

SENATE BILL NO. 411

May 04, 2021, Introduced by Senators LASATA, THEIS, BARRETT, VICTORY, DALEY and ZORN and referred to the Committee on Education and Career Readiness.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1724a (MCL 380.1724a), as amended by 2004 PA
415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1724a. (1) Beginning in 1995, and subject to section
2 625b, the board of an intermediate school district may levy ad
3 valorem property taxes for special education purposes under
4 sections 1722 to 1729 at a rate not to exceed 1.75 times the number
5 of mills of those taxes authorized in the intermediate school

1 district in 1993. All or part of the millage levied under this
2 section may be renewed as provided in this article. Approval of the
3 intermediate school electors is not required for the levy under
4 this section of previously authorized mills until that
5 authorization expires.

6 (2) An intermediate school district that levies a tax for
7 special education operating purposes shall not use proceeds from
8 the tax for any purpose other than special education operating
9 purposes and shall submit to the department of treasury a copy of
10 the audit report from the audit of the intermediate school district
11 conducted under section 622a. If the department of treasury
12 determines from the audit report that the proceeds from the tax
13 have been used for a purpose other than special education operating
14 purposes, as defined under subsection (4), the department of
15 treasury shall notify the intermediate school district of that
16 determination. If the intermediate school district disputes the
17 determination or claims that the situation has been corrected,
18 within 15 days after receipt of the determination the intermediate
19 school district may submit an appeal of the determination to the
20 department of treasury. Within 90 days after receipt of the appeal,
21 the department of treasury shall consider the appeal and make a
22 determination of whether the initial determination was correct or
23 incorrect and of whether the situation has been corrected. If the
24 department of treasury finds that the initial determination was
25 correct and that the situation has not been corrected, then the
26 department of treasury shall file a copy of the report with the
27 attorney general. The attorney general shall review the report and,
28 if the attorney general considers it appropriate, shall commence or
29 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~~**must** include at least a civil action in a court
4 of 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~~**Except as otherwise provided in this subsection, for**
20 the purposes of subsections (2) and (3), the department and the
21 department of treasury, in consultation with intermediate school
22 districts, shall develop and make available to intermediate school
23 districts a definition of special education operating purposes.
24 **Beginning on the effective date of the amendatory act that added**
25 **this sentence, special education operating purposes include payment**
26 **by an intermediate school district of portions of the proceeds from**
27 **a millage authorized or renewed under this section by the**
28 **intermediate school district after the effective date of the**
29 **amendatory act that added this sentence to an enrolling**

1 intermediate school district or school district in providing that
2 enrolling intermediate school district or school district with its
3 special education millage support per pupil as required under
4 section 105c(19) of the state school aid act of 1979, MCL
5 388.1705c, because an agreement was not reached between the
6 intermediate school district and the enrolling intermediate school
7 district or school district under section 105c(19) of the state
8 school aid act of 1979, MCL 388.1705c. As used in this subsection,
9 "special education millage support per pupil" means that term as
10 defined in section 105c of the state school aid act of 1979, MCL
11 388.1705c.

12 (5) An intermediate **school** district shall not hold more than 2
13 elections in a calendar year concerning the authorization of a
14 millage rate for special education purposes under sections 1722 to
15 1729.

16 Enacting section 1. This amendatory act does not take effect
17 unless Senate Bill No. 410 of the 101st Legislature is enacted into
18 law.