

Act No. 23
Public Acts of 2018
Approved by the Governor
February 12, 2018
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February 14, 2018
EFFECTIVE DATE: May 15, 2018

**STATE OF MICHIGAN
99TH LEGISLATURE
REGULAR SESSION OF 2018**

Introduced by Senators Hildenbrand, Pavlov, Colbeck, Shirkey, MacGregor and Kowall

ENROLLED SENATE BILL No. 574

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 705 (MCL 380.705), as amended by 2016 PA 192.

The People of the State of Michigan enact:

Sec. 705. (1) Beginning in 1997, and in each year after 1997, a regional enhancement property tax may be levied by an intermediate school district at a rate not to exceed 3 mills to enhance other state and local funding for intermediate school district, school district, or public school academy operations, as provided in this section, if approved by a majority of the intermediate school electors voting on the question.

(2) If a resolution requesting that the question of a regional enhancement property tax be submitted to the voters is adopted within a 180-day period and transmitted to the intermediate school board by 1 or more boards or boards of directors of its constituent districts representing a majority of the combined membership of the constituent districts as of the most recent pupil membership count day and if those resolutions all contain an identical specified number of mills to be levied under this section and an identical specified number of years for which the tax shall be levied, the question of levying a regional enhancement property tax by the intermediate school district shall be placed on the ballot by the intermediate school district at the next regular school election held in each of the constituent districts that are school districts. If the question is to be submitted to the intermediate school electors of an intermediate school district having a population of more than 1,400,000, the intermediate school board shall call a special election to be held at the next state primary or general election. If the resolution requirement is met more than 180 days before the next regular school district elections, and if requested in the resolutions, the intermediate school board shall submit the question of levying a regional enhancement property tax within the intermediate school district on the ballot at a special election called by the intermediate school board for that purpose not earlier than 90 days after the resolution requirements are met.

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

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

(4) If a public school academy is receiving revenue from a regional enhancement property tax under an agreement described in subsection (3), the public school academy shall receive that revenue until the term of the initially levied regional enhancement property tax expires, as specified in the ballot question, as long as the receipt of that revenue remains consistent with the agreement. After the term of the initially levied regional enhancement property tax expires or the public school academy is no longer entitled to receive revenue from the regional enhancement property tax under the agreement described in subsection (3), the public school academy shall not receive revenue from any regional enhancement property tax that is subsequently levied or renewed unless that public school academy meets the requirements of subsection (7) to receive revenue from a regional enhancement property tax as a constituent district.

(5) Regional enhancement property tax under this section may be levied for a term not to exceed 20 years, as specified in the ballot question, and may be renewed for the same term and for the purposes described in subsection (1) with the approval of a majority of the intermediate school electors voting on the question.

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

(7) For the purposes of this section, except as otherwise provided in this section, a public school academy is considered to be a single constituent district of an intermediate school district if the public school academy operates at least 1 site that is located in that intermediate school district and the public school academy counts in membership pupils enrolled at the site or sites located in that intermediate school district on the pupil membership count day used to calculate the combined membership of the intermediate school district's constituent districts under subsection (2). A public school academy that is a school of excellence operating as a cyber school, as defined in section 551, is considered to be a single constituent district of an intermediate school district only if the administrative office of that cyber school is located within the intermediate school district, 100% of the pupils enrolled in the cyber school reside within the intermediate school district, and the cyber school counts in membership pupils enrolled in the cyber school on the pupil membership count day used to calculate the combined membership of the intermediate school district's constituent districts under subsection (2). However, a public school academy is not eligible to be considered a constituent district under this subsection if the public school academy's 2 most recent annual financial audits required under section 503(6)(g), 523(2)(g), 553(5)(g), or 1311e(5)(h) indicate successive unresolved material findings. In addition, in order to be considered a constituent district under this subsection, the public school academy must provide the department documentation establishing that the public school academy has a special education program that is in compliance with state and federal law.

(8) Except for a school of excellence operating as a cyber school, as defined in section 551, a public school academy that receives revenue from a regional enhancement property tax due to the operation of subsection (7) shall use that money only for expenditures that directly benefit a site operated by the public school academy that is located in the intermediate school district in which the regional enhancement property tax was approved.

(9) For a regional enhancement property tax that was initially authorized and levied before the effective date of the amendatory act that added this subsection, both of the following apply:

(a) Subject to subsection (4), a public school academy is not eligible to be considered a constituent district and to receive revenue from that regional enhancement property tax due to the operation of subsection (7) until that regional enhancement property tax is renewed.

(b) An intermediate school district is not eligible to be considered a constituent district and to receive revenue for pupils counted in membership by the intermediate school district from that regional enhancement property tax due to the operation of subsection (10) until that regional enhancement property tax is renewed.

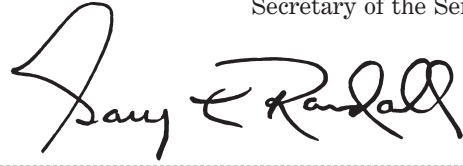
(10) For a regional enhancement property tax that is initially authorized and levied or renewed after the effective date of the amendatory act that added this subsection, for the purposes of this section, an intermediate school district is considered to be a single constituent district of the intermediate school district if it enrolls pupils who are counted in membership by the intermediate school district and not counted in membership by another intermediate school district, school district, or public school academy.

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor