

Act No. 66
Public Acts of 2002
Approved by the Governor
March 14, 2002
Filed with the Secretary of State
March 15, 2002
EFFECTIVE DATE: March 15, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Rep. Van Woerkom

ENROLLED HOUSE BILL No. 5412

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," by amending section 1227 (MCL 380.1227), as added by 1995 PA 289.

The People of the State of Michigan enact:

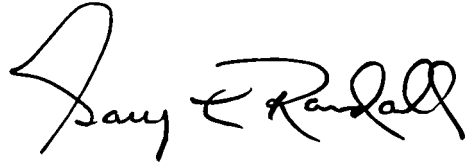
Sec. 1227. (1) The board of a school district shall prepare annual estimates of the amount of taxes necessary for the school district's needs for the ensuing fiscal year. The estimates shall specify the amount required for the "general fund", the amount required for the "capital projects fund", and the amount required for the "debt retirement fund", in accordance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and outstanding bonding resolutions.

(2) The school board may include in the "capital projects fund" an amount not exceeding in 1 year .01% of the school district's taxable value to establish and maintain a school district insurance reserve fund from which school buildings or other school property damaged or destroyed by fire, lightning, or otherwise may be repaired, rebuilt, or replaced by other buildings or property to be used in its place. Taxes shall not be levied for this purpose while the insurance reserve fund exceeds or equals .1% of the school district's taxable value. The board shall carry the insurance reserves forward as an encumbered reserve and may add to the reserve in the manner prescribed in this section. Insurance reserve funds may be invested in the manner provided in section 1223. Income from the investment shall be considered a part of the "general fund". If an emergency is declared by a 2/3 vote of the members elected to and serving on the board, the insurance reserve funds may be borrowed for the emergency, but the funds shall be returned to the insurance reserve fund from the collection of taxes in the next ensuing fiscal year.

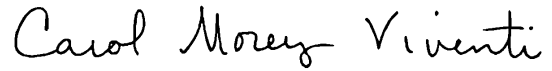
(3) The school board shall adopt a budget in the same manner and form as required for its estimates and, subject to limitations under law, determine the amount of tax levy necessary for the budget. The board shall certify the amount to the city and township before the date required by law.

(4) The proper officials of the city and township shall apportion the school taxes in the school district in the same manner as the other taxes of the city or township are apportioned. Except as otherwise provided under part 26, the amount apportioned shall be assessed, levied, collected, and returned for each portion of the school district in the same manner as taxes of the city or township in which the portion of the school district is located.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.