

Act No. 7
Public Acts of 2001
Approved by the Governor
May 24, 2001
Filed with the Secretary of State
May 24, 2001
EFFECTIVE DATE: May 24, 2001

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2001**

Introduced by Senators Goschka and Gougeon

ENROLLED SENATE BILL No. 341

AN ACT to amend 1993 PA 331, entitled "An act to provide for the levy and collection of a state education tax; 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 by the authority and the distribution of the tax; and to prescribe the duties of certain state officers," (MCL 211.901 to 211.906) by adding section 5a.

The People of the State of Michigan enact:

Sec. 5a. (1) Not later than May 25, 2001, a qualified local school district shall transmit to the state treasurer all excess debt levy retirement funds held by the qualified local school district. The state treasurer shall deposit all excess debt levy retirement funds transmitted under this subsection into the state treasury to the credit of the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(2) Each parcel of property subject to the tax levied under this act located in a qualified local school district shall receive a credit against the tax levied in July 2001 under this act. The amount of the credit shall be calculated by multiplying the taxable value of the property by the applied millage rate. The local tax collecting unit shall reflect the amount of the credit on the July 2001 tax bill for each parcel of property.

(3) As used in this section:

(a) "Applied millage rate" is the rate determined by the state treasurer by dividing the excess debt levy retirement funds transferred under subsection (1) by the total taxable value of all property subject to the tax levied under this act located in the qualified local school district.

(b) "Excess debt levy retirement funds" means the amount that a qualified local school collected on or after July 1, 1997 to retire outstanding bonded indebtedness in excess of the amount necessary to retire the outstanding bonded indebtedness of the qualified local school district on December 1, 1998. Excess debt levy retirement funds include any accrued investment income, interest, and penalties on delinquent accounts.

(c) "Qualified local school district" means a local school district that, on or after July 1, 1997, levied and collected a tax to retire outstanding bonded indebtedness in an amount not less than \$100,000.00 more than necessary to retire the outstanding bonded indebtedness of the local school district on December 1, 1998.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.