

SENATE BILL No. 1455

November 3, 2004, Introduced by Senator JACOBS 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.

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 of
 4 mills levied in 1993 for school operating purposes, whichever is
 5 less. A principal residence and qualified agricultural property
 6 are exempt from the mills levied under this subsection except for
 7 the number of mills by which that exemption is reduced under this
 8 subsection. The board of a school district ~~with~~ **that had** 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 section 1211a, required to be levied
5 on a principal residence and qualified agricultural property for
6 the school district's combined state and local revenue per
7 membership pupil for the school fiscal year ending in 1995 to be
8 equal to the school district's foundation allowance for the state
9 fiscal year ending in 1995, and the board also may levy in 1994
10 or a succeeding year that number of mills for school operating
11 purposes on a principal residence and qualified agricultural
12 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. **However, the board of a school district**
26 **described in this subsection, by board resolution, may elect to**
27 **exempt each principal residence and all qualified agricultural**

1 property located in the school district from some or all of the
2 mills that the board is authorized to levy under this subsection.

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

1 residence and qualified agricultural property are exempted under
2 subsection (1).

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

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

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

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

23 (8) As used in this section:

24 (a) "Combined state and local revenue per membership pupil"
25 means that term as defined in section 20 of the state school aid
26 act of 1979, MCL 388.1620.

27 (b) "Foundation allowance" means a school district's

1 foundation allowance as calculated under section 20 of the state
2 school aid act of 1979, MCL 388.1620.

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

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

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

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

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

22 (ii) Taxes levied under section 1212.

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

25 (iv) Taxes levied for operation of a library under section
26 1451 or for operation of a library established pursuant to 1913
27 PA 261, MCL 397.261 to 397.262, that were not included in the

1 operating millage reported by the district to the department as
2 of April 1, 1993. However, a district may report to the
3 department not later than April 1, 1994 the number of mills it
4 levied in 1993 for a purpose described in this subparagraph that
5 the school district does not want considered as operating millage
6 and then that number of mills is excluded under this section from
7 taxes levied for school operating purposes.

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

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