

HOUSE BILL No. 6015

November 9, 2016, Introduced by Rep. Irwin and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by amending the title, as amended by 2016
PA 192, and by adding section 1211b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to provide a system of public instruction and
elementary and secondary schools; to revise, consolidate, and
clarify the laws relating to elementary and secondary education; to
provide for the organization, regulation, and maintenance of
schools, school districts, public school academies, intermediate
school districts, and other public school entities; to prescribe
rights, powers, duties, and privileges of schools, school
districts, public school academies, intermediate school districts,

1 and other public school entities; to provide for the regulation of
2 school teachers and certain other school employees; to provide for
3 school elections and to prescribe powers and duties with respect
4 thereto; to provide for the levy and collection of **CERTAIN** taxes;
5 to provide for the borrowing of money and issuance of bonds and
6 other evidences of indebtedness; to establish ~~a fund~~ **CERTAIN FUNDS**
7 and provide for expenditures from ~~that fund~~; **THOSE FUNDS**; to make
8 appropriations for certain purposes; to provide for and prescribe
9 the powers and duties of certain state departments, the state board
10 of education, and certain other boards and officials; to provide
11 for licensure of boarding schools; to prescribe penalties; and to
12 repeal acts and parts of acts.

13 **SEC. 1211B. (1) BEGINNING IN 2017, AN EQUITABLE ENHANCEMENT**
14 **PROPERTY TAX MAY BE LEVIED BY A SCHOOL DISTRICT AT A RATE OF 1 MILL**
15 **TO ENHANCE OTHER STATE AND LOCAL FUNDING FOR LOCAL SCHOOL DISTRICT**
16 **OPERATIONS IF APPROVED BY A MAJORITY OF THE SCHOOL ELECTORS VOTING**
17 **ON THE QUESTION WITHIN THE SCHOOL DISTRICT.**

18 **(2) IF A SCHOOL BOARD ADOPTS A RESOLUTION REQUESTING THAT THE**
19 **QUESTION OF LEVYING AN EQUITABLE ENHANCEMENT PROPERTY TAX BE**
20 **SUBMITTED TO THE SCHOOL ELECTORS, THE SCHOOL DISTRICT SHALL PLACE**
21 **THE QUESTION OF LEVYING A 1-MILL EQUITABLE ENHANCEMENT PROPERTY TAX**
22 **ON PROPERTY WITHIN THE SCHOOL DISTRICT ON THE BALLOT AT THE NEXT**
23 **REGULAR SCHOOL ELECTION HELD AT LEAST 90 DAYS AFTER THE RESOLUTION**
24 **IS ADOPTED. IF THE RESOLUTION IS ADOPTED MORE THAN 180 DAYS BEFORE**
25 **THE NEXT REGULAR SCHOOL DISTRICT ELECTION, AND IF REQUESTED IN THE**
26 **RESOLUTION, THE SCHOOL DISTRICT SHALL SUBMIT THE QUESTION OF**
27 **LEVYING A 1-MILL EQUITABLE ENHANCEMENT PROPERTY TAX ON PROPERTY**

1 WITHIN THE SCHOOL DISTRICT ON THE BALLOT AT A SPECIAL ELECTION
2 CALLED BY THE SCHOOL BOARD FOR THAT PURPOSE NOT EARLIER THAN 90
3 DAYS AFTER THE RESOLUTION IS ADOPTED.

4 (3) NOT LATER THAN 5 DAYS AFTER RECEIPT BY THE SCHOOL DISTRICT
5 OF THE REVENUE FROM THE EQUITABLE ENHANCEMENT PROPERTY TAX, THE
6 SCHOOL DISTRICT SHALL SUBMIT THAT REVENUE TO THE STATE TREASURER
7 FOR DEPOSIT INTO THE EQUITABLE ENHANCEMENT FUND CREATED IN THIS
8 SECTION. ON AUGUST 1 OF EACH YEAR, OR IF THAT DATE IS NOT A
9 BUSINESS DAY ON NEXT BUSINESS DAY AFTER THAT DATE, THE STATE
10 TREASURER SHALL CALCULATE AND DISTRIBUTE TO EACH CONTRIBUTING
11 SCHOOL DISTRICT AN AMOUNT OF THE TOTAL STATEWIDE REVENUE FROM THE
12 LEVY OF EQUITABLE ENHANCEMENT TAXES CALCULATED BY DIVIDING THE
13 TOTAL AMOUNT OF THAT REVENUE DEPOSITED SINCE AUGUST 1 OF THE
14 IMMEDIATELY PRECEDING YEAR BY THE COMBINED TOTAL MEMBERSHIP OF ALL
15 CONTRIBUTING SCHOOL DISTRICTS, AS OF THE MOST RECENT PUPIL
16 MEMBERSHIP COUNT DAY, AND MULTIPLYING THAT QUOTIENT BY THE
17 CONTRIBUTING SCHOOL DISTRICT'S MEMBERSHIP, AS OF THE MOST RECENT
18 PUPIL MEMBERSHIP COUNT DAY FOR WHICH A FINAL DEPARTMENT-AUDITED
19 PUPIL COUNT IS AVAILABLE. THE STATE TREASURER SHALL NOT MAKE ANY
20 DISTRIBUTION UNDER THIS SUBSECTION TO A SCHOOL DISTRICT FOR ANY
21 YEAR IN WHICH THE SCHOOL DISTRICT IS NOT A CONTRIBUTING SCHOOL
22 DISTRICT.

23 (4) IF A CONTRIBUTING SCHOOL DISTRICT HAS ENTERED INTO AN
24 AGREEMENT WITH ANOTHER SCHOOL DISTRICT OR PUBLIC ENTITY TO PERFORM
25 THE FUNCTIONS AND RESPONSIBILITIES OF THE CONTRIBUTING SCHOOL
26 DISTRICT FOR OPERATING A PUBLIC SCHOOL OF THE CONTRIBUTING SCHOOL
27 DISTRICT, THEN FOR THE PURPOSES OF SUBSECTION (3) THE PUPILS IN

1 MEMBERSHIP IN THAT PUBLIC SCHOOL SHALL BE CONSIDERED TO BE IN
2 MEMBERSHIP IN THE CONTRIBUTING SCHOOL DISTRICT AND A PROPORTIONATE
3 SHARE OF THE REVENUE PAYABLE TO THE CONTRIBUTING SCHOOL DISTRICT
4 UNDER THIS SECTION SHALL BE TRANSFERRED BY THE CONTRIBUTING SCHOOL
5 DISTRICT TO THE SCHOOL DISTRICT OR PUBLIC ENTITY PERFORMING THE
6 FUNCTIONS AND RESPONSIBILITIES OF THE CONTRIBUTING SCHOOL DISTRICT
7 FOR OPERATING THE PUBLIC SCHOOL. THE PROPORTIONATE SHARE OF THAT
8 REVENUE TO BE PAID TO THAT SCHOOL DISTRICT OR PUBLIC ENTITY SHALL
9 BE DETERMINED ACCORDING TO THE PERCENTAGE OF THE CONTRIBUTING
10 SCHOOL DISTRICT'S MEMBERSHIP THAT IS ENROLLED IN THE PARTICULAR
11 PUBLIC SCHOOL FOR THE STATE FISCAL YEAR CORRESPONDING TO THE TAX
12 YEAR. REVENUE FROM AN EQUITABLE ENHANCEMENT PROPERTY TAX UNDER THIS
13 SECTION SHALL NOT BE ALLOCATED OR PAID TO A CONTRIBUTING SCHOOL
14 DISTRICT THAT DOES NOT OPERATE A PUBLIC SCHOOL DIRECTLY BUT RETAINS
15 A LIMITED SEPARATE IDENTITY FOR PURPOSES OF SECTION 12, 12B, 863,
16 903, OR 947.

17 (5) AN EQUITABLE ENHANCEMENT PROPERTY TAX UNDER THIS SECTION
18 MAY BE LEVIED FOR A TERM NOT TO EXCEED 20 YEARS, AS SPECIFIED IN
19 THE BALLOT QUESTION, AND MAY BE RENEWED FOR THE SAME TERM WITH THE
20 APPROVAL OF A MAJORITY OF THE SCHOOL ELECTORS VOTING ON THE
21 QUESTION.

22 (6) THE QUESTION OF LEVYING AN EQUITABLE ENHANCEMENT PROPERTY
23 TAX UNDER THIS SECTION SHALL BE PRESENTED TO THE SCHOOL ELECTORS AS
24 A SEPARATE QUESTION.

25 (7) THE EQUITABLE ENHANCEMENT FUND IS CREATED AS A SEPARATE
26 FUND IN THE STATE TREASURY. THE STATE TREASURER SHALL DEPOSIT MONEY
27 RECEIVED UNDER SUBSECTION (3) INTO THE FUND AND MAY RECEIVE MONEY

1 OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE
2 STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE
3 TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND
4 INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR
5 SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.
6 THE DEPARTMENT OR TREASURY SHALL BE THE ADMINISTRATOR OF THE FUND
7 FOR AUDITING PURPOSES. THE DEPARTMENT OF TREASURY SHALL EXPEND
8 MONEY FROM THE FUND, UPON APPROPRIATION, ONLY FOR MAKING
9 DISTRIBUTIONS TO CONTRIBUTING SCHOOL DISTRICTS UNDER SUBSECTION
10 (3).

11 (8) AS USED IN THIS SECTION, "CONTRIBUTING SCHOOL DISTRICT"
12 MEANS A SCHOOL DISTRICT THAT HAS SUBMITTED MONEY FOR DEPOSIT INTO
13 THE EQUITABLE ENHANCEMENT FUND SINCE AUGUST 1 OF THE IMMEDIATELY
14 PRECEDING YEAR.