

# HOUSE BILL No. 4889

May 5, 2009, Introduced by Rep. Young and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 432 (MCL 380.432), as amended by 2004 PA 303,  
and by adding section 435.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 432. (1) The first class school district board annually  
2       shall prepare estimates of the amount of taxes necessary for its  
3       needs for the ensuing fiscal year. The estimates shall specify the  
4       amount required for the "general fund", the amount required for the  
5       "building and site fund", and the amount required for the "debt  
6       retirement fund". If the board causes the appropriation for the  
7       "building and site fund" to be raised by the issuance of bonds  
8       instead of raising the appropriation by taxation, provision shall

1 be made for the retirement of the bonds in a debt retirement fund.

2 (2) The board shall adopt a budget in the same manner and form  
3 as required for its estimates and determine the amount of tax levy  
4 necessary for that budget and shall certify on or before the date  
5 required by law the amount to the city.

6 (3) AS PART OF ADOPTING A BUDGET UNDER SUBSECTION (2), THE  
7 BOARD SHALL ESTABLISH A RESERVE FUND FOR SELF-INSURED LOSSES AND A  
8 BUDGETING POLICY FOR THAT FUND.

9 (4) ~~(3)~~—The proper officials of the city shall apportion the  
10 school taxes in the same manner as the other taxes of the city are  
11 apportioned, and the amount apportioned shall be assessed, levied,  
12 collected, and returned for the school district in the same manner  
13 as taxes of the city. The tax levied by the school district, in the  
14 discretion of the legislative body of the city, may be stated  
15 separately on each tax bill.

16 (5) ~~(4)~~—If the question under section 410 is approved in the  
17 first class school district, then the chief executive officer  
18 appointed under section 420 has the powers and shall perform the  
19 duties of the board of the first class school district under this  
20 section.

21 SEC. 435. THE FIRST CLASS SCHOOL DISTRICT BOARD SHALL  
22 ESTABLISH AND MAINTAIN AN INTERNAL AUDIT DEPARTMENT WITH  
23 EXPERIENCED PROFESSIONAL AUDITING STAFF TO AUDIT FUNDS AND  
24 EXPENDITURES OF THE SCHOOL DISTRICT AND REPORT TO THE BOARD ON AN  
25 ONGOING BASIS.