

SENATE BILL No. 914

December 1, 2005, Introduced by Senators ALLEN, JELINEK, GARCIA, BIRKHOLZ, VAN WOERKOM, JOHNSON and GILBERT and referred to the Committee on Agriculture, Forestry and Tourism.

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 **AND QUALIFIED FOREST PROPERTY** are exempt from the mills levied
7 under this subsection except for the number of mills by which that
8 exemption is reduced under this subsection. The board of a school
9 district with a foundation allowance calculated under section 20 of
10 the state school aid act of 1979, MCL 388.1620, for the 1994-95

1 state 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 of
4 mills, as certified under section 1211a, required to be levied on a
5 principal residence and qualified agricultural property for the
6 school district's combined state and local revenue per membership
7 pupil for the school fiscal year ending in 1995 to be equal to the
8 school district's foundation allowance for the state fiscal year
9 ending in 1995, and the board also may levy in 1994 or a succeeding
10 year that number of mills for school operating purposes on a
11 principal residence, ~~and~~ qualified agricultural property, **AND**
12 **QUALIFIED FOREST 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 school
19 fiscal year, the board of the school district may levy in 1994 or a
20 succeeding year additional mills uniformly on all property up to
21 the number of mills required for the school district's combined
22 state and local revenue per membership pupil for the school fiscal
23 year ending in 1995 to be equal to the school district's foundation
24 allowance for the state fiscal year ending in 1995.

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

1 the department of treasury under section 1211a to levy on that
2 class of property under this section in 1994 or the number of mills
3 required to be levied on that class of property under this section
4 to ensure that the increase from the immediately preceding state
5 fiscal year in the school district's combined state and local
6 revenue per membership pupil, calculated as if the school district
7 had levied the maximum number of mills the school district was
8 allowed to levy under this section regardless of the number of
9 mills the school district actually levied, does not exceed the
10 lesser of the dollar amount of the increase in the basic foundation
11 allowance under section 20 of the state school aid act of 1979, MCL
12 388.1620, from the immediately preceding state fiscal year or the
13 percentage increase in the general price level in the immediately
14 preceding calendar year. If the number of mills a school district
15 is allowed to levy under this section in a year after 1994 is less
16 than the number of mills the school district was allowed to levy
17 under this section in the immediately preceding year, any reduction
18 required by this subsection in the school district's millage rate
19 shall be calculated by first reducing the number of mills the
20 school district is allowed to levy under subsection (2) and then
21 increasing the number of mills from which a principal residence,
22 ~~and~~ qualified agricultural property, **AND QUALIFIED FOREST PROPERTY**
23 are exempted under subsection (1).

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

1 school electors.

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

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

11 (7) A school district shall not levy mills allocated under the
12 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,
13 other than mills allocated to a school district of the first class
14 for payment to a public library commission under section 11(4) of
15 the property tax limitation act, 1933 PA 62, MCL 211.211, after
16 1993.

17 (8) As used in this section:

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

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

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

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

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

4 (F) **"QUALIFIED FOREST PROPERTY" MEANS THAT TERM AS DEFINED IN**
5 **SECTION 7JJ OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**
6 **211.7JJ.**

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

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

18 (ii) Taxes levied under section 1212.

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

21 (iv) Taxes levied for operation of a library under section 1451
22 or for operation of a library established pursuant to 1913 PA 261,
23 MCL 397.261 to 397.262, that were not included in the operating
24 millage reported by the district to the department as of April 1,
25 1993. However, a district may report to the department not later
26 than April 1, 1994 the number of mills it levied in 1993 for a
27 purpose described in this subparagraph that the school district

1 does not want considered as operating millage and then that number
2 of mills is excluded under this section from taxes levied for
3 school operating purposes.

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

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

17 Enacting section 1. This amendatory act does not take effect
18 unless all of the following bills of the 93rd Legislature are
19 enacted into law:

20 (a) Senate Bill No. 912.

21
22 (b) Senate Bill No. 913.