

# HOUSE BILL No. 5567

April 24, 2012, Introduced by Reps. Pscholka, Denby, Ouimet, Rogers and Hughes and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

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 2011 PA 317 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, and  
7       industrial personal property are exempt from the mills levied under  
8       this subsection except for the number of mills by which that

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

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

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

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

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

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

16 (5) ~~Millage~~ **EXCEPT AS OTHERWISE PROVIDED UNDER THIS**  
17 **SUBSECTION, MILLAGE** levied under this section must be approved by  
18 the school electors. For the purposes of this section, millage  
19 approved by the school electors before January 1, 1994 for which  
20 the authorization has not expired is considered to be approved by  
21 the school electors. **WITH THE APPROVAL OF THE STATE TREASURER, A**  
22 **SCHOOL DISTRICT MAY PLEDGE MILLAGE LEVIED UNDER THIS SECTION FOR**  
23 **THE REPAYMENT OF A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT,**  
24 **1980 PA 243, MCL 141.931 TO 141.942, MONEY BORROWED BY THE SCHOOL**  
25 **DISTRICT UNDER SECTION 1225, OR THE REPAYMENT OF ADVANCES,**  
26 **OVERPAYMENTS, OR OTHER OBLIGATIONS OF THE SCHOOL DISTRICT TO THIS**  
27 **STATE UNDER SECTION 15 OF THE STATE SCHOOL AID ACT OF 1979, MCL**

1 388.1615.

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

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

11 (8) A school district shall not levy mills allocated under the  
12 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,  
13 other than mills allocated to a school district of the first class  
14 **OR A SCHOOL DISTRICT THAT WAS PREVIOUSLY A SCHOOL DISTRICT OF THE**  
15 **FIRST CLASS**, for payment to a public library commission under  
16 section 11(4) of the property tax limitation act, 1933 PA 62, MCL  
17 211.211, after 1993.

18 (9) Beginning with taxes levied for 2011, if a school district  
19 had a foundation allowance for the 1994-95 state fiscal year  
20 greater than \$6,500.00 and if the school district's foundation  
21 allowance for the 2009-2010 state fiscal year was less than the  
22 basic foundation allowance prescribed for the 2009-2010 state  
23 fiscal year under section 20 of the state school aid act of 1979,  
24 MCL 388.1620, the school district may not reduce the number of  
25 mills from which certain classes of property are exempted from the  
26 levy of millage under subsection (1) and may not levy that number  
27 of mills on those classes of property as would otherwise be allowed

1 under subsection (1).

2 (10) As used in this section:

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

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

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

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

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

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

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

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

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

27 (h) "Qualified forest property" means that term as defined in

1 section 7jj of the general property tax act, 1893 PA 206, MCL  
2 211.7jj[1].

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

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

17 (ii) Taxes levied under section 1212.

18 (iii) Taxes levied under section 1356 for eliminating an  
19 operating deficit.

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

1 of mills is excluded under this section from taxes levied for  
2 school operating purposes.

3 (v) Taxes paid by a school district of the first class **OR A**  
4 **SCHOOL DISTRICT THAT WAS PREVIOUSLY A SCHOOL DISTRICT OF THE FIRST**  
5 **CLASS** to a public library commission pursuant to section 11(4) of  
6 the property tax limitation act, 1933 PA 62, MCL 211.211.

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

17 (j) "Supportive housing property" means real property  
18 certified as supportive housing property under chapter 3B of the  
19 state housing development authority act of 1966, 1966 PA 346, MCL  
20 125.1459 to 125.1459b.

21 Sec. 1216. Except as provided in the revised municipal finance  
22 act, 2001 PA 34, MCL 141.2101 to 141.2821, **AS PROVIDED IN SECTION**  
23 **15 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1615, OR FOR**  
24 **PURPOSES AUTHORIZED UNDER SECTION 1211(5),** money raised by tax  
25 shall not be used for a purpose other than that for which it was  
26 raised without the consent of a majority of the school electors of  
27 the district voting on the question at a regular or special school



1 election.

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

5 (a) Senate Bill No. \_\_\_\_ or House Bill No. 5566 (request no.  
6 04142'11 \*).

7 (b) Senate Bill No. \_\_\_\_ or House Bill No. 5568 (request no.  
8 05369'12 \*).

9 (c) Senate Bill No. \_\_\_\_ or House Bill No. 5569 (request no.  
10 05370'12 \*).

11 (d) Senate Bill No. \_\_\_\_ or House Bill No. 5570 (request no.  
12 05384'12 \*).