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BILL



ANALYSIS

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Senate Bill 384 (as introduced 5-17-17)
Sponsor: Senator Dale W. Zorn
Committee: Finance

Date Completed: 5-30-17

CONTENT

The bill would amend the Revised School Code to allow a sinking fund tax authorized on or after March 29, 2017, to be used for purchasing school buses.

The Code allows the board of a school district, if approved by the school electors of the district, to 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.

A sinking fund tax may be used for the purchase of real estate for sites for, and the construction or repair of, school buildings. A sinking fund tax authorized on or after March 29, 2017, also may be used for school security improvements or for the acquisition or upgrading of technology.

In addition, under the bill, a sinking fund tax authorized on or after March 29, 2017, could be used for purchasing school buses. The bill specifies that this subdivision (providing for the allowable uses of a sinking fund tax) would not impose a cap on the total amount of money that could be spent on the purchase of school buses using a sinking fund tax, but the tax could not be used for compensation for school bus drivers or for costs relating to servicing or maintaining a school bus.

The bill would take effect 90 days after its enactment.

(March 29, 2017, is the effective date of Public Act 319 of 2016, which amended the Code to allow the use of a sinking fund for school security improvements or the acquisition or upgrading of technology.)

MCL 380.1212

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on the State and a positive impact on local school districts. By allowing districts to use a sinking fund tax to purchase school buses, the bill would enable districts to offset general fund dollars that presently go toward the purchase of school buses. Local districts then could use freed-up general fund dollars for other programs and services in the districts. Due to local discretion in the use of sinking fund taxes, it is not possible to estimate an average amount of general fund offset savings throughout the State.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.