux, Scranton, Pappageorge and Kolb and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1211 (MCL 380.1211), as amended by 1994 PA
258.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1211. (1) Except as otherwise provided in this
2 section, ~~and section 1211c,~~ the board of a school district
3 shall levy not more than 18 mills for school operating purposes
4 or the number of mills levied in 1993 for school operating pur-
5 poses, whichever is less. A homestead and qualified agricultural
6 property are exempt from the mills levied under this subsection
7 except for the number of mills by which that exemption is reduced
8 under this subsection. The board of a school district with a
9 foundation allowance calculated under section 20 of the state
10 school aid act of 1979, ~~being section 388.1620 of the Michigan~~

~~Compiled Laws~~ MCL 388.1620, for the 1994-95 state fiscal year of more than \$6,500.00, may reduce the number of mills from which a homestead and qualified agricultural property are exempted under this subsection by up to the number of mills, as certified under section 1211a, required to be levied on a homestead and qualified agricultural property for the school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for the state fiscal year ending in 1995, and the board also may levy in 1994 or a succeeding year that number of mills for school operating purposes on a homestead and qualified agricultural property. IN ADDITION, BEGINNING IN 2002, FOR A SCHOOL DISTRICT THAT HAD A FOUNDATION ALLOWANCE UNDER SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1620, FOR THE 1994-95 STATE FISCAL YEAR OF MORE THAN \$6,500.00, THE BOARD OF THE SCHOOL DISTRICT MAY REDUCE THE NUMBER OF MILLS FROM WHICH A HOMESTEAD AND QUALIFIED AGRICULTURAL PROPERTY ARE EXEMPTED UNDER THIS SUBSECTION BY UP TO THE NUMBER OF MILLS, AS CERTIFIED BY THE DEPARTMENT OF TREASURY, REQUIRED TO BE LEVIED ON A HOMESTEAD OR QUALIFIED AGRICULTURAL PROPERTY FOR THE SCHOOL DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR EACH SCHOOL FISCAL YEAR TO EQUAL THE GREATER OF THE FOLLOWING:

(A) THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR PLUS THE DOLLAR INCREASE IN THE BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AS COMPARED TO THE PRECEDING STATE FISCAL YEAR.

(B) AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE IMMEDIATELY PRECEDING FISCAL YEAR OR THE DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR THE IMMEDIATELY PRECEDING FISCAL YEAR, WHICHEVER IS GREATER, MULTIPLIED BY THE SUM OF 1 PLUS THE PERCENTAGE INCREASE IN THE STATE MAXIMUM FOUNDATION ALLOWANCE.

(2) Subject to subsection (3), if the department of treasury determines that the maximum number of mills allowed to be levied under subsection (1) on all classes of property is not sufficient for a school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for that school fiscal year, the board of the school district may levy in 1994 or a succeeding year additional mills uniformly on all property up to the number of mills required for the school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for the state fiscal year ending in 1995. IN ADDITION, BEGINNING IN 2002, FOR A SCHOOL DISTRICT THAT HAD A FOUNDATION ALLOWANCE UNDER SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1620, FOR THE 1994-95 STATE FISCAL YEAR OF MORE THAN \$6,500.00, THE BOARD OF THE SCHOOL DISTRICT MAY LEVY FOR THAT YEAR ADDITIONAL MILLS UNIFORMLY ON ALL PROPERTY UP TO THE NUMBER OF MILLS, AS CERTIFIED BY THE DEPARTMENT OF TREASURY, REQUIRED FOR THE SCHOOL DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR EACH SCHOOL FISCAL YEAR TO EQUAL THE GREATER OF THE FOLLOWING:

1 (A) THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE
2 IMMEDIATELY PRECEDING FISCAL YEAR PLUS THE DOLLAR INCREASE IN THE
3 BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AS
4 COMPARED TO THE PRECEDING STATE FISCAL YEAR.

5 (B) AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE
6 FOR THE IMMEDIATELY PRECEDING FISCAL YEAR OR THE DISTRICT'S COM-
7 BINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR THE IMME-
8 DIATELY PRECEDING FISCAL YEAR, WHICHEVER IS GREATER, MULTIPLIED
9 BY THE SUM OF 1 PLUS THE PERCENTAGE INCREASE IN THE STATE MAXIMUM
10 FOUNDATION ALLOWANCE.

11 (3) After 1994, EXCEPT AS OTHERWISE PROVIDED IN THIS
12 SUBSECTION, the number of mills a school district may levy under
13 this section on any class of property shall not exceed the lesser
14 of the number of mills the school district is certified by the
15 department of treasury under section 1211a to levy on that class
16 of property under this section in 1994 or the number of mills
17 required to be levied on that class of property under this sec-
18 tion to ensure that the increase from the immediately preceding
19 state fiscal year in the school district's combined state and
20 local revenue per membership pupil, calculated as if the school
21 district had levied the maximum number of mills the school dis-
22 trict was allowed to levy under this section regardless of the
23 number of mills the school district actually levied, does not
24 exceed the lesser of the dollar amount of the increase in the
25 basic foundation allowance ~~under section 20 of the state school~~
26 ~~aid act of 1979~~ from the immediately preceding state fiscal year
27 or the percentage increase in the general price level in the

1 immediately preceding calendar year. HOWEVER, BEGINNING IN 2002,
2 FOR A SCHOOL DISTRICT THAT HAD A FOUNDATION ALLOWANCE UNDER
3 SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1620, FOR
4 THE 1994-95 STATE FISCAL YEAR OF MORE THAN \$6,500.00, THE NUMBER
5 OF MILLS THE SCHOOL DISTRICT MAY LEVY UNDER THIS SECTION ON ANY
6 CLASS OF PROPERTY SHALL NOT EXCEED THE GREATER OF THE NUMBER OF
7 MILLS THE SCHOOL DISTRICT IS CERTIFIED BY THE DEPARTMENT OF TREA-
8 SURY UNDER SECTION 1211A TO LEVY ON THAT CLASS OF PROPERTY UNDER
9 THIS SECTION IN 1994 OR THE NUMBER OF MILLS REQUIRED TO BE LEVIED
10 ON THAT CLASS OF PROPERTY UNDER THIS SECTION TO ENSURE THAT THE
11 SCHOOL DISTRICT'S COMBINED STATE AND LOCAL REVENUE PER MEMBERSHIP
12 PUPIL FOR EACH SCHOOL FISCAL YEAR IS EQUAL TO THE GREATER OF THE
13 FOLLOWING:

14 (A) THE SUM OF THE DISTRICT'S FOUNDATION ALLOWANCE FOR THE
15 IMMEDIATELY PRECEDING FISCAL YEAR PLUS THE DOLLAR INCREASE IN THE
16 BASIC FOUNDATION ALLOWANCE FOR THE CURRENT STATE FISCAL YEAR AS
17 COMPARED TO THE PRECEDING STATE FISCAL YEAR.

18 (B) AN AMOUNT EQUAL TO THE DISTRICT'S FOUNDATION ALLOWANCE
19 FOR THE IMMEDIATELY PRECEDING FISCAL YEAR OR THE DISTRICT'S COM-
20 BINED STATE AND LOCAL REVENUE PER MEMBERSHIP PUPIL FOR THE IMME-
21 DIATELY PRECEDING FISCAL YEAR, WHICHEVER IS GREATER, MULTIPLIED
22 BY THE SUM OF 1 PLUS THE PERCENTAGE INCREASE IN THE STATE MAXIMUM
23 FOUNDATION ALLOWANCE.

24 (4) If the number of mills a school district is allowed to
25 levy under this section in a year after 1994 is less than the
26 number of mills the school district was allowed to levy under
27 this section in the immediately preceding year, any reduction

1 required by ~~this~~ subsection (3) in the school district's
2 millage rate shall be calculated by first reducing the number of
3 mills the school district is allowed to levy under subsection (2)
4 and then increasing the number of mills from which a homestead
5 and qualified agricultural property are exempted under subsection
6 (1).

7 (5) ~~(4)~~ Millage levied under this section must be approved
8 by the school electors. For the purposes of this section, mill-
9 age approved by the school electors before January 1, 1994 for
10 which the authorization has not expired is considered to be
11 approved by the school electors.

12 (6) ~~(5)~~ If a school district levies millage for school
13 operating purposes that is in excess of the limits of this sec-
14 tion, the amount of the resulting excess tax revenue shall be
15 deducted from the school district's next regular tax levy.

16 (7) ~~(6)~~ If a school district levies millage for school
17 operating purposes that is less than the limits of this section,
18 the board of the school district may levy at the school
19 district's next regular tax levy an additional number of mills
20 not to exceed the additional millage needed to make up the
21 shortfall.

22 (8) ~~(7)~~ A school district shall not levy mills allocated
23 under the property tax limitation act, ~~Act No. 62 of the Public~~
24 ~~Acts of 1933, being sections 211.201 to 211.217a of the Michigan~~
25 ~~Compiled Laws~~ 1933 PA 62, MCL 211.201 TO 211.217A, other than
26 mills allocated to a school district of the first class for
27 payment to a public library commission under section 11(4) of

1 ~~Act No. 62 of the Public Acts of 1933, being section 211.211 of~~
2 ~~the Michigan Compiled Laws~~ THE PROPERTY TAX LIMITATION ACT, 1933
3 PA 62, MCL 211.211, after 1993.

4 (9) ~~-(8)-~~ As used in this section:

5 (A) "BASIC FOUNDATION ALLOWANCE" MEANS THE BASIC FOUNDATION
6 ALLOWANCE AS SPECIFIED IN SECTION 20 OF THE STATE SCHOOL AID ACT
7 OF 1979, MCL 388.1620.

8 (B) ~~-(a)-~~ "Combined state and local revenue per membership
9 pupil" means that term as defined in section 20 of the state
10 school aid act of 1979, MCL 388.1620.

11 (C) ~~-(b)-~~ "Foundation allowance" means a school district's
12 foundation allowance as calculated under section 20 of the state
13 school aid act of 1979, MCL 388.1620.

14 (D) ~~-(c)-~~ "General price level" means that term as defined
15 in section 33 of article IX of the state constitution of 1963.

16 (E) ~~-(d)-~~ "Homestead" and "qualified agricultural property"
17 mean those terms as defined in section ~~1211d or in section~~ 7dd
18 of the general property tax act, ~~Act No. 206 of the Public Acts~~
19 ~~of 1893, being section 211.7dd of the Michigan Compiled Laws. If~~
20 ~~a term defined in section 1211d is defined in section 7dd of Act~~
21 ~~No. 206 of the Public Acts of 1893 differently than the term is~~
22 ~~defined in section 1211d, then that term as used in this section~~
23 ~~means that term as defined in section 7dd of Act No. 206 of the~~
24 ~~Public Acts of 1893~~ 1893 PA 206, MCL 211.7DD.

25 (F) ~~-(e)-~~ "Membership" means that term as defined in section
26 6 of the state school aid act of 1979, ~~being section 388.1606 of~~
27 ~~the Michigan Compiled Laws~~ MCL 388.1606.

(G) ~~-(f)-~~ "School operating purposes" includes expenditures for furniture and equipment, for alterations necessary to maintain school facilities in a safe and sanitary condition, for funding the cost of energy conservation improvements in school facilities, AND for deficiencies in operating expenses for the preceding year. ~~-, and for paying the operating allowance due from the school district to a joint high school district in which the school district is a participating school district under part 3a.~~ Taxes levied for school operating purposes do not include any of the following:

(i) Taxes levied by a school district for operating a community college under part 25.

(ii) Taxes levied under section 1212.

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

(iv) Taxes levied for operation of a library under FORMER section 260 or SECTION 1451 or for operation of a library established pursuant to ~~Act No. 261 of the Public Acts of 1913, being sections 397.261 to 397.262 of the Michigan Compiled Laws~~ 1913 PA 261, MCL 397.261 TO 397.262, that were not included in the operating millage reported by the district to the department as of April 1, 1993. However, a district may report to the department not later than April 1, 1994 the number of mills it levied in 1993 for a purpose described in this subparagraph that the school district does not want considered as operating millage and then that number of mills is excluded under this section from taxes levied for school operating purposes.

1 (v) Taxes paid by a school district of the first class to a
2 public library commission pursuant to section 11(4) of ~~Act~~
3 ~~No. 62 of the Public Acts of 1933, being section 211.211 of the~~
4 ~~Michigan Compiled Laws~~ THE PROPERTY TAX LIMITATION ACT, 1933
5 PA 62, MCL 211.211.

6 (vi) Taxes levied under FORMER section 1512 for operation of
7 a community swimming pool. In addition, if a school district
8 included the millage it levied in 1993 for operation of a commu-
9 nity swimming pool as part of its operating millage reported to
10 the department for 1993, the school district may report to the
11 department not later than June 17, 1994 the number of mills it
12 levied in 1993 for operation of a community swimming pool that
13 the school district does not want considered as operating millage
14 and then that number of mills is excluded under this section from
15 taxes levied for school operating purposes.

16 (H) "STATE MAXIMUM FOUNDATION ALLOWANCE" MEANS THE SUM OF
17 THE BASIC FOUNDATION ALLOWANCE PLUS \$1,500.00. HOWEVER, BEGIN-
18 NING IN 2002-2003, THE \$1,500.00 AMOUNT IN THIS SUBDIVISION SHALL
19 INSTEAD BE AN AMOUNT EQUAL TO \$1,500.00 MINUS \$200.00.