

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5567**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 1211 and 1216 (MCL 380.1211 and 380.1216),
section 1211 as amended by 2012 PA 232 and section 1216 as amended
by 2003 PA 299.

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, property
7 occupied by a public school academy, and industrial personal
8 property are exempt from the mills levied under this subsection
9 except for the number of mills by which that exemption is reduced

1 under this subsection. Except as otherwise provided in subsection
2 (9), the board of a school district that had a foundation allowance
3 for the 1994-95 state fiscal year greater than \$6,500.00 may reduce
4 the number of mills from which a principal residence, qualified
5 agricultural property, qualified forest property, supportive
6 housing property, property occupied by a public school academy, and
7 industrial personal property are exempted under this subsection by
8 up to the number of mills, as certified under section 1211a,
9 required to be levied on a principal residence, qualified
10 agricultural property, qualified forest property, supportive
11 housing property, property occupied by a public school academy, and
12 industrial personal property for the school district's combined
13 state and local revenue per membership pupil for the school fiscal
14 year ending in 1995 to be equal to the school district's foundation
15 allowance for the state fiscal year ending in 1995, and the board
16 also may levy in 1994 or a succeeding year that number of mills for
17 school operating purposes on a principal residence, qualified
18 agricultural property, qualified forest property, supportive
19 housing property, property occupied by a public school academy, and
20 industrial personal property.

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

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

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

percentage increase in the general price level in the immediately preceding calendar year. If the number of mills a school district is allowed to levy under this section in a year after 1994 is less than the number of mills the school district was allowed to levy under this section in the immediately preceding year, any reduction required by this subsection in the school district's millage rate shall be calculated by first reducing the number of mills the school district is allowed to levy under subsection (2) and then increasing the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, property occupied by a public school academy, and industrial personal property are exempted under subsection (1).

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

(5) ~~Millage~~ **EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, MILLAGE** levied under this section must be approved by the school electors. For the purposes of this section, millage approved by the school electors before January 1, 1994 for which the authorization has not expired is considered to be approved by the school electors. **WITH THE APPROVAL OF THE STATE TREASURER, A SCHOOL DISTRICT MAY PLEDGE MILLAGE LEVIED UNDER THIS SECTION FOR THE REPAYMENT OF A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT,**

1 1980 PA 243, MCL 141.931 TO 141.942, MONEY BORROWED BY THE SCHOOL
2 DISTRICT UNDER SECTION 1225, OR THE REPAYMENT OF ADVANCES,
3 OVERPAYMENTS, OR OTHER OBLIGATIONS OF THE SCHOOL DISTRICT TO THIS
4 STATE UNDER SECTION 15 OF THE STATE SCHOOL AID ACT OF 1979, MCL
5 388.1615.

6 (6) 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 (7) 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 (8) 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 **OR A SCHOOL DISTRICT THAT WAS PREVIOUSLY A SCHOOL DISTRICT OF THE**
19 **FIRST CLASS**, for payment to a public library commission under
20 section 11(4) of the property tax limitation act, 1933 PA 62, MCL
21 211.211, after 1993.

22 (9) Beginning with taxes levied for 2011, if a school district
23 had a foundation allowance for the 1994-95 state fiscal year
24 greater than \$6,500.00 and if the school district's foundation
25 allowance for the 2009-2010 state fiscal year was less than the
26 basic foundation allowance prescribed for the 2009-2010 state
27 fiscal year under section 20 of the state school aid act of 1979,

1 MCL 388.1620, the school district may not reduce the number of
2 mills from which certain classes of property are exempted from the
3 levy of millage under subsection (1) and may not levy that number
4 of mills on those classes of property as would otherwise be allowed
5 under subsection (1).

6 (10) As used in this section:

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

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

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

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

18 (e) "Industrial personal property" means the following:

19 (i) Except as otherwise provided in subparagraph (ii), property
20 classified as industrial personal property under section 34c of the
21 general property tax act, 1893 PA 206, MCL 211.34c.

22 (ii) Beginning December 31, 2011, industrial personal property
23 does not include a turbine powered by gas, steam, nuclear energy,
24 coal, or oil the primary purpose of which is the generation of
25 electricity for sale.

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

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

4 (h) "Property occupied by a public school academy" means
5 property occupied by a public school academy, urban high school
6 academy, or school of excellence that is used exclusively for
7 educational purposes.

8 (i) "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[1].

11 (j) "School operating purposes" includes expenditures for
12 furniture and equipment, for alterations necessary to maintain
13 school facilities in a safe and sanitary condition, for funding the
14 cost of energy conservation improvements in school facilities, for
15 deficiencies in operating expenses for the preceding year ~~—OR~~
16 **PRECEDING YEARS, INCLUDING, BUT NOT LIMITED TO, REPAYMENT OF AN**
17 **EMERGENCY LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243,**
18 **MCL 141.931 TO 141.942,** and for paying the operating allowance due
19 from the school district to a joint high school district in which
20 the school district is a participating school district under former
21 part 3a. Taxes levied for school operating purposes do not include
22 any of the following:

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

25 (ii) Taxes levied under section 1212.

26 (iii) Taxes levied under section 1356 for eliminating an
27 operating deficit.

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

11 (v) Taxes paid by a school district of the first class **OR A**
12 **SCHOOL DISTRICT THAT WAS PREVIOUSLY A SCHOOL DISTRICT OF THE FIRST**
13 **CLASS** to a public library commission pursuant to section 11(4) of
14 the property 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 (k) "Supportive housing property" means real property
26 certified as supportive housing property under chapter 3B of the
27 state housing development authority act of 1966, 1966 PA 346, MCL

1 125.1459 to 125.1459a.

2 Sec. 1216. Except as provided in the revised municipal finance
3 act, 2001 PA 34, MCL 141.2101 to 141.2821, **AS PROVIDED IN SECTION**
4 **15 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1615, OR FOR**
5 **PURPOSES AUTHORIZED UNDER SECTION 1211(5),** money raised by tax
6 shall not be used for a purpose other than that for which it was
7 raised without the consent of a majority of the school electors of
8 the district voting on the question at a regular or special school
9 election.

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 96th Legislature are
12 enacted into law:

13 (a) House Bill No. 5566.

14 (b) House Bill No. 5568.

15 (c) House Bill No. 5569.

16 (d) House Bill No. 5570.