

SENATE BILL NO. 315

May 20, 2025, Introduced by Senator DAMOOSE and referred to Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 11a, 1141, 1212, and 1351a (MCL 380.11a,
380.1141, 380.1212, and 380.1351a), sections 11a and 1351a as
amended by 2016 PA 192 and section 1212 as amended by 2023 PA 26.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11a. (1) Beginning on July 1, 1996, each school district
2 formerly organized as a primary school district or as a school
3 district of the fourth class, third class, or second class ~~shall be~~
4 **is** a general powers school district under this act.

1 (2) Beginning on July 1, 1996, a school district operating
2 under a special or local act shall operate as a general powers
3 school district under this act except to the extent that the
4 special or local act is inconsistent with this act. Upon repeal of
5 a special or local act that governs a school district, that school
6 district ~~shall become~~ **becomes** a general powers school district
7 under this act.

8 (3) A general powers school district has all of the rights,
9 powers, and duties expressly stated in this act; may exercise a
10 power implied or incident to a power expressly stated in this act;
11 and, except as otherwise provided by law, may exercise a power
12 incidental or appropriate to the performance of a function related
13 to operation of a public school and the provision of public
14 education services in the interests of public elementary and
15 secondary education in the school district, including, but not
16 limited to, all of the following:

17 (a) Educating pupils. In addition to educating pupils in
18 grades ~~K-12~~, **K to 12**, this function may include operation of
19 preschool, lifelong education, adult education, community
20 education, training, enrichment, and recreation programs for other
21 persons. A school district may do either or both of the following:

22 (i) Educate pupils by directly operating 1 or more public
23 schools on its own.

24 (ii) Cause public education services to be provided for pupils
25 of the school district through an agreement, contract, or other
26 cooperative agreement with another public entity, including, but
27 not limited to, another school district or an intermediate school
28 district.

29 (b) Providing for the safety and welfare of pupils while at

1 school or a school sponsored activity or while en route to or from
2 school or a school sponsored activity.

3 (c) Except as otherwise provided in this section, acquiring,
4 constructing, maintaining, repairing, renovating, disposing of, or
5 conveying school property, facilities, equipment, technology, or
6 furnishings.

7 (d) Hiring, contracting for, scheduling, supervising, or
8 terminating employees, independent contractors, and others,
9 including, but not limited to, another school district or an
10 intermediate school district, to carry out school district powers.
11 A school district may indemnify its employees.

12 (e) Receiving, accounting for, investing, or expending public
13 school money; borrowing money and pledging public school funds for
14 repayment; and qualifying for state school aid and other public or
15 private money from local, regional, state, or federal sources.

16 **(f) Acquiring, erecting, constructing, designing, planning,**
17 **furnishing, equipping, maintaining, repairing, renovating,**
18 **disposing of, or conveying buildings, facilities, or property for**
19 **the purpose of housing public school employees.**

20 (4) A general powers school district may enter into
21 agreements, contracts, or other cooperative arrangements with other
22 entities, public or private, including, but not limited to, another
23 school district or an intermediate school district, or join
24 organizations as part of performing the functions of the school
25 district. An agreement, contract, or other cooperative arrangement
26 that is entered into under this act is not required to comply with
27 the provisions of the urban cooperation act of 1967, 1967 (Ex Sess)
28 PA 7, MCL 124.501 to 124.512, as provided under section 503 of that
29 act, MCL 124.503.

1 (5) A general powers school district is a body corporate and
2 ~~shall be~~ **is** governed by a school board. An act of a school board is
3 not valid unless approved, at a meeting of the school board, by a
4 majority vote of the members lawfully serving on the board.

5 (6) The board of a general powers school district shall adopt
6 bylaws. These bylaws may establish or change board procedures, the
7 number of board officers, titles and duties of board officers, and
8 any other matter related to effective and efficient functioning of
9 the board. Regular meetings of the board ~~shall~~ **must** be held at
10 least once each month, at the time and place fixed by the bylaws.
11 Special meetings may be called and held in the manner and for the
12 purposes specified in the bylaws. Board procedures, bylaws, and
13 policies in effect on the effective date of this section ~~shall~~
14 continue in effect until changed by action of the board.

15 (7) The board of a school district ~~shall~~ **must** be elected as
16 provided under this act and the Michigan election law. The number
17 of members of the board of a general powers school district ~~shall~~
18 **must** remain the same as for that school district before July 1,
19 1996 unless changed by the school electors of the school district
20 at a regular or special school election. A ballot question for
21 changing the number of board members may be placed on the ballot by
22 action of the board or by petition submitted by school electors as
23 provided under chapter XIV of the Michigan election law, MCL
24 168.301 to 168.316.

25 (8) Members of the board of a general powers school district
26 ~~shall~~ **must** be elected by the school electors for terms of 4 or 6
27 years, as provided by the school district's bylaws. At each regular
28 school election, members of the board ~~shall~~ **must** be elected to fill
29 the positions of those whose terms will expire. A term of office

1 begins as provided in section 302 of the Michigan election law, MCL
2 168.302, and continues until a successor is elected and qualified.

3 (9) Except as provided under part 5b, a community district
4 ~~shall~~**must** be organized and conducted in the same manner as a
5 general powers school district. As provided under part 5b, a
6 community district has all of the powers of a general powers school
7 district under section 11a and has all additional powers granted by
8 law to a community district or the school board of a community
9 district. The members of the board of a community district ~~shall be~~
10 **are** elected by the school electors in the manner and for the terms
11 as provided under part 5b and the Michigan election law.

12 (10) The board of a general powers school district may submit
13 to the school electors of the school district a question that is
14 within the scope of the powers of the school electors and that the
15 board considers proper for the management of the school system or
16 the advancement of education in the school district. Upon the
17 adoption of a question by the board, the board shall submit the
18 question to the school electors by complying with section 312 of
19 the Michigan election law, MCL 168.312.

20 (11) A special election may be called by the board of a
21 general powers school district as provided under chapter XIV of the
22 Michigan election law, MCL 168.301 to 168.316.

23 (12) Unless expressly provided in 1995 PA 289, the powers of a
24 school board or school district are not diminished by this section
25 or by 1995 PA 289.

26 (13) A school district operating a public library, public
27 museum, or community recreational facility as of July 1, 1996 may
28 continue to operate the public library, public museum, or community
29 recreational facility.

1 (14) A school district may establish and administer
2 scholarships for its students or graduates to support their
3 attendance at a postsecondary educational institution from funds
4 the school district receives as a result of a compact entered into
5 between this state and a federally recognized Indian tribe pursuant
6 to the Indian gaming regulatory act, Public Law 100-497. A school
7 district that establishes a scholarship program funded under this
8 subsection shall ensure that the scholarship program provides for
9 all of the following:

10 (a) That a student or graduate is not eligible to be awarded a
11 scholarship unless the student or graduate is enrolled in the
12 school district for all of grades 9 to 12 and meets 1 of the
13 following:

14 (i) Is a resident of the school district for all of grades 9 to
15 12.

16 (ii) Was enrolled in the school district for the 2009-2010
17 school year but was not a resident of the school district for that
18 school year, and is enrolled in the school district continuously
19 after that school year until graduation.

20 (b) That the amount of a scholarship awarded to a student or
21 graduate who was not enrolled in and a continuous resident of the
22 school district for all of grades K to 12 ~~shall~~**must** be adjusted
23 based on length of enrollment and continuous residency or, for a
24 student or graduate described in subdivision (a) (ii), based on
25 length of enrollment.

26 Sec. 1141. (1) The property of a school district is exempt
27 from taxation, provisions of other acts to the contrary
28 notwithstanding, except that property owned by the school district
29 that is used for private purposes for more than 2 years is not

1 exempt from taxation as long as the private use continues beyond
2 the 2-year period. **Housing public school employees is not**
3 **considered a private purpose for the purposes of this section.**

4 (2) School property not being utilized primarily for public
5 school purposes and from which income is being derived or which is
6 being held out for income purposes at the time of final
7 confirmation of special assessment rolls by the governing body of a
8 city, village, or township ~~shall be~~ **is** liable to the city, village,
9 or township for special assessments attributable to the property.
10 The property ~~shall continue~~ **continues** to be liable for the special
11 assessment for a period not longer than 2 years after the property
12 is put to a public school use. The board of a school district may
13 enter into an agreement with a county or county agency, city,
14 village, or township to pay special assessments for local
15 improvements levied against school property irrespective of the use
16 to which the property is put.

17 (3) **Property owned, acquired, or otherwise used by a school**
18 **district or intermediate school district for the purpose of housing**
19 **public school employees is exempt from taxation and special**
20 **assessments, provisions of other acts to the contrary**
21 **notwithstanding.**

22 Sec. 1212. (1) If approved by the school electors of the
23 school district, the board of a school district may levy a tax on
24 the taxable value of the real and personal property of the school
25 district each year for the purpose of creating a sinking fund. All
26 of the following apply to a sinking fund tax authorized under this
27 section:

28 (a) For a sinking fund tax authorized before March 29, 2017,
29 the sinking fund tax may be used for the purchase of real estate

1 for sites for, and the construction or repair of, school buildings.
2 For a sinking fund tax authorized on or after March 29, 2017 and
3 ~~before the effective date of the amendatory act that added the~~
4 ~~following sentence, **August 6, 2023,**~~ the sinking fund tax may be
5 used for the purchase of real estate for sites for, and the
6 construction or repair of, school buildings, for school security
7 improvements, or for the acquisition or upgrading of technology.
8 For a sinking fund tax authorized on or after ~~the effective date of~~
9 ~~the amendatory act that added this sentence, **August 6, 2023,**~~ the
10 sinking fund tax may be used for the purchase of real estate for
11 sites for, and the construction or repair of, school buildings; for
12 school security improvements; for the acquisition or upgrading of
13 technology; for the acquisition of student transportation vehicles;
14 for the acquisition of parts, supplies, and equipment used for the
15 maintenance of student transportation vehicles; for the acquisition
16 of trucks and vans registered under the Michigan vehicle code, 1949
17 PA 300, MCL 257.1 to 257.923, and used to carry parts, equipment,
18 and personnel for or in the maintenance of school buildings, ~~or~~
19 for the acquisition of parts, supplies, and equipment used to
20 maintain those trucks and vans.

21 (b) For a sinking fund tax authorized before March 29, 2017,
22 the sinking fund tax must not exceed 5 mills. For a sinking fund
23 tax authorized on or after March 29, 2017, the sinking fund tax
24 must not exceed 3 mills.

25 (c) For a sinking fund tax authorized before March 29, 2017,
26 the sinking fund tax may be levied each year for a period not to
27 exceed 20 years. For a sinking fund tax authorized on or after
28 March 29, 2017, the sinking fund tax may be levied each year for a
29 period not to exceed 10 years.

1 (d) For a sinking fund tax authorized on or after the
2 effective date of the amendatory act that added this sentence, the
3 sinking fund tax may be used for the purchase of real estate for
4 sites for, and the construction or repair of, school buildings; for
5 school security improvements; for the acquisition or upgrading of
6 technology; for the acquisition of student transportation vehicles;
7 for the acquisition of parts, supplies, and equipment used for the
8 maintenance of student transportation vehicles; for the acquisition
9 of trucks and vans registered under the Michigan vehicle code, 1949
10 PA 300, MCL 257.1 to 257.923, and used to carry parts, equipment,
11 and personnel for, or in the maintenance of, school buildings, or
12 for the acquisition of parts, supplies, and equipment used to
13 maintain those trucks and vans; for the purchase of real estate for
14 sites for, and the construction or repair of, buildings and
15 facilities that are used to house public school employees, and for
16 the acquisition of equipment and furnishings for buildings and
17 facilities that are used to house public school employees.

18 (e) ~~(d)~~—The sinking fund tax levy is subject to the 15 mill
19 tax limitation provisions of section 6 of article IX of the state
20 constitution of 1963 and the property tax limitation act, 1933 PA
21 62, MCL 211.201 to 211.217a.

22 (2) A school district that levies a sinking fund tax under
23 this section must have an independent audit of its sinking fund
24 conducted annually, including a review of the uses of the sinking
25 fund, and shall submit the audit report to the department of
26 treasury. If the department of treasury determines from the audit
27 report that the sinking fund has been used for a purpose other than
28 those authorized for the sinking fund under this section, the
29 school district shall repay the misused funds to the sinking fund

1 from the school district's operating funds and shall not levy a
 2 sinking fund tax under this section after the date the department
 3 of treasury makes that determination.

4 (3) A school district shall submit the proposition of levying
 5 a sinking fund tax to the school electors of the school district at
 6 a regular or special school election.

7 (4) The question of levying taxes for the purpose of creating
 8 a sinking fund must be by ballot in substantially the following
 9 form:

10 "Shall _____ levy _____ mills
 11 (legal name of school district)
 12 to create a sinking fund for the purpose of _____
 13 _____
 14 for a period of _____ years?

15 Yes ()

16 No ()".

17 (5) For the purposes of this section, millage approved by the
 18 school electors before December 1, 1993 for which the authorization
 19 has not expired is considered to be approved by the school
 20 electors.

21 (6) As used in this section:

22 (a) "School security improvement" means any capital
 23 improvement or purchase that is designed to act as a deterrent to
 24 unauthorized entry of persons or items onto school premises or to
 25 otherwise promote security, including, but not limited to, metal
 26 detectors, locks, doors, lighting, cameras, and enhancements to
 27 entryways. School security improvement also includes a mobile
 28 telephone application that provides the ability to communicate with
 29 personnel on site while also connecting an emergency telephone call

1 to a 9-1-1 center. School security improvement does not include
2 personnel costs or operation costs related to a capital improvement
3 or purchase or related to a mobile telephone application.

4 (b) "Technology" means that term as defined in section 1351a.

5 Sec. 1351a. (1) Beginning with bonds issued after May 1, 1994,
6 a school district, including, but not limited to, a school district
7 that is a community district or a qualifying school district, shall
8 not borrow money and issue bonds of the district under section
9 1351(1). However, a school district, including, but not limited to,
10 a school district that is a community district, may borrow money
11 and issue bonds of the district to defray all or a part of the cost
12 of purchasing, erecting, completing, remodeling, or equipping or
13 reequipping, except for equipping or reequipping for technology,
14 school buildings, including library buildings, structures, athletic
15 fields, playgrounds, or other facilities, or parts of or additions
16 to those facilities; furnishing or refurnishing new or remodeled
17 school buildings; acquiring, preparing, developing, or improving
18 sites, or parts of or additions to sites, for school buildings,
19 including library buildings, structures, athletic fields,
20 playgrounds, or other facilities; purchasing school buses;
21 acquiring, installing, or equipping or reequipping school buildings
22 for technology; **acquiring, erecting, furnishing, equipping,**
23 **preparing, or developing property, buildings, and facilities used**
24 **to house public school employees;** or accomplishing a combination of
25 the purposes set forth in this subsection. Section 1351(2) to (4)
26 applies to bonds issued under this section.

27 (2) The proceeds of bonds issued under this section or under
28 section 11i of the state school aid act of 1979, MCL 388.1611i,
29 ~~shall~~**must** be used for capital expenditures and to pay costs of

1 bond issuance, and ~~shall~~**must** not be used for maintenance costs.
2 Except as otherwise provided in this subsection, a school district
3 that issues bonds under this section or under section 11i of the
4 state school aid act of 1979, MCL 388.1611i, shall have an
5 independent audit, using generally accepted accounting principles,
6 of its bonding activities under these sections conducted within 120
7 days after completion of all projects financed by the proceeds of
8 the bonds and shall submit the audit report to the department of
9 treasury. For bonds issued under section 11i of the state school
10 aid act of 1979, MCL 388.1611i, the independent audit required
11 under this subsection may be conducted and submitted with the
12 annual report required under the revised municipal finance act,
13 2001 PA 34, MCL 141.2101 to 141.2821.

14 (3) A school district, including, but not limited to, a school
15 district that is a community district, shall not borrow money and
16 issue notes or bonds under this section to defray all or part of
17 the costs of any of the following:

18 (a) Upgrades to operating system or application software.

19 (b) Media, including diskettes, compact discs, video tapes,
20 and disks, unless used for the storage of initial operating system
21 software or customized application software included in the
22 definition of technology under this section.

23 (c) Training, consulting, maintenance, service contracts,
24 software upgrades, troubleshooting, or software support.

25 (4) A resident of a school district, including, but not
26 limited to, a school district that is a community district, has
27 standing to bring suit against the school district to enforce the
28 provisions of this section in a court having jurisdiction.

29 (5) As used in this section, "technology" means any of the

1 following:

2 (a) Hardware and communication devices that transmit, receive,
3 or compute information for pupil instructional purposes.

4 (b) The initial purchase of operating system software or
5 customized application software, or both, accompanying the purchase
6 of hardware and communication devices under subdivision (a).

7 (c) The costs of design and installation of the hardware,
8 communication devices, and initial operating system software or
9 customized application software authorized under this subsection.