

Act No. 319
Public Acts of 2016
Approved by the Governor
November 9, 2016
Filed with the Secretary of State
November 9, 2016

EFFECTIVE DATE: 91st day after final adjournment of 2016 Regular Session

**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2016**

**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**

ENROLLED HOUSE BILL No. 4388

AN ACT to amend 1976 PA 451, entitled “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, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to make appropriations for certain purposes; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” by amending section 1212 (MCL 380.1212), as amended by 2003 PA 299.

The People of the State of Michigan enact:

Sec. 1212. (1) If approved by the school electors of the school district, the board of a school district may levy a tax on the taxable value of the real and personal property of the school district each year for the purpose of creating a sinking fund. All of the following apply to a sinking fund tax authorized under this section:

(a) For a sinking fund tax authorized before the effective date of the amendatory act that added subsection (6), the sinking fund tax may be used for the purchase of real estate for sites for, and the construction or repair of, school buildings. For a sinking fund tax authorized on or after the effective date of the amendatory act that added subsection (6), the sinking fund tax may be used for the purchase of real estate for sites for, and the construction or repair of, school buildings, for school security improvements, or for the acquisition or upgrading of technology.

(b) For a sinking fund tax authorized before the effective date of the amendatory act that added subsection (6), the sinking fund tax shall not exceed 5 mills. For a sinking fund tax authorized on or after the effective date of the amendatory act that added subsection (6), the sinking fund tax shall not exceed 3 mills.

(c) For a sinking fund tax authorized before the effective date of the amendatory act that added subsection (6), the sinking fund tax may be levied each year for a period not to exceed 20 years. For a sinking fund tax authorized on or after the effective date of the amendatory act that added subsection (6), the sinking fund tax may be levied each year for a period not to exceed 10 years.

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

(2) A school district that levies a sinking fund tax under this section shall have an independent audit of its sinking fund conducted annually, including a review of the uses of the sinking fund, and shall submit the audit report to the department of treasury. If the department of treasury determines from the audit 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) 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) 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 to create a sinking fund for the purpose of
(legal name of school district) _____ for a period of _____ years?"

Yes ()

No ()".

(5) 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) As used in this section:

(a) "School security improvement" means any capital improvement or purchase that is designed to act as a deterrent to unauthorized entry of persons or items onto school premises or to otherwise promote security, including, but not limited to, metal detectors, locks, doors, lighting, cameras, and enhancements to entryways. School security improvement also includes a mobile telephone application that provides the ability to communicate with personnel on site while also connecting an emergency telephone call to a 9-1-1 center. School security improvement does not include personnel costs or operation costs related to a capital improvement or purchase or related to a mobile telephone application.

(b) "Technology" means that term as defined in section 1351a.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor