

# HOUSE BILL NO. 6029

November 07, 2024, Introduced by Rep. Andrews and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 1211 and 1211a (MCL 380.1211 and 380.1211a),  
section 1211 as amended by 2020 PA 156 and section 1211a as amended  
by 1994 PA 258.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1211. (1) Except as otherwise provided in this section  
2       and section 1211c, the board of a school district shall levy not  
3       more than 18 mills for school operating purposes. ~~or the number of~~  
4       ~~mills levied in 1993 for school operating purposes, whichever is~~



~~less.~~—A principal residence, qualified agricultural property, qualified forest property, supportive housing property, property occupied by a public school academy, and industrial personal property are exempt from the mills levied under this subsection except for the number of mills by which that exemption is reduced under this subsection. Except as otherwise provided in subsection (9), the board of a school district that had a foundation allowance for the 1994-95 state fiscal year greater than \$6,500.00 may reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, property occupied by a public school academy, and industrial personal property are exempted under this subsection by up to the number of mills, as certified under section 1211a, required to be levied on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, property occupied by a public school academy, and industrial personal property for the school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for the state fiscal year ending in 1995, and the board also may levy in 1994 or a succeeding year that number of mills for school operating purposes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, property occupied by a public school academy, and industrial personal property.

(2) Subject to subsection (3), if the department of treasury determines that the maximum number of mills allowed to be levied under subsection (1) on all classes of property was not sufficient for a school district's combined state and local revenue per



1 membership pupil for the school fiscal year ending in 1995 to be  
2 equal to the school district's foundation allowance for that school  
3 fiscal year, the board of the school district may levy in 1994 or a  
4 succeeding year additional mills uniformly on all property up to  
5 the number of mills required for the school district's combined  
6 state and local revenue per membership pupil for the school fiscal  
7 year ending in 1995 to be equal to the school district's foundation  
8 allowance for the state fiscal year ending in 1995. However, the  
9 board of a school district described in this subsection, by board  
10 resolution, may elect to exempt each principal residence and all  
11 qualified agricultural property, qualified forest property,  
12 supportive housing property, property occupied by a public school  
13 academy, and industrial personal property located in the school  
14 district from some or all of the mills that the board is authorized  
15 to levy under this subsection.

16 (3) After 1994, the number of mills a school district may levy  
17 under this section on any class of property must not exceed ~~the~~  
18 ~~lesser of the number of mills the school district was certified by~~  
19 ~~the department of treasury under section 1211a to levy on that~~  
20 ~~class of property under this section in 1994 or the number of mills~~  
21 required to be levied on that class of property under this section  
22 to ensure that the increase from the immediately preceding state  
23 fiscal year in the school district's combined state and local  
24 revenue per membership pupil, calculated as if the school district  
25 had levied the maximum number of mills the school district was  
26 allowed to levy under this section regardless of the number of  
27 mills the school district actually levied, does not exceed the  
28 lesser of the dollar amount of the increase in the target  
29 foundation allowance under section 20 of the state school aid act



1 of 1979, MCL 388.1620, from the immediately preceding state fiscal  
2 year or the percentage increase in the general price level in the  
3 immediately preceding calendar year. If the number of mills a  
4 school district is allowed to levy under this section in a year  
5 after 1994 is less than the number of mills the school district was  
6 allowed to levy under this section in the immediately preceding  
7 year, any reduction required by this subsection in the school  
8 district's millage rate must be calculated by first reducing the  
9 number of mills the school district is allowed to levy under  
10 subsection (2) and then increasing the number of mills from which a  
11 principal residence, qualified agricultural property, qualified  
12 forest property, supportive housing property, property occupied by  
13 a public school academy, and industrial personal property are  
14 exempted under subsection (1). For calculations under this  
15 subsection, the target foundation allowance under section 20 of the  
16 state school aid act of 1979, MCL 388.1620, for the 2018-2019 state  
17 fiscal year is considered to be the basic foundation allowance  
18 under section 20 of the state school aid act of 1979, MCL 388.1620,  
19 for the 2018-2019 state fiscal year.

20 (4) Commercial personal property is exempt from 12 of the  
21 mills levied under this section. However, if the number of mills  
22 from which industrial personal property is exempted for a specific  
23 school district is reduced under this section, ~~then~~ the number of  
24 mills from which commercial personal property is exempted for that  
25 school district must be reduced by that same number of mills.

26 (5) Except as otherwise provided under this subsection,  
27 millage levied under this section must be approved by the school  
28 electors. For the purposes of this section, millage approved by the  
29 school electors before January 1, 1994 for which the authorization



1 has not expired is considered to be approved by the school  
2 electors. With the approval of the state treasurer, a school  
3 district may pledge millage levied under this section for the  
4 repayment of a loan under the emergency municipal loan act, 1980 PA  
5 243, MCL 141.931 to 141.942, money borrowed by the school district  
6 under section 1225, or the repayment of advances, overpayments, or  
7 other obligations of the school district to this state under  
8 section 15 of the state school aid act of 1979, MCL 388.1615.

9 (6) If a school district levies millage for school operating  
10 purposes that is in excess of the limits of this section, the  
11 amount of the resulting excess tax revenue must be deducted from  
12 the school district's next regular tax levy.

13 (7) If a school district levies millage for school operating  
14 purposes that is less than the limits of this section, the board of  
15 the school district may levy at the school district's next regular  
16 tax levy an additional number of mills not to exceed the additional  
17 millage needed to make up the shortfall.

18 (8) A school district shall not levy mills allocated under the  
19 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,  
20 other than mills allocated to a school district that was previously  
21 a school district of the first class, for payment to a public  
22 library commission under section 11(4) of the property tax  
23 limitation act, 1933 PA 62, MCL 211.211, after 1993.

24 (9) Beginning with taxes levied for 2011, if a school district  
25 had a foundation allowance for the 1994-95 state fiscal year  
26 greater than \$6,500.00 and if the school district's foundation  
27 allowance for the 2009-2010 state fiscal year was less than the  
28 basic foundation allowance prescribed for the 2009-2010 state  
29 fiscal year under section 20 of the state school aid act of 1979,



1 MCL 388.1620, the school district may not reduce the number of  
2 mills from which certain classes of property are exempted from the  
3 levy of millage under subsection (1) and may not levy that number  
4 of mills on those classes of property as would otherwise be allowed  
5 under subsection (1).

6 (10) As used in this section:

7 (a) **"Combined state and local revenue" means the aggregate of**  
8 **the school district's state school aid received by or paid on**  
9 **behalf of the district under section 20 of the state school aid act**  
10 **of 1979, MCL 388.1620, and the school district's local school**  
11 **operating revenue.**

12 (b) ~~(a)~~ **"Combined state and local revenue per membership**  
13 **pupil" means that term as defined in section 20 of the state school**  
14 **aid act of 1979, MCL 388.1620.** **the school district's combined state**  
15 **and local revenue divided by the school district's membership**  
16 **excluding special education pupils.**

17 (c) ~~(b)~~ **"Commercial personal property" means property**  
18 **classified as commercial personal property under section 34c of the**  
19 **general property tax act, 1893 PA 206, MCL 211.34c.**

20 (d) ~~(c)~~ **"Foundation allowance" means a school district's**  
21 **foundation allowance as calculated under section 20 of the state**  
22 **school aid act of 1979, MCL 388.1620.**

23 (e) ~~(d)~~ **"General price level" means that term as defined in**  
24 **section 33 of article IX of the state constitution of 1963.**

25 (f) ~~(e)~~ **"Industrial personal property" means the following:**

26 (i) Except as otherwise provided in subparagraph (ii), property  
27 classified as industrial personal property under section 34c of the  
28 general property tax act, 1893 PA 206, MCL 211.34c.

29 (ii) Beginning December 31, 2011, industrial personal property



1 does not include a turbine powered by gas, steam, nuclear energy,  
2 coal, or oil the primary purpose of which is the generation of  
3 electricity for sale.

4 (g) ~~(f)~~—"Membership" means that term as defined in section 6  
5 of the state school aid act of 1979, MCL 388.1606.

6 (h) ~~(g)~~—"Owner", "person", "principal residence", and  
7 "qualified agricultural property" mean those terms as defined in  
8 section 7dd of the general property tax act, 1893 PA 206, MCL  
9 211.7dd.

10 (i) ~~(h)~~—"Property occupied by a public school academy" means  
11 property occupied by a public school academy, urban high school  
12 academy, or school of excellence that is used exclusively for  
13 educational purposes.

14 (j) ~~(i)~~—"Qualified forest property" means that term as defined  
15 in section 7jj of the general property tax act, 1893 PA 206, MCL  
16 211.7jj[1].

17 (k) ~~(j)~~—"School operating purposes" includes expenditures for  
18 furniture and equipment, for alterations necessary to maintain  
19 school facilities in a safe and sanitary condition, for funding the  
20 cost of energy conservation improvements in school facilities, for  
21 deficiencies in operating expenses for the preceding year or  
22 preceding years, including, but not limited to, repayment of an  
23 emergency loan under the emergency municipal loan act, 1980 PA 243,  
24 MCL 141.931 to 141.942, and for paying the operating allowance due  
25 from the school district to a joint high school district in which  
26 the school district is a participating school district under former  
27 part 3a. Taxes levied for school operating purposes do not include  
28 any of the following:

29 (i) Taxes levied by a school district for operating a community



1 college under part 25.

2 (ii) Taxes levied under section 1212.

3 (iii) Taxes levied under section 1356 for eliminating an  
4 operating deficit.

5 (iv) Taxes levied for operation of a library under section 1451  
6 or for operation of a library established under 1913 PA 261, MCL  
7 397.261 to 397.262, that were not included in the operating millage  
8 reported by the district to the department as of April 1, 1993.  
9 However, a district may report to the department not later than  
10 April 1, 1994 the number of mills it levied in 1993 for a purpose  
11 described in this subparagraph that the school district does not  
12 want considered as operating millage and then that number of mills  
13 is excluded under this section from taxes levied for school  
14 operating purposes.

15 (v) Taxes paid by a school district that was previously a  
16 school district of the first class to a public library commission  
17 under section 11(4) of the property tax limitation act, 1933 PA 62,  
18 MCL 211.211.

19 (vi) Taxes levied under former section 1512 for operation of a  
20 community swimming pool. In addition, if a school district included  
21 the millage it levied in 1993 for operation of a community swimming  
22 pool as part of its operating millage reported to the department  
23 for 1993, the school district may report to the department not  
24 later than June 17, 1994 the number of mills it levied in 1993 for  
25 operation of a community swimming pool that the school district  
26 does not want considered as operating millage and then that number  
27 of mills is excluded under this section from taxes levied for  
28 school operating purposes.

29 (l) ~~(k)~~—"Supportive housing property" means real property



1 certified as supportive housing property under chapter 3B of the  
2 state housing development authority act of 1966, 1966 PA 346, MCL  
3 125.1459 to 125.1459a.

4 Sec. 1211a. Not later than June 20, 1994, the department of  
5 treasury shall certify each school district's combined state and  
6 local revenue per membership pupil, as defined in section 1211, for  
7 the school fiscal year ending in 1994, ~~the number of mills the~~  
8 ~~school district may levy beginning in 1994 under section 1211, and~~  
9 the number of mills by which the school district may reduce the  
10 exemption for a homestead and qualified agricultural property for  
11 1994 under section 1211. The department of education shall provide  
12 to the department of treasury all information necessary for the  
13 department of treasury to make the certifications under this  
14 section. Not later than July 20, 1994, a school district may appeal  
15 the determinations made by the department of treasury for the  
16 district under this section. An appeal under this subsection shall  
17 be made to the superintendent of public instruction, who may assign  
18 the appeal to a hearing officer. The superintendent of public  
19 instruction shall offer any appealing school district an appeal  
20 conference to attempt to resolve the issues raised in the appeal  
21 without a hearing. If the appeal conference does not resolve the  
22 issues, the superintendent of public instruction or hearing officer  
23 may conduct a hearing. Based upon the appeal, the information  
24 submitted by the school district, and the information provided by  
25 the department of treasury, the hearing officer shall submit a  
26 proposed decision to the superintendent of public instruction  
27 either affirming the determinations made by the department of  
28 treasury or directing the department of treasury to make specific  
29 adjustments. Not later than 30 days after receiving the proposed



1 decision, or not later than 30 days after hearing the appeal, the  
2 superintendent of public instruction shall issue a final decision  
3 either affirming the determinations made by the department of  
4 treasury or directing the department of treasury to make specific  
5 adjustments and provide a copy to the school district.