

HOUSE BILL No. 4388

March 25, 2015, Introduced by Reps. McCready, Zemke, Heise, Webber, Sheppard, Muxlow, Tedder, Greig, Kesto, Schor, Aaron Miller, LaVoy, Crawford, Glardon, Hooker, Yonker, Singh, Hughes, Victory, Dillon and Price and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1212 (MCL 380.1212), as amended by 2003 PA
299.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1212. (1) If approved by the school electors of the
2 school district, the board of a school district may levy a tax of
3 ~~not to exceed 5 mills on the state equalized valuation~~ **TAXABLE**
4 **VALUE OF THE REAL AND PERSONAL PROPERTY** of the school district
5 each year ~~for a period of not to exceed 20 years,~~ for the purpose
6 of creating a sinking fund. ~~to be used~~ **ALL OF THE FOLLOWING APPLY**
7 **TO A SINKING FUND TAX LEVIED UNDER THIS SECTION:**

8 (A) FOR A SINKING FUND TAX LEVIED BEFORE THE 2015 AMENDATORY
9 ACT THAT ADDED THIS SUBDIVISION, THE SINKING FUND TAX MAY BE USED
10 for the purchase of real estate for sites for, and the

1 construction or repair of, school buildings. FOR A SINKING FUND
2 TAX LEVIED AFTER THE 2015 AMENDATORY ACT THAT ADDED THIS
3 SUBDIVISION, THE SINKING FUND TAX MAY BE USED FOR THE PURCHASE OF
4 REAL ESTATE FOR SITES FOR, AND THE CONSTRUCTION OR REPAIR OF,
5 SCHOOL BUILDINGS, FOR SCHOOL SECURITY IMPROVEMENTS, OR FOR THE
6 ACQUISITION OR UPGRADING OF TECHNOLOGY.

7 (B) FOR A SINKING FUND TAX LEVIED BEFORE THE 2015 AMENDATORY
8 ACT THAT ADDED THIS SUBDIVISION, THE SINKING FUND TAX SHALL NOT
9 EXCEED 5 MILLS. FOR A SINKING FUND TAX LEVIED AFTER THE 2015
10 AMENDATORY ACT THAT ADDED THIS SUBDIVISION, THE SINKING FUND TAX
11 SHALL NOT EXCEED 3 MILLS.

12 (C) FOR A SINKING FUND TAX LEVIED BEFORE THE 2015 AMENDATORY
13 ACT THAT ADDED THIS SUBDIVISION, THE SINKING FUND TAX MAY BE
14 LEVIED EACH YEAR FOR A PERIOD OF NOT TO EXCEED 20 YEARS. FOR A
15 SINKING FUND TAX LEVIED AFTER THE 2015 AMENDATORY ACT THAT ADDED
16 THIS SUBDIVISION, THE SINKING FUND TAX MAY BE LEVIED EACH YEAR
17 FOR A PERIOD OF NOT TO EXCEED 10 YEARS.

18 (D) The sinking fund tax levy is subject to the 15 mill tax
19 limitation provisions of section 6 of article IX of the state
20 constitution of 1963 and the property tax limitation act, 1933 PA
21 62, MCL 211.201 to 211.217a.

22 (2) A school district that levies a sinking fund tax under
23 this section shall have an independent audit of its sinking fund
24 conducted annually, including a review of the uses of the sinking
25 fund, and shall submit the audit report to the department of
26 treasury. If the department of treasury determines from the audit
27 report that the sinking fund has been used for a purpose other

than those authorized for the sinking fund under this section, the school district shall repay the misused funds to the sinking fund from the school district's operating funds and shall not levy a sinking fund tax under this section after the date the department of treasury makes that determination.

(3) ~~(2)~~—The proposition of levying a sinking fund tax shall be submitted to the school electors of the school district at a regular or special school election.

(4) ~~(3)~~—~~The~~ **SUBJECT TO SUBSECTION (6), THE** question of levying taxes for the purpose of creating a sinking fund shall be by ballot in substantially the following form:

"Shall _____ levy _____ mills
(legal name of school district)
to create a sinking fund for the purpose of _____
_____ for a period of _____ years?
Yes ()
No ()".

(5) ~~(4)~~—For the purposes of this section, millage approved by the school electors before December 1, 1993 for which the authorization has not expired is considered to be approved by the school electors.

(6) **INSTEAD OF USING THE TERM "SINKING FUND" IN ITS ACCOUNTS OR ON THE BALLOT QUESTION UNDER SUBSECTION (4), THE BOARD OF A SCHOOL DISTRICT MAY SUBSTITUTE ANOTHER DESCRIPTIVE TERM FOR A SINKING FUND CREATED UNDER THIS SECTION IN ITS ACCOUNTS AND ON**

1 THE BALLOT QUESTION, SUCH AS "CAPITAL INFRASTRUCTURE FUND" OR
2 "INFRASTRUCTURE INVESTMENT FUND".

3 (7) AS USED IN THIS SECTION:

4 (A) "SCHOOL SECURITY IMPROVEMENT" MEANS ANY CAPITAL
5 IMPROVEMENT OR PURCHASE OF HARDWARE THAT IS DESIGNED TO ACT AS A
6 DETERRENT TO UNAUTHORIZED ENTRY OF PERSONS OR ITEMS ONTO SCHOOL
7 PREMISES OR TO OTHERWISE PROMOTE SECURITY, INCLUDING, BUT NOT
8 LIMITED TO, METAL DETECTORS, LOCKS, DOORS, LIGHTING, CAMERAS, AND
9 ENHANCEMENTS TO ENTRYWAYS. SCHOOL SECURITY IMPROVEMENT DOES NOT
10 INCLUDE PERSONNEL COSTS OR OPERATION COSTS RELATED TO A HARDWARE
11 PURCHASE OR CAPITAL IMPROVEMENT.

12 (B) "TECHNOLOGY" MEANS THAT TERM AS DEFINED IN SECTION
13 1351A.