

HOUSE BILL No. 4560

April 14, 2011, Introduced by Reps. Meadows, MacMaster, Bauer, Ananich, Barnett, Hobbs, Switalski, Heise, Oakes and Brown and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1212 (MCL 380.1212), as amended by 2003 PA 299.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1212. (1) ~~If~~**SUBJECT TO SUBSECTION (6), IF** approved by
2 the school electors of the school district, the board of a school
3 district may levy a tax of not to exceed 5 mills on the ~~state~~
4 ~~equalized valuation~~**TAXABLE VALUE OF THE REAL AND PERSONAL PROPERTY**
5 of the school district each year ~~for a period of not to exceed 20~~
6 ~~years,~~ for the purpose of creating a sinking fund to be used for
7 the purchase of real estate for sites for, and the construction or
8 repair of, school buildings, **FOR THE PURCHASE OR MAJOR MAINTENANCE**
9 **OF SCHOOL BUSES, OR FOR THE ACQUISITION OR UPGRADING OF TECHNOLOGY.**

1 **THE MAXIMUM TIME PERIOD FOR A SINKING FUND TAX LEVY IS AS**
 2 **PRESCRIBED IN SUBSECTION (6).** The sinking fund tax levy is subject
 3 to the 15 mill tax limitation provisions of section 6 of article IX
 4 of the state constitution of 1963 and the property tax limitation
 5 act, 1933 PA 62, MCL 211.201 to 211.217a.

6 (2) A school district that levies a sinking fund tax under
 7 this section shall have an independent audit of its sinking fund
 8 conducted annually, including a review of the uses of the sinking
 9 fund, and shall submit the audit report to the department of
 10 treasury. If the department of treasury determines from the audit
 11 report that the sinking fund has been used for a purpose other than
 12 those authorized for the sinking fund under this section, the
 13 school district shall repay the misused funds to the sinking fund
 14 from the school district's operating funds and shall not levy a
 15 sinking fund tax under this section after the date the department
 16 of treasury makes that determination.

17 (3) ~~(2)~~—The proposition of levying a sinking fund tax shall be
 18 submitted to the school electors of the school district at a
 19 regular or special school election. **THIS ELECTION SHALL BE HELD ON**
 20 **EITHER THE MAY REGULAR ELECTION DATE OR THE NOVEMBER REGULAR**
 21 **ELECTION DATE, AS PROVIDED UNDER SECTION 641 OF THE MICHIGAN**
 22 **ELECTION LAW, 1954 PA 116, MCL 168.641.**

23 (4) ~~(3)~~—The question of levying taxes for the purpose of
 24 creating a sinking fund shall be by ballot in substantially the
 25 following form:

26 "Shall _____ levy _____ mills
 27 (legal name of school district)

1 to create a sinking fund for the purpose of _____

2 _____

3 for a period of _____ years?

4 Yes ()

5 No ()".

6 (5) ~~(4)~~ For the purposes of this section, millage approved by
7 the school electors before December 1, 1993 for which the
8 authorization has not expired is considered to be approved by the
9 school electors.

10 (6) A SINKING FUND TAX LEVIED UNDER THIS SECTION FOR CREATING
11 A SINKING FUND TO BE USED FOR THE PURCHASE OF REAL ESTATE FOR SITES
12 FOR, AND THE CONSTRUCTION OR REPAIR OF, SCHOOL BUILDINGS MAY BE
13 LEVIED EACH YEAR FOR A PERIOD OF NOT TO EXCEED 20 YEARS. A SINKING
14 FUND TAX LEVIED UNDER THIS SECTION FOR CREATING A SINKING FUND TO
15 BE USED FOR THE PURCHASE OR MAJOR MAINTENANCE OF SCHOOL BUSES OR
16 FOR THE ACQUISITION OR UPGRADING OF TECHNOLOGY MAY BE LEVIED EACH
17 YEAR FOR A PERIOD OF NOT TO EXCEED 10 YEARS.

18 (7) AS USED IN THIS SECTION, "TECHNOLOGY" MEANS THAT TERM AS
19 DEFINED IN SECTION 1351A.