

SUBSTITUTE FOR
SENATE BILL NO. 574

(As amended October 17, 2017)

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 705 (MCL 380.705), as amended by 2016 PA 192.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 705. (1) Beginning in 1997, and in each year after 1997,
2 a regional enhancement property tax may be levied by an
3 intermediate school district at a rate not to exceed 3 mills to
4 enhance other state and local funding for ~~local~~-school district **OR<<**,
5 **AS PROVIDED IN THIS SECTION,>>**
6 **PUBLIC SCHOOL ACADEMY** operations if approved by a majority of the
7 intermediate school electors voting on the question.

7 (2) If a resolution requesting that the question of a regional
8 enhancement property tax be submitted to the voters is adopted
9 within a 180-day period and transmitted to the intermediate school
10 board by 1 or more boards **OR BOARDS OF DIRECTORS** of its constituent
11 districts representing a majority of the combined membership of the

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

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

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

Senate Bill No. 574 as amended October 17 and 18, 2017

1 question.

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

5 (6) FOR THE PURPOSES OF THIS SECTION, EXCEPT AS OTHERWISE
6 PROVIDED IN THIS SUBSECTION, A PUBLIC SCHOOL ACADEMY IS CONSIDERED
7 TO BE A SINGLE CONSTITUENT DISTRICT OF AN INTERMEDIATE SCHOOL
8 DISTRICT IF THE PUBLIC SCHOOL ACADEMY'S ADMINISTRATIVE OFFICES ARE
9 LOCATED WITHIN THAT INTERMEDIATE SCHOOL DISTRICT AND THE PUBLIC
10 SCHOOL ACADEMY OPERATES 1 OR MORE SCHOOLS THAT ARE EACH LOCATED
11 ENTIRELY WITHIN THE INTERMEDIATE SCHOOL DISTRICT. A PUBLIC SCHOOL
12 ACADEMY THAT IS A SCHOOL OF EXCELLENCE OPERATING AS A CYBER SCHOOL,
13 AS DEFINED IN SECTION 551, IS CONSIDERED TO BE A CONSTITUENT
14 DISTRICT OF AN INTERMEDIATE SCHOOL DISTRICT ONLY IF THE
15 ADMINISTRATIVE OFFICE OF THAT CYBER SCHOOL IS LOCATED WITHIN THE
16 INTERMEDIATE SCHOOL DISTRICT AND AT LEAST 80% OF THE STUDENTS
17 ENROLLED IN THE CYBER SCHOOL RESIDE WITHIN THE INTERMEDIATE SCHOOL
18 DISTRICT. <<HOWEVER, IN ORDER TO BE CONSIDERED A CONSTITUENT DISTRICT OF
AN INTERMEDIATE SCHOOL DISTRICT, A PUBLIC SCHOOL ACADEMY DESCRIBED IN
THIS SUBSECTION MUST HAVE BEEN ISSUED A CONTRACT BY AN AUTHORIZING BODY
UNDER SECTIONS 1311B TO 1311M OR PART 6A, 6C, OR 6E, AS APPLICABLE,
BEFORE THE RESOLUTION REQUESTING THAT THE QUESTION OF A REGIONAL
ENHANCEMENT PROPERTY TAX BE SUBMITTED TO THE VOTERS IS ADOPTED AND
TRANSMITTED TO THE INTERMEDIATE SCHOOL DISTRICT UNDER SUBSECTION (2).

(7) A PUBLIC SCHOOL ACADEMY THAT RECEIVES REVENUE FROM A REGIONAL
ENHANCEMENT PROPERTY TAX UNDER THIS SECTION SHALL USE THAT MONEY ONLY FOR
EXPENDITURES THAT DIRECTLY BENEFIT A SCHOOL OPERATED BY THE PUBLIC SCHOOL
ACADEMY THAT IS LOCATED IN THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE
REGIONAL ENHANCEMENT PROPERTY TAX WAS APPROVED. REVENUE FROM A REGIONAL
ENHANCEMENT PROPERTY TAX LEVIED UNDER THIS SECTION SHALL NOT BE USED TO
BENEFIT A PUBLIC SCHOOL ACADEMY THAT DOES NOT MEET THE REQUIREMENTS UNDER
SUBSECTION (6).>>

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