

# HOUSE BILL No. 4707

May 3, 2005, Introduced by Rep. Meyer and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1211 (MCL 380.1211), as amended by 2003 PA 126;  
and to repeal acts and parts of acts.

## 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~~  
5   ~~less.~~ A principal residence and qualified agricultural property  
6   are exempt from the mills levied under this subsection except for  
7   the number of mills by which that exemption is reduced under this  
8   subsection. The board of a school district with a foundation

allowance calculated under section 20 of the state school aid act of 1979, MCL 388.1620, for the 1994-95 state fiscal year of more than \$6,500.00, may reduce the number of mills from which a principal residence and qualified agricultural property are exempted under this subsection by up to the number of mills, as certified under **FORMER** section 1211a, required to be levied on a principal residence and qualified agricultural 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 and qualified agricultural 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 is not sufficient for a 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 that school fiscal year, the board of the school district may levy in 1994 or a succeeding year additional mills uniformly on all property up to the number of mills required 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.

(3) After 1994, the number of mills a school district may levy under this section on any class of property shall not exceed the

1 lesser of the number of mills the school district ~~is~~ **WAS**  
2 certified by the department of treasury under **FORMER** section 1211a  
3 to levy on that class of property under this section in 1994 or the  
4 number of mills required to be levied on that class of property  
5 under this section to ensure that the increase from the immediately  
6 preceding state fiscal year in the school district's combined state  
7 and local revenue per membership pupil, calculated as if the school  
8 district had levied the maximum number of mills the school district  
9 was allowed to levy under this section regardless of the number of  
10 mills the school district actually levied, does not exceed the  
11 lesser of the dollar amount of the increase in the basic foundation  
12 allowance under section 20 of the state school aid act of 1979, MCL  
13 388.1620, from the immediately preceding state fiscal year or the  
14 percentage increase in the general price level in the immediately  
15 preceding calendar year. **HOWEVER, BEGINNING ON THE EFFECTIVE DATE**  
16 **OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, FOR THE PURPOSES OF**  
17 **THIS SECTION ALL SCHOOL DISTRICTS SHALL BE CONSIDERED TO HAVE BEEN**  
18 **CERTIFIED UNDER FORMER SECTION 1211A TO LEVY FOR SCHOOL OPERATING**  
19 **PURPOSES AT LEAST 18 MILLS ON PROPERTY THAT IS NOT A PRINCIPAL**  
20 **RESIDENCE OR QUALIFIED AGRICULTURAL PROPERTY.** If the number of  
21 mills a school district is allowed to levy under this section in a  
22 year after 1994 is less than the number of mills the school  
23 district was allowed to levy under this section in the immediately  
24 preceding year, any reduction required by this subsection in the  
25 school district's millage rate shall be calculated by first  
26 reducing the number of mills the school district is allowed to levy  
27 under subsection (2) and then increasing the number of mills from

1 which a principal residence and qualified agricultural property are  
2 exempted under subsection (1).

3 (4) Millage levied under this section must be approved by the  
4 school electors. For the purposes of this section, millage approved  
5 by the school electors before January 1, 1994 for which the  
6 authorization has not expired is considered to be approved by the  
7 school electors.

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

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

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

23 (8) As used in this section:

24 (a) "Combined state and local revenue per membership pupil"  
25 means that term as defined in section 20 of the state school aid  
26 act of 1979, MCL 388.1620.

27 (b) "Foundation allowance" means a school district's

1 foundation allowance as calculated under section 20 of the state  
2 school aid act of 1979, MCL 388.1620.

3 (c) "General price level" means that term as defined in  
4 section 33 of article IX of the state constitution of 1963.

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

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

10 (f) "School operating purposes" includes expenditures for  
11 furniture and equipment, for alterations necessary to maintain  
12 school facilities in a safe and sanitary condition, for funding the  
13 cost of energy conservation improvements in school facilities, for  
14 deficiencies in operating expenses for the preceding year, and for  
15 paying the operating allowance due from the school district to a  
16 joint high school district in which the school district is a  
17 participating school district under former part 3a. Taxes levied  
18 for school operating purposes do not include any of the following:

19 (i) Taxes levied by a school district for operating a community  
20 college under part 25.

21 (ii) Taxes levied under section 1212.

22 (iii) Taxes levied under section 1356 for eliminating an  
23 operating deficit.

24 (iv) Taxes levied for operation of a library under section 1451  
25 or for operation of a library established pursuant to 1913 PA 261,  
26 MCL 397.261 to 397.262, that were not included in the operating  
27 millage reported by the district to the department as of April 1,

1 1993. However, a district may report to the department not later  
2 than April 1, 1994 the number of mills it levied in 1993 for a  
3 purpose described in this subparagraph that the school district  
4 does not want considered as operating millage and then that number  
5 of mills is excluded under this section from taxes levied for  
6 school operating purposes.

7 (v) Taxes paid by a school district of the first class to a  
8 public library commission pursuant to section 11(4) of the property  
9 tax limitation act, 1933 PA 62, MCL 211.211.

10 (vi) Taxes levied under former section 1512 for operation of a  
11 community swimming pool. In addition, if a school district included  
12 the millage it levied in 1993 for operation of a community swimming  
13 pool as part of its operating millage reported to the department  
14 for 1993, the school district may report to the department not  
15 later than June 17, 1994 the number of mills it levied in 1993 for  
16 operation of a community swimming pool that the school district  
17 does not want considered as operating millage and then that number  
18 of mills is excluded under this section from taxes levied for  
19 school operating purposes.

20 Enacting section 1. Section 1211a of the revised school code,  
21 1976 PA 451, MCL 380.1211a, is repealed.