

HOUSE BILL No. 5948

May 27, 2004, Introduced by Reps. Shackleton, Meyer, Stahl and Brown 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 2003 PA
126; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1211. (1) Except as otherwise provided in this section
2 and section 1211c, the board of a school district shall levy not
3 more than 18 mills for school operating purposes. ~~or the number~~
4 ~~of mills levied in 1993 for school operating purposes, whichever~~
5 ~~is less.~~ A principal residence 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, MCL 388.1620, for the 1994-95 state

1 fiscal year of more than \$6,500.00, may reduce the number of
2 mills from which a principal residence and qualified agricultural
3 property are exempted under this subsection by up to the number
4 of mills, as certified under **former** section 1211a, required to be
5 levied on a principal residence and qualified agricultural
6 property for the school district's combined state and local
7 revenue per membership pupil for the school fiscal year ending in
8 1995 to be equal to the school district's foundation allowance
9 for the state fiscal year ending in 1995, and the board also may
10 levy in 1994 or a succeeding year that number of mills for school
11 operating purposes on a principal residence and qualified
12 agricultural property.

13 (2) Subject to subsection (3), if the department of treasury
14 determines that the maximum number of mills allowed to be levied
15 under subsection (1) on all classes of property is not sufficient
16 for a school district's combined state and local revenue per
17 membership pupil for the school fiscal year ending in 1995 to be
18 equal to the school district's foundation allowance for that
19 school fiscal year, the board of the school district may levy in
20 1994 or a succeeding year additional mills uniformly on all
21 property up to the number of mills required for the school
22 district's combined state and local revenue per membership pupil
23 for the school fiscal year ending in 1995 to be equal to the
24 school district's foundation allowance for the state fiscal year
25 ending in 1995.

26 (3) After 1994, the number of mills a school district may
27 levy under this section on any class of property shall not exceed

1 the lesser of the number of mills the school district ~~is~~ **was**
2 certified by the department of treasury under **former**
3 section 1211a to levy on that class of property under this
4 section in 1994 or the number of mills required to be levied on
5 that class of property under this section to ensure that the
6 increase from the immediately preceding state fiscal year in the
7 school district's combined state and local revenue per membership
8 pupil, calculated as if the school district had levied the
9 maximum number of mills the school district was allowed to levy
10 under this section regardless of the number of mills the school
11 district actually levied, does not exceed the lesser of the
12 dollar amount of the increase in the basic foundation allowance
13 under section 20 of the state school aid act of 1979, MCL
14 388.1620, from the immediately preceding state fiscal year or the
15 percentage increase in the general price level in the immediately
16 preceding calendar year. **However, beginning on the effective**
17 **date of the amendatory act that added this sentence, for the**
18 **purposes of this section all school districts shall be considered**
19 **to have been certified under former section 1211a to levy for**
20 **school operating purposes at least 18 mills on property that is**
21 **not a principal residence or qualified agricultural property. If**
22 the number of mills a school district is allowed to levy under
23 this section in a year after 1994 is less than the number of
24 mills the school district was allowed to levy under this section
25 in the immediately preceding year, any reduction required by this
26 subsection in the school district's millage rate shall be
27 calculated by first reducing the number of mills the school

1 district is allowed to levy under subsection (2) and then
2 increasing the number of mills from which a principal residence
3 and qualified agricultural property are exempted under subsection
4 (1).

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

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

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

19 (7) A school district shall not levy mills allocated under
20 the property tax limitation act, 1933 PA 62, MCL 211.201 to
21 211.217a, other than mills allocated to a school district of the
22 first class for payment to a public library commission under
23 section 11(4) of the property tax limitation act, 1933 PA 62, MCL
24 211.211, after 1993.

25 (8) As used in this section:

26 (a) "Combined state and local revenue per membership pupil"
27 means that term as defined in section 20 of the state school aid

1 act of 1979, MCL 388.1620.

2 (b) "Foundation allowance" means a school district's
3 foundation allowance as calculated under section 20 of the state
4 school aid act of 1979, MCL 388.1620.

5 (c) "General price level" means that term as defined in
6 section 33 of article IX of the state constitution of 1963.

7 (d) "Membership" means that term as defined in section 6 of
8 the state school aid act of 1979, MCL 388.1606.

9 (e) "Owner", "person", "principal residence", and "qualified
10 agricultural property" mean those terms as defined in section 7dd
11 of the general property tax act, 1893 PA 206, MCL 211.7dd.

12 (f) "School operating purposes" includes expenditures for
13 furniture and equipment, for alterations necessary to maintain
14 school facilities in a safe and sanitary condition, for funding
15 the cost of energy conservation improvements in school
16 facilities, for deficiencies in operating expenses for the
17 preceding year, and for paying the operating allowance due from
18 the school district to a joint high school district in which the
19 school district is a participating school district under former
20 part 3a. Taxes levied for school operating purposes do not
21 include any of the following:

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

24 (ii) Taxes levied under section 1212.

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

27 (iv) Taxes levied for operation of a library under section

1 1451 or for operation of a library established pursuant to 1913
2 PA 261, MCL 397.261 to 397.262, that were not included in the
3 operating millage reported by the district to the department as
4 of April 1, 1993. However, a district may report to the
5 department not later than April 1, 1994 the number of mills it
6 levied in 1993 for a purpose described in this subparagraph that
7 the school district does not want considered as operating millage
8 and then that number of mills is excluded under this section from
9 taxes levied for school operating purposes.

10 (v) Taxes paid by a school district of the first class to a
11 public library commission pursuant to section 11(4) of the
12 property tax limitation act, 1933 PA 62, MCL 211.211.

13 (vi) Taxes levied under former section 1512 for operation of
14 a community swimming pool. In addition, if a school district
15 included the millage it levied in 1993 for operation of a
16 community swimming pool as part of its operating millage reported
17 to the department for 1993, the school district may report to the
18 department not later than June 17, 1994 the number of mills it
19 levied in 1993 for operation of a community swimming pool that
20 the school district does not want considered as operating millage
21 and then that number of mills is excluded under this section from
22 taxes levied for school operating purposes.

23 Enacting section 1. Section 1211a of the revised school
24 code, 1976 PA 451, MCL 380.1211a, is repealed.