

# SENATE BILL No. 1515

November 30, 2006, Introduced by Senator EMERSON and referred to the Committee on Finance.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1211 (MCL 380.1211), as amended by 2006 PA 380.

**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, qualified agricultural property, ~~and~~  
6 qualified forest property, **AND QUALIFIED PERSONAL PROPERTY** are  
7 exempt from the mills levied under this subsection except for the  
8 number of mills by which that exemption is reduced under this  
9 subsection. The board of a school district with a foundation

1 allowance calculated under section 20 of the state school aid act  
2 of 1979, MCL 388.1620, for the 1994-95 state fiscal year of more  
3 than \$6,500.00, may reduce the number of mills from which a  
4 principal residence, ~~and~~ qualified agricultural property,  
5 **QUALIFIED FOREST PROPERTY, AND QUALIFIED PERSONAL PROPERTY** are  
6 exempted under this subsection by up to the number of mills, as  
7 certified under section 1211a, required to be levied on a principal  
8 residence, ~~and~~ qualified agricultural property, **QUALIFIED FOREST**  
9 **PROPERTY, AND QUALIFIED PERSONAL PROPERTY** for the school district's  
10 combined state and local revenue per membership pupil for the  
11 school fiscal year ending in 1995 to be equal to the school  
12 district's foundation allowance for the state fiscal year ending in  
13 1995, and the board also may levy in 1994 or a succeeding year that  
14 number of mills for school operating purposes on a principal  
15 residence, qualified agricultural property, ~~and~~ qualified forest  
16 property, **AND QUALIFIED PERSONAL PROPERTY.**

17 (2) Subject to subsection (3), if the department of treasury  
18 determines that the maximum number of mills allowed to be levied  
19 under subsection (1) on all classes of property is not sufficient  
20 for a school district's combined state and local revenue per  
21 membership pupil for the school fiscal year ending in 1995 to be  
22 equal to the school district's foundation allowance for that school  
23 fiscal year, the board of the school district may levy in 1994 or a  
24 succeeding year additional mills uniformly on all property up to  
25 the number of mills required for the school district's combined  
26 state and local revenue per membership pupil for the school fiscal  
27 year ending in 1995 to be equal to the school district's foundation

1 allowance for the state fiscal year ending in 1995.

2 (3) After 1994, the number of mills a school district may levy  
3 under this section on any class of property shall not exceed the  
4 lesser of the number of mills the school district ~~is~~ **WAS**  
5 certified by the department of treasury under section 1211a to levy  
6 on that class of property under this section in 1994 or the number  
7 of mills required to be levied on that class of property under this  
8 section to ensure that the increase from the immediately preceding  
9 state fiscal year in the school district's combined state and local  
10 revenue per membership pupil, calculated as if the school district  
11 had levied the maximum number of mills the school district was  
12 allowed to levy under this section regardless of the number of  
13 mills the school district actually levied, does not exceed the  
14 lesser of the dollar amount of the increase in the basic foundation  
15 allowance under section 20 of the state school aid act of 1979, MCL  
16 388.1620, from the immediately preceding state fiscal year or the  
17 percentage increase in the general price level in the immediately  
18 preceding calendar year. If the number of mills a school district  
19 is allowed to levy under this section in a year after 1994 is less  
20 than the number of mills the school district was allowed to levy  
21 under this section in the immediately preceding year, any reduction  
22 required by this subsection in the school district's millage rate  
23 shall be calculated by first reducing the number of mills the  
24 school district is allowed to levy under subsection (2) and then  
25 increasing the number of mills from which a principal residence,  
26 qualified agricultural property, ~~and~~ qualified forest property,  
27 **AND QUALIFIED PERSONAL PROPERTY** are exempted under subsection (1).

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

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

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

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

21 (8) As used in this section:

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

25 (b) "Foundation allowance" means a school district's  
26 foundation allowance as calculated under section 20 of the state  
27 school aid act of 1979, MCL 388.1620.

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

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

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

8 (f) "Qualified forest property" means that term as defined in  
9 section 7jj of the general property tax act, 1893 PA 206, MCL  
10 ~~211.7jj~~ 211.7JJ[1].

11 (G) "QUALIFIED PERSONAL PROPERTY" MEANS PROPERTY CLASSIFIED AS  
12 COMMERCIAL PERSONAL PROPERTY OR INDUSTRIAL PERSONAL PROPERTY UNDER  
13 SECTION 34C OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
14 211.34C.

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

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

26 (ii) Taxes levied under section 1212.

27 (iii) Taxes levied under section 1356 for eliminating an

1 operating deficit.

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

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

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

25 Enacting section 1. This amendatory act applies to taxes  
26 levied after December 31, 2007.

27 Enacting section 2. This amendatory act does not take effect

1 unless all of the following bills of the 93rd Legislature are  
2 enacted into law:

3 (a) Senate Bill No. 1514.

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5 (b) Senate Bill No. 1516.

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7 (c) Senate Bill No. 1517.

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9 (d) Senate Bill No. 1513.

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