

HOUSE BILL No. 6212

May 26, 2010, Introduced by Rep. Corriveau and referred to the Committee on Appropriations.

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, and
7 industrial personal property are exempt from the mills levied under
8 this subsection except for the number of mills by which that
9 exemption is reduced under this subsection. ~~The~~ **EXCEPT AS OTHERWISE**

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

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

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

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

1 is allowed to levy under this section in a year after 1994 is less
2 than the number of mills the school district was allowed to levy
3 under this section in the immediately preceding year, any reduction
4 required by this subsection in the school district's millage rate
5 shall be calculated by first reducing the number of mills the
6 school district is allowed to levy under subsection (2) and then
7 increasing the number of mills from which a principal residence,
8 qualified agricultural property, qualified forest property,
9 supportive housing property, and industrial personal property are
10 exempted under subsection (1).

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

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

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

26 (7) If a school district levies millage for school operating
27 purposes that is less than the limits of this section, the board of

1 the school district may levy at the school district's next regular
2 tax levy an additional number of mills not to exceed the additional
3 millage needed to make up the shortfall.

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

10 (9) BEGINNING WITH TAXES LEVIED FOR 2010, IF A SCHOOL DISTRICT
11 HAD A FOUNDATION ALLOWANCE FOR THE 1994-95 STATE FISCAL YEAR
12 GREATER THAN \$6,500.00 AND IF THE SCHOOL DISTRICT'S FOUNDATION
13 ALLOWANCE FOR THE 2009-2010 STATE FISCAL YEAR WOULD BE LESS THAN
14 THE BASIC FOUNDATION ALLOWANCE PRESCRIBED FOR THE 2009-2010 STATE
15 FISCAL YEAR UNDER SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979,
16 MCL 388.1620, IF THE SCHOOL DISTRICT'S FOUNDATION ALLOWANCE WERE
17 NOT ADJUSTED AS PROVIDED IN SECTION 20(3)(D) OF THE STATE SCHOOL
18 AID ACT OF 1979, MCL 388.1620, THE SCHOOL DISTRICT MAY NOT REDUCE
19 THE NUMBER OF MILLS FROM WHICH CERTAIN CLASSES OF PROPERTY ARE
20 EXEMPTED FROM THE LEVY OF MILLAGE UNDER SUBSECTION (1) AND MAY NOT
21 LEVY THAT NUMBER OF MILLS ON THOSE CLASSES OF PROPERTY AS WOULD
22 OTHERWISE BE ALLOWED UNDER SUBSECTION (1).

23 (10) ~~(9)~~As used in this section:

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

27 (b) "Commercial personal property" means property classified

1 as commercial personal property under section 34c of the general
2 property tax act, 1893 PA 206, MCL 211.34c.

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

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

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

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

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

16 (h) "Qualified forest property" means that term as defined in
17 section 7jj of the general property tax act, 1893 PA 206, MCL
18 211.7jj[1].

19 (i) "School operating purposes" includes expenditures for
20 furniture and equipment, for alterations necessary to maintain
21 school facilities in a safe and sanitary condition, for funding the
22 cost of energy conservation improvements in school facilities, for
23 deficiencies in operating expenses for the preceding year, and for
24 paying the operating allowance due from the school district to a
25 joint high school district in which the school district is a
26 participating school district under former part 3a. Taxes levied
27 for school operating purposes do not include any of the following:

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

3 (ii) Taxes levied under section 1212.

4 (iii) Taxes levied under section 1356 for eliminating an
5 operating deficit.

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

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

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

1 school operating purposes.

2 (j) "Supportive housing property" means real property
3 certified as supportive housing property under chapter 3B of the
4 state housing development authority act of 1966, 1966 PA 346, MCL
5 125.1459 to 125.1459b.

6 Enacting section 1. This amendatory act does not take effect
7 unless Senate Bill No. ____ or House Bill No. 6213 (request no.
8 06281'10) of the 95th Legislature is enacted into law.