

HOUSE BILL No. 4953

September 14, 2017, Introduced by Rep. Hornberger and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 625a, 681, 705, 1613, and 1724a (MCL 380.625a, 380.681, 380.705, 380.1613, and 380.1724a), section 625a as added by 1994 PA 258, section 681 as amended by 2016 PA 532, section 705 as amended by 2016 PA 192, section 1613 as added by 1982 PA 333, and section 1724a as amended by 2004 PA 415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 625a. ~~(1) Except~~ **SUBJECT TO SUBSECTION (2) AND EXCEPT** as
2 provided in section 705, beginning in 1995, the board of an
3 intermediate school district may levy ad valorem property taxes for
4 operating purposes at a rate not to exceed 1.5 times the number of
5 mills allocated to the intermediate school district for those
6 purposes in 1993 ~~as provided for~~ under the property tax limitation

1 act, ~~Act No. 62 of the Public Acts of 1933, being sections 211.201~~
2 ~~to 211.217a of the Michigan Compiled Laws.1933 PA 62, MCL 211.201~~
3 ~~TO 211.217A.~~

4 (2) BEGINNING JANUARY 1, 2019, THE BOARD OF AN INTERMEDIATE
5 SCHOOL DISTRICT SHALL NOT LEVY A TAX UNDER THIS SECTION UNLESS THE
6 BOARD OF THE INTERMEDIATE SCHOOL DISTRICT IS POPULARLY ELECTED
7 UNDER SECTIONS 615 TO 617.

8 Sec. 681. (1) ~~An~~ **SUBJECT TO SUBSECTION (11), AN** intermediate
9 school district may establish an area career and technical
10 education program and operate the program under sections 681 to 690
11 if approved by a majority of the intermediate school electors of
12 the intermediate school district voting on the question. The
13 election shall be called and conducted in accordance with this act
14 and the Michigan election law. The establishment of the area career
15 and technical education program may be rescinded by the same
16 process.

17 (2) The question of establishing an area career and technical
18 education program may be submitted to the intermediate school
19 electors of an intermediate school district at a regular school
20 election or at a special election held in each of the constituent
21 districts. Subject to section 641 of the Michigan election law, MCL
22 168.641, the intermediate school board shall determine the date of
23 the election and shall give notice to the school district filing
24 official at least 60 days in advance of the date the ballot
25 question is to be submitted to the intermediate school electors.

26 (3) The ballot for referring the question of adopting sections
27 681 to 690 and establishing an area career and technical education

1 program to the intermediate school electors of an intermediate
2 school district shall be substantially in the following form:

3 "Shall _____ (legal name of intermediate school
4 district), state of Michigan, come under sections 681 to 690 of the
5 revised school code and establish an area career and technical
6 education program which is designed to encourage the operation of
7 area career and technical education programs if the annual property
8 tax levied for this purpose is limited to _____ mills?

9 Yes ()

10 No ()".

11 (4) Beginning in 1995, and subject to **SUBSECTION (11) AND**
12 section 625b, the number of mills of ad valorem property taxes an
13 intermediate school board may levy for area career and technical
14 education program operating purposes under sections 681 to 690 is
15 limited to the following:

16 (a) If the intermediate school district did not levy any
17 millage in 1993 for area career and technical education program
18 operating purposes under sections 681 to 690, the intermediate
19 school board, with the approval of the intermediate school
20 electors, may levy not more than 1 mill for those purposes.

21 (b) If the intermediate school district levied millage in 1993
22 for area career and technical education program operating purposes
23 under sections 681 to 690, the intermediate school board, with the
24 approval of the intermediate school electors, may levy mills for
25 those purposes at a rate not to exceed 1.5 times the number of
26 mills authorized for those purposes in the intermediate school
27 district in 1993. Approval of the intermediate school electors is

1 not required for the levy under this subdivision of previously
2 authorized mills until that authorization expires.

3 (5) An intermediate school district that levies a tax for area
4 career and technical education program operating purposes shall not
5 use proceeds from the tax for any purpose other than area career
6 and technical education program operating purposes and shall submit
7 to the department of treasury a copy of the audit report from the
8 audit of the intermediate school district conducted under section
9 622a. If the department of treasury determines from the audit
10 report that the proceeds from the tax have been used for a purpose
11 other than area career and technical education program operating
12 purposes, as defined under subsection (7), the department of
13 treasury shall notify the intermediate school district of that
14 determination. If the intermediate school district disputes the
15 determination or claims that the situation has been corrected,
16 within 15 days after receipt of the determination the intermediate
17 school district may submit an appeal of the determination to the
18 department of treasury. Within 90 days after receipt of the appeal,
19 the department of treasury shall consider the appeal and make a
20 determination of whether the initial determination was correct or
21 incorrect and of whether the situation has been corrected. If the
22 department of treasury finds that the initial determination was
23 correct and that the situation has not been corrected, then the
24 department of treasury shall file a copy of the report with the
25 attorney general. The attorney general shall review the report and,
26 if the attorney general considers it appropriate, shall commence or
27 direct the prosecuting attorney for the county in which the

1 violations occurred to commence appropriate proceedings against the
2 intermediate school board or the official or employee. These
3 proceedings shall include at least a civil action in a court of
4 competent jurisdiction for the recovery of any public money
5 determined by the audit to have been illegally expended and for the
6 recovery of any public property determined by the audit to have
7 been converted or misappropriated.

8 (6) If the attorney general determines from a report filed
9 under subsection (5) that an intermediate school district has
10 misspent tax proceeds as described in subsection (5) and notifies
11 the intermediate school district of this determination, the
12 intermediate school district shall repay to its area career and
13 technical education program operating fund an amount equal to the
14 amount the department of treasury determined under subsection (5)
15 has been used for a purpose other than area career and technical
16 education program operating purposes. The intermediate school
17 district shall make this repayment from funds of the intermediate
18 school district that lawfully may be used for making such a
19 repayment.

20 (7) For the purposes of subsections (5) and (6), not later
21 than January 1, 2008, the department and the department of
22 treasury, in consultation with intermediate school districts, shall
23 develop and make available to intermediate school districts a
24 definition of area career and technical education program operating
25 purposes.

26 (8) An intermediate school district shall not hold more than 2
27 elections in a calendar year concerning the authorization of a

1 millage rate for area career and technical education program
2 operating purposes under sections 681 to 690.

3 (9) Within 30 days after receiving the audit results, an
4 intermediate school district shall publish the results of any audit
5 conducted concerning the area career and technical education
6 program on the intermediate school district's website. The results
7 shall remain posted on the website for at least 6 months.

8 (10) The state board is the sole agency responsible for the
9 supervision and administration of career and technical education in
10 this state with authority to accept federal funding for career and
11 technical education and with the responsibility to administer the
12 requirements for career and technical education under federal and
13 state law.

14 **(11) BEGINNING JANUARY 1, 2019, AN INTERMEDIATE SCHOOL**
15 **DISTRICT SHALL NOT LEVY A TAX UNDER THIS SECTION UNLESS THE BOARD**
16 **OF THE INTERMEDIATE SCHOOL DISTRICT IS POPULARLY ELECTED UNDER**
17 **SECTIONS 615 TO 617.**

18 Sec. 705. (1) ~~Beginning~~ **SUBJECT TO SUBSECTION (6), BEGINNING**
19 in 1997, and in each year after 1997, a regional enhancement
20 property tax may be levied by an intermediate school district at a
21 rate not to exceed 3 mills to enhance other state and local funding
22 for local school district operations if approved by a majority of
23 the intermediate school electors voting on the question.

24 (2) If a resolution requesting that the question of a regional
25 enhancement property tax be submitted to the voters is adopted
26 within a 180-day period and transmitted to the intermediate school
27 board by 1 or more boards of its constituent districts representing

1 a majority of the combined membership of the constituent districts
2 as of the most recent pupil membership count day and if those
3 resolutions all contain an identical specified number of mills to
4 be levied under this section and an identical specified number of
5 years for which the tax shall be levied, the question of levying a
6 regional enhancement property tax by the intermediate school
7 district shall be placed on the ballot by the intermediate school
8 district at the next regular school election held in each of the
9 constituent districts. If the question is to be submitted to the
10 intermediate school electors of an intermediate school district
11 having a population of more than 1,400,000, the intermediate school
12 board shall call a special election to be held at the next state
13 primary or general election. If the resolution requirement is met
14 more than 180 days before the next regular school district
15 elections, and if requested in the resolutions, the intermediate
16 school board shall submit the question of levying a regional
17 enhancement property tax within the intermediate school district on
18 the ballot at a special election called by the intermediate school
19 board for that purpose not earlier than 90 days after the
20 resolution requirements are met.

21 (3) Not later than 10 days after receipt by the intermediate
22 school district of the revenue from the regional enhancement
23 property tax, the intermediate school district shall calculate and
24 pay to each of its constituent districts an amount of the revenue
25 calculated by dividing the total amount of the revenue by the
26 combined membership of the constituent districts within the
27 intermediate school district, as of the most recent pupil

1 membership count day, and multiplying that quotient by the
2 constituent district's membership, as of the most recent pupil
3 membership count day for which a final department-audited pupil
4 count is available. If a constituent district has entered into an
5 agreement with another school district or public entity to perform
6 the functions and responsibilities of the constituent district for
7 operating a public school of the constituent district, then for the
8 purposes of this subsection the pupils in membership in that public
9 school shall be considered to be in membership in the constituent
10 district and a proportionate share of the revenue payable to the
11 constituent district under this section shall be transferred by the
12 constituent district to the school district or public entity
13 performing the functions and responsibilities of the constituent
14 district for operating the public school. The proportionate share
15 of that revenue to be paid to that school district or public entity
16 shall be determined according to the percentage of the constituent
17 district's membership that is enrolled in the particular public
18 school for the state fiscal year corresponding to the tax year.
19 Revenue from a regional enhancement property tax under this section
20 shall not be allocated or paid to a constituent district that does
21 not operate a public school directly but retains a limited separate
22 identity for purposes of section 12, 12b, 863, 903, or 947.

23 (4) Regional enhancement property tax under this section may
24 be levied for a term not to exceed 20 years, as specified in the
25 ballot question, and may be renewed for the same term with the
26 approval of a majority of the intermediate school electors voting
27 on the question.

1 (5) The question of levying a regional enhancement property
2 tax under this section shall be presented to the intermediate
3 school electors as a separate question.

4 (6) BEGINNING JANUARY 1, 2019, AN INTERMEDIATE SCHOOL DISTRICT
5 SHALL NOT LEVY A REGIONAL ENHANCEMENT PROPERTY TAX UNDER THIS
6 SECTION UNLESS THE BOARD OF THE INTERMEDIATE SCHOOL DISTRICT IS
7 POPULARLY ELECTED UNDER SECTIONS 615 TO 617.

8 Sec. 1613. (1) ~~By~~ **SUBJECT TO SUBSECTION (14)**, BY adoption of a
9 resolution of its board before February 1, 1983, or before January
10 1 in any year thereafter, a school district or intermediate school
11 district may determine to impose a summer property tax levy, which
12 resolution by its terms may be applicable until revoked by the
13 board of the school district or intermediate school district or for
14 levies in any year specified therein. For each year such a
15 resolution applies the school district or intermediate school
16 district that has adopted the resolution shall request, before
17 February 1, 1983 or before January 1 in any year thereafter, each
18 city and township in which it is located to agree to collect the
19 summer levy in that year of either the total or 1/2, as specified
20 in the resolution, of the school property taxes. Notice of the
21 meeting of the respective school district board or intermediate
22 school district board at which this resolution will be offered for
23 adoption shall be published by the district, not less than 6 days
24 before holding the meeting, in a newspaper of general circulation
25 in the school district or intermediate school district. This notice
26 shall specify the time, date, and place of the public meeting,
27 shall be not less than 8 vertical inches and 4 horizontal inches,

1 shall be in not less than 12-point type, shall be preceded by a
2 headline in not less than 18-point type stating "Notice of a public
3 meeting to institute a summer property tax levy", shall contain a
4 concise statement of the contents and purpose of the proposed
5 resolution, and shall not be placed in that portion of the
6 newspaper reserved for legal notices and classified advertisements.
7 Upon receipt of the request, the governing body of the city or
8 township shall negotiate the reasonable expenses for collection of
9 the school district's or intermediate school district's summer
10 property tax levy that the city or township may bill under section
11 1611 or 1612. If a city or township and the school district or
12 intermediate school district reach an agreement within 30 days of
13 receipt of the district's request for the collection of the
14 district's summer property tax levy, including an agreement to the
15 amount of reasonable expenses that the city or township may bill
16 under section 1611 or 1612, section 1611 shall govern the other
17 terms of a city's agreement and section 1612 shall govern the other
18 terms of a township's agreement.

19 (2) If a city or township and the school district or
20 intermediate school district fail to reach an agreement pursuant to
21 subsection (1) for the collection of the summer property tax levy
22 of a school district or intermediate school district subject to
23 subsection (3), the school district or intermediate school district
24 then may negotiate, until April 1, a proposed agreement with the
25 county treasurer to collect its summer property tax levy against
26 property located in that city or township. If a proposed agreement
27 with the county treasurer has not been reached by April 1, the

1 school district or intermediate school district may determine to
2 serve as the property tax collecting unit and collect its own
3 summer property tax levy against property in that city or township.

4 (3) If, pursuant to subsection (2), the school district or
5 intermediate school district has determined to collect its own
6 summer property tax levy or has reached a proposed agreement with a
7 county treasurer on the collection of its summer property tax levy
8 against property located in a city or township with which an
9 agreement to collect this levy could not be made pursuant to
10 subsection (1), the school district shall notify by April 15 that
11 city or township of the terms of the statement required by
12 subsection (4)(b) and the city or township shall have 15 days in
13 which to exercise an option to collect the school district's or
14 intermediate school district's summer property tax levy pursuant to
15 the terms of section 1611 or 1612.

16 (4) Collection of all or part of a school district's or
17 intermediate school district's property tax levy by a county
18 treasurer or by the school district or intermediate school district
19 shall comply with all of the following:

20 (a) Collection shall be either 1/2 or the total of the
21 property tax levy against the properties, as specified for that
22 year in the resolution of the district.

23 (b) The actual cost of the collection which the school
24 district or intermediate school district has agreed to incur itself
25 or to pay the county treasurer that is in addition to any fees
26 imposed pursuant to subdivision (g), and the aggregate amount of
27 costs of collection the district has agreed to incur or the county

1 treasurer may receive from district payments and from fees and
2 charges imposed pursuant to subdivision (g) shall be stated in
3 writing and reported to the state treasurer.

4 (c) Before June 30 the county treasurer or, if the district is
5 collecting its own summer property tax levy, the treasurer of the
6 school district or intermediate school district shall spread the
7 taxes being collected in terms of millages on the assessment roll,
8 assess the amount of tax levied in proportion to the state
9 equalized valuation, and prepare a tax roll which commands the
10 appropriate treasurer to collect on July 1 the taxes indicated as
11 due on the tax roll.

12 (d) Taxes authorized to be collected shall become a lien
13 against the property on which assessed, and due from the owner of
14 that property, on July 1.

15 (e) Taxes shall be collected on or before September 14 and all
16 taxes and interest imposed pursuant to subdivision (f) unpaid
17 before March 1 shall be returned as delinquent on March 1. Taxes
18 delinquent under this subdivision shall be collected pursuant to
19 ~~Act No. 206 of the Public Acts of 1893, as amended.~~ **THE GENERAL**
20 **PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.155.**

21 (f) Interest shall be added to taxes collected after September
22 14 at that rate imposed by section 59 of ~~Act No. 206 of the Public~~
23 ~~Acts of 1893, being section 211.59 of the Michigan Compiled Laws,~~
24 **THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.59,** on
25 delinquent property tax levies which became a lien in the same
26 year.

27 (g) All or a portion of fees or charges, or both, authorized

1 under section 44 of ~~Act No. 206 of the Public Acts of 1893, being~~
2 ~~section 211.44 of the Michigan Compiled Laws,~~ **THE GENERAL PROPERTY**
3 **TAX ACT, 1893 PA 206, MCL 211.44,** may be imposed on taxes paid
4 before March 1 and shall be retained by the treasurer actually
5 performing the collection of the summer property tax levy of the
6 school district or intermediate school district, regardless of
7 whether all or part of these fees or charges, or both, have been
8 waived by the township or city.

9 (5) An agreement for the collection of a summer property tax
10 levy of a school district or intermediate school district with a
11 county treasurer shall include a schedule for delivering
12 collections to the school district or intermediate school district.

13 (6) To the extent applicable and consistent with the
14 requirements of this section, the provisions of ~~Act No. 206 of the~~
15 ~~Public Acts of 1893,~~ **THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**
16 **211.1 TO 211.155,** shall apply to proceedings in relation to the
17 assessment, spreading, and collection of taxes pursuant to this
18 section. Additionally, in relation to the assessment, spreading,
19 and collection of taxes pursuant to this section, the county
20 treasurer or, if the district is collecting its own summer property
21 tax levy, the treasurer of the school district or intermediate
22 school district shall have powers and duties similar to those
23 prescribed by ~~Act No. 206 of the Public Acts of 1893,~~ **THE GENERAL**
24 **PROPERTY TAX ACT, MCL 211.1 TO 211.155, 1893 PA 206,** for township
25 supervisors, township clerks, and township treasurers. However,
26 this section shall not be considered to transfer any authority over
27 the assessment of property.

1 (7) If a county treasurer or the treasurer of a school
2 district or intermediate school district collects the summer
3 property tax levy of the district, the township or city shall
4 deliver by June 1 a certified copy of the assessment roll
5 containing state equalized valuations for each parcel of taxable
6 property in the township or city to the treasurer collecting the
7 summer property tax levy of the school district or intermediate
8 school district. The county treasurer or the treasurer of a school
9 district or intermediate school district receiving this certified
10 copy of the assessment roll shall remit the necessary cost incident
11 to the reproduction of the assessment roll to the township or city.

12 (8) A county treasurer or treasurer of a school district or
13 intermediate school district collecting taxes pursuant to this
14 section shall be bonded for tax collection in the same amount and
15 in the same manner as a township treasurer would be for undertaking
16 the duties prescribed by this section.

17 (9) An agreement for the collection of a summer property tax
18 levy between a school district or intermediate school district and
19 a county may cover summer collections for 2 years. If an agreement
20 covers summer collections for 2 years, the resolution, ~~and request,~~
21 ~~required by subsection (1), the~~ **AND** notice required by subsection
22 ~~(2), (1),~~ and the option to reconsider provided by subsection (3)
23 shall not apply for summer collections in the second year.

24 (10) If collections are made pursuant to this section by a
25 county treasurer or by the treasurer of a school district or
26 intermediate school district, all payments from a school district
27 or intermediate school district for collecting its summer property

1 tax levy and all revenues generated from collection fees shall be
2 deposited, when received or collected, in a current school tax
3 collection fund, which fund shall be used by the county treasurer
4 or treasurer of the school district or intermediate school district
5 to pay for the cost of collecting the district's summer property
6 tax levy. The current school tax collection fund shall be
7 segregated from all other funds and once the current school tax
8 collection fund has been established money shall not be withdrawn
9 except upon an order, check, or draft of the collecting treasurer
10 for the purpose of paying 1 or more of the following costs:

11 (a) The cost of special deputy treasurers and equipment
12 directly involved in the collection of current property taxes.

13 (b) The cost of all services determined necessary by the
14 collecting treasurer to collect the summer property tax levy of the
15 school district or intermediate school district.

16 (c) The contract payments to any person, firm, or corporation
17 employed by the collecting treasurer to assist in the collection of
18 the current property taxes.

19 (11) All surplus money in a current school tax collection fund
20 shall be invested by the collecting treasurer in any investment
21 authorized by ~~Act No. 20 of the Public Acts of 1943, being sections~~

22 ~~129.91 to 129.93 of the Michigan Compiled Laws. 1943 PA 20, MCL~~

23 **129.91 TO 129.93.** The county treasurer and the treasurer of a
24 school district or intermediate school district shall publish, on
25 March 1 of the year after the treasurer first collects the summer
26 property tax levy of a school district or intermediate school
27 district and each year thereafter, an annual report on the status

1 of the fund for the last year ending December 31. The report shall
2 show the total charges, expenses, and year-end surplus.

3 (12) Money in the current school tax collection fund shall not
4 be transferred to the general fund of the county, school district,
5 or intermediate school district or made the subject of
6 appropriation by the county, school district, or intermediate
7 school district. Any surplus in a current school tax collection
8 fund shall be used by the county treasurer, school district
9 treasurer, or intermediate school district treasurer to reduce the
10 following costs for the next summer property tax levy of a school
11 district or intermediate school district that is collected by the
12 county treasurer, school district treasurer, or intermediate school
13 district treasurer:

14 (a) The costs of collection, in excess of fees and charges,
15 incurred or paid pursuant to subsection (4) (b) .

16 (b) The fees and charges imposed pursuant to subsection
17 (4) (g) .

18 (13) A city treasurer, township treasurer, county treasurer,
19 school district treasurer, or intermediate school district
20 treasurer that collects pursuant to this section, section 1611, or
21 section 1612 the summer property tax levy of a school district or
22 intermediate school district against property eligible for a
23 deferral of summer property taxes under section 51 ~~of Act No. 206~~
24 ~~of the Public Acts of 1893, being section 211.51 of the Michigan~~
25 ~~Compiled Laws,~~ **THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**
26 **211.51**, and, if not otherwise eligible for deferral thereunder,
27 against property classified as agricultural real property if the

gross receipts of the agricultural or horticultural operations in the previous year or the average gross receipts of such operations in the previous 3 years are not less than the household income of the owner in the previous year shall defer the collection of these summer property taxes without penalty or interest until the following February 15 upon a filing by the taxpayer of an intent to defer with the property tax collecting treasurer in the same manner as provided by section 51 of ~~Act No. 206 of the Public Acts of 1893.~~ **THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.51.** The treasurer of a city, township, school district, intermediate school district, or county who collects the summer property tax levy of a school district or intermediate school district also shall comply with the publication and assistance requirements of section 51 of ~~Act No. 206 of the Public Acts of 1893,~~ **THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.51,** with respect to property eligible for a deferral under this subsection.

(14) BEGINNING JANUARY 1, 2019, AN INTERMEDIATE SCHOOL DISTRICT SHALL NOT IMPOSE A SUMMER PROPERTY TAX LEVY UNDER THIS SECTION UNLESS THE BOARD OF THE INTERMEDIATE SCHOOL DISTRICT IS POPULARLY ELECTED UNDER SECTIONS 615 TO 617.

Sec. 1724a. (1) Beginning in 1995, and subject to **SUBSECTION (6) AND** section 625b, the board of an intermediate school district may levy ad valorem property taxes for special education purposes under sections 1722 to 1729 at a rate not to exceed 1.75 times the number of mills of those taxes authorized in the intermediate school district in 1993. All or part of the millage levied under this section may be renewed as provided in this article. Approval

1 of the intermediate school electors is not required for the levy
2 under this section of previously authorized mills until that
3 authorization expires.

4 (2) An intermediate school district that levies a tax for
5 special education operating purposes shall not use proceeds from
6 the tax for any purpose other than special education operating
7 purposes and shall submit to the department of treasury a copy of
8 the audit report from the audit of the intermediate school district
9 conducted under section 622a. If the department of treasury
10 determines from the audit report that the proceeds from the tax
11 have been used for a purpose other than special education operating
12 purposes, as defined under subsection (4), the department of
13 treasury shall notify the intermediate school district of that
14 determination. If the intermediate school district disputes the
15 determination or claims that the situation has been corrected,
16 within 15 days after receipt of the determination the intermediate
17 school district may submit an appeal of the determination to the
18 department of treasury. Within 90 days after receipt of the appeal,
19 the department of treasury shall consider the appeal and make a
20 determination of whether the initial determination was correct or
21 incorrect and of whether the situation has been corrected. If the
22 department of treasury finds that the initial determination was
23 correct and that the situation has not been corrected, then the
24 department of treasury shall file a copy of the report with the
25 attorney general. The attorney general shall review the report and,
26 if the attorney general considers it appropriate, shall commence or
27 direct the prosecuting attorney for the county in which the

1 violations occurred to commence appropriate proceedings against the
2 intermediate school board or the official or employee. These
3 proceedings shall include at least a civil action in a court of
4 competent jurisdiction for the recovery of any public money
5 determined by the audit to have been illegally expended and for the
6 recovery of any public property determined by the audit to have
7 been converted or misappropriated.

8 (3) If the attorney general determines from a report filed
9 under subsection (2) that an intermediate school district has
10 misspent tax proceeds as described in subsection (2) and notifies
11 the intermediate school district of this determination, the
12 intermediate school district shall repay to its special education
13 operating fund an amount equal to the amount the department of
14 treasury determined under subsection (2) has been used for a
15 purpose other than special education operating purposes. The
16 intermediate school district shall make this repayment from funds
17 of the intermediate school district that lawfully may be used for
18 making such a repayment.

19 (4) For the purposes of subsections (2) and (3), the
20 department and the department of treasury, in consultation with
21 intermediate school districts, shall develop and make available to
22 intermediate school districts a definition of special education
23 operating purposes.

24 (5) An intermediate district shall not hold more than 2
25 elections in a calendar year concerning the authorization of a
26 millage rate for special education purposes under sections 1722 to
27 1729.

1 (6) BEGINNING JANUARY 1, 2019, THE BOARD OF AN INTERMEDIATE
2 SCHOOL DISTRICT SHALL NOT LEVY A TAX UNDER SECTIONS 1722 TO 1729
3 UNLESS THE BOARD OF THE INTERMEDIATE SCHOOL DISTRICT IS POPULARLY
4 ELECTED UNDER SECTIONS 615 TO 617.

5 Enacting section 1. This amendatory act takes effect 90 days
6 after the date it is enacted into law.