

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4369

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1211 (MCL 380.1211), as amended by 2006 PA 648.

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, qualified agricultural property, ~~and~~
6 qualified forest property, **AND INDUSTRIAL PERSONAL PROPERTY** are
7 exempt from the mills levied under this subsection except for the
8 number of mills by which that exemption is reduced under this
9 subsection. The board of a school district that had a foundation
10 allowance calculated under section 20 of the state school aid act

1 of 1979, MCL 388.1620, for the 1994-95 state fiscal year of more
2 than \$6,500.00, may reduce the number of mills from which a
3 principal residence, qualified agricultural property, ~~and~~ qualified
4 forest property, **AND INDUSTRIAL PERSONAL PROPERTY** are exempted
5 under this subsection by up to the number of mills, as certified
6 under section 1211a, required to be levied on a principal
7 residence, qualified agricultural property, ~~and~~ qualified forest
8 property, **AND INDUSTRIAL PERSONAL PROPERTY** for the school
9 district's combined state and local revenue per membership pupil
10 for the school fiscal year ending in 1995 to be equal to the school
11 district's foundation allowance for the state fiscal year ending in
12 1995, and the board also may levy in 1994 or a succeeding year that
13 number of mills for school operating purposes on a principal
14 residence, qualified agricultural property, ~~and~~ qualified forest
15 property, **AND INDUSTRIAL PERSONAL PROPERTY**.

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

1 board of a school district described in this subsection, by board
2 resolution, may elect to exempt each principal residence and all
3 qualified agricultural property, ~~and~~ qualified forest property, **AND**
4 **INDUSTRIAL PERSONAL PROPERTY** located in the school district from
5 some or all of the mills that the board is authorized to levy under
6 this subsection.

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

1 shall be calculated by first reducing the number of mills the
2 school district is allowed to levy under subsection (2) and then
3 increasing the number of mills from which a principal residence,
4 qualified agricultural property, ~~and~~ qualified forest property, **AND**
5 **INDUSTRIAL PERSONAL PROPERTY** are exempted under subsection (1).

6 (4) **COMMERCIAL PERSONAL PROPERTY IS EXEMPT FROM 12 OF THE**
7 **MILLS LEVIED UNDER THIS SECTION. HOWEVER, IF THE NUMBER OF MILLS**
8 **FROM WHICH INDUSTRIAL PERSONAL PROPERTY IS EXEMPTED FOR A SPECIFIC**
9 **SCHOOL DISTRICT IS REDUCED UNDER THIS SECTION, THEN THE NUMBER OF**
10 **MILLS FROM WHICH COMMERCIAL PERSONAL PROPERTY IS EXEMPTED FOR THAT**
11 **SCHOOL DISTRICT SHALL BE REDUCED BY THAT SAME NUMBER OF MILLS.**

12 (5) ~~(4)~~ Millage levied under this section must be approved by
13 the school electors. For the purposes of this section, millage
14 approved by the school electors before January 1, 1994 for which
15 the authorization has not expired is considered to be approved by
16 the school electors.

17 (6) ~~(5)~~ If a school district levies millage for school
18 operating purposes that is in excess of the limits of this section,
19 the amount of the resulting excess tax revenue shall be deducted
20 from the school district's next regular tax levy.

21 (7) ~~(6)~~ If a school district levies millage for school
22 operating purposes that is less than the limits of this section,
23 the board of the school district may levy at the school district's
24 next regular tax levy an additional number of mills not to exceed
25 the additional millage needed to make up the shortfall.

26 (8) ~~(7)~~ A school district shall not levy mills allocated under
27 the property tax limitation act, 1933 PA 62, MCL 211.201 to

1 211.217a, other than mills allocated to a school district of the
2 first class for payment to a public library commission under
3 section 11(4) of the property tax limitation act, 1933 PA 62, MCL
4 211.211, after 1993.

5 (9) ~~(8)~~—As used in this section:

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

9 (B) "COMMERCIAL PERSONAL PROPERTY" MEANS PROPERTY CLASSIFIED
10 AS COMMERCIAL PERSONAL PROPERTY UNDER SECTION 34C OF THE GENERAL
11 PROPERTY TAX ACT, 1893 PA 206, MCL 211.34C.

12 (C) ~~(b)~~—"Foundation allowance" means a school district's
13 foundation allowance as calculated under section 20 of the state
14 school aid act of 1979, MCL 388.1620.

15 (D) ~~(e)~~—"General price level" means that term as defined in
16 section 33 of article IX of the state constitution of 1963.

17 (E) "INDUSTRIAL PERSONAL PROPERTY" MEANS PROPERTY CLASSIFIED
18 AS INDUSTRIAL PERSONAL PROPERTY UNDER SECTION 34C OF THE GENERAL
19 PROPERTY TAX ACT, 1893 PA 206, MCL 211.34C.

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

22 (G) ~~(e)~~—"Owner", "person", "principal residence", and
23 "qualified agricultural property" mean those terms as defined in
24 section 7dd of the general property tax act, 1893 PA 206, MCL
25 211.7dd.

26 (H) ~~(f)~~—"Qualified forest property" means that term as defined
27 in section 7jj of the general property tax act, 1893 PA 206, MCL

1 211.7jj[1].

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

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

13 (ii) Taxes levied under section 1212.

14 (iii) Taxes levied under section 1356 for eliminating an
15 operating deficit.

16 (iv) Taxes levied for operation of a library under section 1451
17 or for operation of a library established pursuant to 1913 PA 261,
18 MCL 397.261 to 397.262, that were not included in the operating
19 millage reported by the district to the department as of April 1,
20 1993. However, a district may report to the department not later
21 than April 1, 1994 the number of mills it levied in 1993 for a
22 purpose described in this subparagraph that the school district
23 does not want considered as operating millage and then that number
24 of mills is excluded under this section from taxes levied for
25 school operating purposes.

26 (v) Taxes paid by a school district of the first class to a
27 public library commission pursuant to section 11(4) of the property

1 tax limitation act, 1933 PA 62, MCL 211.211.

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

12 Enacting section 1. This amendatory act applies to taxes
13 levied after December 31, 2007.

14 Enacting section 2. This amendatory act does not take effect
15 unless all of the following bills of the 94th Legislature are
16 enacted into law:

17 (a) Senate Bill No. 94.

18 (b) House Bill No. 4370.

19 (c) House Bill No. 4371.

20 (d) House Bill No. 4372.