

HOUSE BILL No. 4946

May 14, 2009, Introduced by Reps. Wayne Schmidt and Horn and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1211 (MCL 380.1211), as amended by 2008 PA 455.

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,
6 qualified forest property, supportive housing property, **QUALIFIED**
7 **FRATERNAL PROPERTY**, and industrial personal property are exempt
8 from the mills levied under this subsection except for the number

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

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

1 fiscal year, the board of the school district may levy in 1994 or a
2 succeeding year additional mills uniformly on all property up to
3 the number of mills required for the school district's combined
4 state and local revenue per membership pupil for the school fiscal
5 year ending in 1995 to be equal to the school district's foundation
6 allowance for the state fiscal year ending in 1995. However, the
7 board of a school district described in this subsection, by board
8 resolution, may elect to exempt each principal residence and all
9 qualified agricultural property, qualified forest property,
10 supportive housing property, **QUALIFIED FRATERNAL PROPERTY**, and
11 industrial personal property located in the school district from
12 some or all of the mills that the board is authorized to levy under
13 this subsection.

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

1 388.1620, from the immediately preceding state fiscal year or the
2 percentage increase in the general price level in the immediately
3 preceding calendar year. If the number of mills a school district
4 is allowed to levy under this section in a year after 1994 is less
5 than the number of mills the school district was allowed to levy
6 under this section in the immediately preceding year, any reduction
7 required by this subsection in the school district's millage rate
8 shall be calculated by first reducing the number of mills the
9 school district is allowed to levy under subsection (2) and then
10 increasing the number of mills from which a principal residence,
11 qualified agricultural property, qualified forest property,
12 supportive housing property, **QUALIFIED FRATERNAL PROPERTY**, and
13 industrial personal property are exempted under subsection (1).

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

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

25 (6) If a school district levies millage for school operating
26 purposes that is in excess of the limits of this section, the
27 amount of the resulting excess tax revenue shall be deducted from

1 the school district's next regular tax levy.

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

7 (8) A school district shall not levy mills allocated under the
8 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,
9 other than mills allocated to a school district of the first class
10 for payment to a public library commission under section 11(4) of
11 the property tax limitation act, 1933 PA 62, MCL 211.211, after
12 1993.

13 (9) As used in this section:

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

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

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

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

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

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

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

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

9 (I) **"QUALIFIED FRATERNAL PROPERTY" MEANS THAT TERM AS DEFINED**
10 **IN SECTION 7QQ OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**
11 **211.7QQ.**

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

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

23 (ii) Taxes levied under section 1212.

24 (iii) Taxes levied under section 1356 for eliminating an
25 operating deficit.

26 (iv) Taxes levied for operation of a library under section 1451
27 or for operation of a library established pursuant to 1913 PA 261,

1 MCL 397.261 to 397.262, that were not included in the operating
2 millage reported by the district to the department as of April 1,
3 1993. However, a district may report to the department not later
4 than April 1, 1994 the number of mills it levied in 1993 for a
5 purpose described in this subparagraph that the school district
6 does not want considered as operating millage and then that number
7 of mills is excluded under this section from taxes levied for
8 school operating purposes.

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

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

22 (K) ~~(j)~~—"Supportive housing property" means real property
23 certified as supportive housing property under chapter 3B of the
24 state housing development authority act of 1966, 1966 PA 346, MCL
25 125.1459 to ~~125.1459b~~ **125.1459A**.

26 Enacting section 1. This amendatory act does not take effect
27 unless Senate Bill No. _____ or House Bill No. 4945 (request no.

1 00960'09) of the 95th Legislature is enacted into law.