

# SENATE BILL No. 1360

May 28, 2008, Introduced by Senator KAHN 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 2007 PA 37.

**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, **A SECONDARY RESIDENCE**, qualified  
6 agricultural property, qualified forest property, and industrial  
7 personal property are exempt from the mills levied under this  
8 subsection except for the number of mills by which that exemption  
9 is reduced under this subsection. The board of a school district

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

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

1 year ending in 1995 to be equal to the school district's foundation  
2 allowance for the state fiscal year ending in 1995. However, the  
3 board of a school district described in this subsection, by board  
4 resolution, may elect to exempt each principal residence **AND**  
5 **SECONDARY RESIDENCE** and all qualified agricultural property,  
6 qualified forest property, and industrial personal property located  
7 in the school district from some or all of the mills that the board  
8 is authorized to levy under this subsection.

9 (3) After 1994, the number of mills a school district may levy  
10 under this section on any class of property shall not exceed the  
11 lesser of the number of mills the school district was certified by  
12 the department of treasury under section 1211a to levy on that  
13 class of property under this section in 1994 or the number of mills  
14 required to be levied on that class of property under this section  
15 to ensure that the increase from the immediately preceding state  
16 fiscal year in the school district's combined state and local  
17 revenue per membership pupil, calculated as if the school district  
18 had levied the maximum number of mills the school district was  
19 allowed to levy under this section regardless of the number of  
20 mills the school district actually levied, does not exceed the  
21 lesser of the dollar amount of the increase in the basic foundation  
22 allowance under section 20 of the state school aid act of 1979, MCL  
23 388.1620, from the immediately preceding state fiscal year or the  
24 percentage increase in the general price level in the immediately  
25 preceding calendar year. If the number of mills a school district  
26 is allowed to levy under this section in a year after 1994 is less  
27 than the number of mills the school district was allowed to levy

1 under this section in the immediately preceding year, any reduction  
2 required by this subsection in the school district's millage rate  
3 shall be calculated by first reducing the number of mills the  
4 school district is allowed to levy under subsection (2) and then  
5 increasing the number of mills from which a principal residence,  
6 **SECONDARY RESIDENCE**, qualified agricultural property, qualified  
7 forest property, and industrial personal property are exempted  
8 under subsection (1).

9 (4) Commercial personal property is exempt from 12 of the  
10 mills levied under this section. However, if the number of mills  
11 from which industrial personal property is exempted for a specific  
12 school district is reduced under this section, then the number of  
13 mills from which commercial personal property is exempted for that  
14 school district shall be reduced by that same number of mills.

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

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

24 (7) If a school district levies millage for school operating  
25 purposes that is less than the limits of this section, the board of  
26 the school district may levy at the school district's next regular  
27 tax levy an additional number of mills not to exceed the additional

1 millage needed to make up the shortfall.

2 (8) A school district shall not levy mills allocated under the  
3 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,  
4 other than mills allocated to a school district of the first class  
5 for payment to a public library commission under section 11(4) of  
6 the property tax limitation act, 1933 PA 62, MCL 211.211, after  
7 1993.

8 (9) As used in this section:

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

12 (b) "Commercial personal property" means property classified  
13 as commercial personal property under section 34c of the general  
14 property tax act, 1893 PA 206, MCL 211.34c.

15 (c) "Foundation allowance" means a school district's  
16 foundation allowance as calculated under section 20 of the state  
17 school aid act of 1979, MCL 388.1620.

18 (d) "General price level" means that term as defined in  
19 section 33 of article IX of the state constitution of 1963.

20 (e) "Industrial personal property" means property classified  
21 as industrial personal property under section 34c of the general  
22 property tax act, 1893 PA 206, MCL 211.34c.

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

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

1           (h) "Qualified forest property" means that term as defined in  
2 section 7jj of the general property tax act, 1893 PA 206, MCL  
3 211.7jj[1].

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

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

15           (ii) Taxes levied under section 1212.

16           (iii) Taxes levied under section 1356 for eliminating an  
17 operating deficit.

18           (iv) Taxes levied for operation of a library under section 1451  
19 or for operation of a library established pursuant to 1913 PA 261,  
20 MCL 397.261 to 397.262, that were not included in the operating  
21 millage reported by the district to the department as of April 1,  
22 1993. However, a district may report to the department not later  
23 than April 1, 1994 the number of mills it levied in 1993 for a  
24 purpose described in this subparagraph that the school district  
25 does not want considered as operating millage and then that number  
26 of mills is excluded under this section from taxes levied for  
27 school operating purposes.

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

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

14 (J) **"SECONDARY RESIDENCE" MEANS THAT TERM AS DEFINED IN**  
15 **SECTION 7NN OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**  
16 **211.7NN.**

17 Enacting section 1. This amendatory act does not take effect  
18 unless Senate Bill No. 1359

19 of the 94th Legislature is enacted into law.