

**SUBSTITUTE FOR
HOUSE BILL NO. 5839**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 681, 682, 687, 1723, 1724, 1724a, and 1731 (MCL 380.681, 380.682, 380.687, 380.1723, 380.1724, 380.1724a, and 380.1731), sections 681, 682, 687, and 1724 as amended by 2003 PA 299, section 1724a as added by 1994 PA 258, and section 1731 as amended by 2002 PA 70, and by adding section 625b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 625b. For a tax that is authorized after the effective
2 date of this section for intermediate school district operating
3 purposes, the duration of the authorization for the tax shall not
4 exceed 20 years. The authorization for a tax described in this
5 section may be renewed with the approval of the intermediate
6 school electors for a duration not to exceed 20 years. The
7 duration of the authorization for a tax described in this

1 **section shall be stated in the ballot question concerning the**
2 **levy or renewal of the tax.**

3 Sec. 681. (1) An intermediate school district may establish
4 an area vocational-technical education program and operate the
5 program under sections 681 to 690 if approved by a majority of
6 the intermediate school electors of the intermediate school
7 district voting on the question. The election shall be called
8 and conducted in accordance with this act and the Michigan
9 election law. The establishment of the area vocational-technical
10 education program may be rescinded by the same process.

11 (2) The question of establishing an area vocational-technical
12 education program may be submitted to the intermediate school
13 electors of an intermediate school district at a regular school
14 election or at a special election held in each of the constituent
15 districts. Subject to section 641 of the Michigan election law,
16 MCL 168.641, the intermediate school board shall determine the
17 date of the election and shall give notice to the school district
18 filing official at least 60 days in advance of the date the
19 ballot question is to be submitted to the intermediate school
20 electors.

21 (3) The ballot for referring the question of adopting
22 sections 681 to 690 and establishing an area vocational-technical
23 education program to the intermediate school electors of an
24 intermediate school district shall be substantially in the
25 following form:

26 "Shall _____, state
27 of

1 (legal name of intermediate school district)
2 Michigan, come under sections 681 to 690 of the revised school code
3 and establish an area vocational-technical education program which is
4 designed to encourage the operation of area vocational-technical
5 education programs if the annual property tax levied for this purpose
6 is limited to _____ mills?

7 Yes ()

8 No ()".

9 (4) Beginning in 1995, **and subject to section 625b**, the
10 number of mills of ad valorem property taxes an intermediate
11 school board may levy for area vocational-technical education
12 program operating purposes under sections 681 to 690 is limited
13 to the following:

14 (a) If the intermediate school district did not levy any
15 millage in 1993 for area vocational-technical education program
16 operating purposes under sections 681 to 690, the intermediate
17 school board, with the approval of the intermediate school
18 electors, may levy not more than 1 mill for those purposes.

19 (b) If the intermediate school district levied millage in
20 1993 for area vocational-technical education program operating
21 purposes under sections 681 to 690, the intermediate school
22 board, with the approval of the intermediate school electors, may
23 levy mills for those purposes at a rate not to exceed 1.5 times
24 the number of mills authorized for those purposes in the
25 intermediate school district in 1993. Approval of the
26 intermediate school electors is not required for the levy under
27 this subdivision of previously authorized mills until that

1 authorization expires.

2 (5) An intermediate school district that levies a tax for
3 area vocational-technical education program operating purposes
4 shall submit to the department of treasury a copy of the audit
5 report from the audit of the intermediate school district
6 conducted under section 622 or 622a, as applicable for the
7 particular time period. If the department of treasury determines
8 from the audit report that the proceeds from the tax have been
9 used for a purpose other than area vocational-technical education
10 program operating purposes, the department of treasury shall
11 notify the intermediate school district of that determination.
12 If the intermediate school district disputes the determination or
13 claims that the situation has been corrected, within 15 days
14 after receipt of the determination the intermediate school
15 district may submit an appeal of the determination to the
16 department of treasury. The department of treasury shall
17 consider the appeal within 30 days after receipt of the appeal.
18 If the department of treasury does not make an affirmative
19 finding within this 30-day period that the determination was
20 incorrect or that the situation has been corrected, then the
21 authorization for that proportion of the tax that is the same
22 proportion as the proportion of the proceeds that were misused
23 may be reconsidered at the next regular intermediate school
24 district election if not less than 10% of the intermediate school
25 electors petition the intermediate school district to reconsider
26 that authorization. However, if the proceeds from the tax are
27 being used to repay debt secured by bonds issued by the

1 intermediate school district, then the election shall be held at
 2 the next regular intermediate school district election occurring
 3 after the debt secured by the bonds has been retired.

4 (6) ~~-(5)-~~ An intermediate school district shall not hold more
 5 than 2 elections in a calendar year concerning the authorization
 6 of a millage rate for area vocational-technical education program
 7 operating purposes under sections 681 to 690.

8 Sec. 682. Subject to section 681(4), an intermediate school
 9 board operating under sections 681 to 690 may direct that the
 10 question of increasing the millage limit on the annual property
 11 tax levied for area vocational-technical education be submitted
 12 to the intermediate school electors of the intermediate school
 13 district. The election shall be called and conducted in
 14 accordance with section 661. The ballot shall be substantially
 15 in the following form:

16 "Shall the _____ mill limitation on the annual property
 17 tax previously approved by the electors of
 18 _____, state of Michigan,
 19 (legal name of intermediate school district)
 20 for the establishment and operation of area vocational-technical
 21 education programs be increased by _____ mills?

22 Yes ()

23 No ()".

24 Sec. 687. (1) An intermediate school board in which an area
 25 vocational-technical education program is established, by a
 26 majority vote of the intermediate school electors voting on the
 27 question at a regular school election or at a special election

1 called for that purpose, may borrow money and issue bonds of the
2 intermediate school district subject to the revised municipal
3 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to defray all
4 or part of the cost of purchasing, erecting, completing,
5 remodeling, improving, furnishing, refurnishing, equipping, or
6 reequipping area vocational-technical buildings and other
7 facilities, or parts of buildings and other facilities or
8 additions to buildings and other facilities; acquiring,
9 preparing, developing, or improving sites, or parts of sites or
10 additions to sites, for area vocational-technical buildings and
11 other facilities; refunding all or part of existing bonded
12 indebtedness; or accomplishing a combination of the foregoing
13 purposes. An intermediate school district shall not issue bonds
14 under this part for an amount greater than 1.5% of the total
15 assessed valuation of the intermediate school district.

16 (2) A bond qualified under section 16 of article IX of the
17 state constitution of 1963 and implementing legislation shall not
18 be included for purposes of calculating the foregoing 1.5%
19 limitation.

20 (3) An intermediate school board may submit a proposal to
21 issue bonds of the intermediate school district, authorized under
22 this section, to the intermediate school electors at the same
23 election at which the intermediate school electors vote on the
24 establishment of an area vocational-technical education program.
25 If these questions are presented to the school electors at the
26 same election, the board shall include the bond proposal in the
27 60-day notice given the boards of constituent districts. The

1 establishment of an area vocational-technical education program
2 shall become effective if approved by a majority of the
3 intermediate school electors voting on the question. The
4 authority to issue bonds is effective only if a majority of the
5 intermediate school electors approve both the establishment of
6 the area vocational-technical education program and the issuance
7 of bonds.

8 (4) The ballot used in submitting the question of borrowing
9 money and issuing bonds under this section shall be in
10 substantially the following form:

11 "Shall _____ (here state the legal name of the
12 intermediate school district designating the name of a district
13 of not less than 18,000 pupils or first class school district
14 that has elected not to come under this act as far as an area
15 vocational-technical education program is concerned) state of
16 Michigan, borrow the sum of not to exceed \$_____ and issue
17 its bonds therefor, for the purpose of _____?"

18 Yes ()

19 No ()".

20 (5) **An intermediate school district shall not use the**
21 **proceeds from bonds issued or refunded under this section or levy**
22 **a tax to repay bonds issued or refunded under this section for**
23 **any purpose other than facilities used for area**
24 **vocational-technical education purposes. If a facility is to be**
25 **used for purposes other than providing area vocational-technical**
26 **education programs and services, proceeds from bonds issued or**
27 **refunded under this section or from millage levied to repay bonds**

1 issued or refunded under this section shall be used only for that
 2 portion of the facility that is used for providing area
 3 vocational-technical education programs and services.

4 Sec. 1723. The ballot submitting the question of the
 5 adoption of sections 1722 to 1729 to the school electors of an
 6 intermediate school district shall be substantially in the
 7 following form:

8 "Shall the _____ (legal name of the intermediate school
 9 district), state of Michigan, come under sections 1722 to 1729 of
 10 the school code of 1976, which are designed to encourage the
 11 education of handicapped persons if the annual property tax
 12 levied for administration is limited to _____ mills?

13 Yes ()

14 No ()".

15 Sec. 1724. Subject to section 1724a, an intermediate school
 16 board operating under sections 1722 to 1729 may direct that the
 17 question of increasing the millage limit on the annual property
 18 tax levied for special education be submitted to the school
 19 electors of the intermediate school district. The election shall
 20 be called and held in the manner provided in section 661. The
 21 ballot shall be substantially in the following form:

22 "Shall the _____ mill limitation on the
 23 annual property tax previously approved by the electors of the
 24 _____, state of

25 _____
 (legal name of the intermediate school district)

26 Michigan, for the education of handicapped persons be increased by
 27 _____ mills?

1 Yes ()

2 No ()".

3 Sec. 1724a. (1) Beginning in 1995, **and subject to section**
4 **625b**, the board of an intermediate school district may levy ad
5 valorem property taxes for special education purposes under
6 sections 1722 to 1729 at a rate not to exceed 1.75 times the
7 number of mills of those taxes authorized in the intermediate
8 school district in 1993. All or part of the millage levied under
9 this section may be renewed as provided in this article.
10 Approval of the intermediate school electors is not required for
11 the levy under this section of previously authorized mills until
12 that authorization expires.

13 (2) **An intermediate school district that levies a tax for**
14 **special education operating purposes shall submit to the**
15 **department of treasury a copy of the audit report from the audit**
16 **of the intermediate school district conducted under section 622**
17 **or 622a, as applicable for the particular time period. If the**
18 **department of treasury determines from the audit report that the**
19 **proceeds from the tax have been used for a purpose other than**
20 **special education operating purposes, the department of treasury**
21 **shall notify the intermediate school district of that**
22 **determination. If the intermediate school district disputes the**
23 **determination or claims that the situation has been corrected,**
24 **within 15 days after receipt of the determination the**
25 **intermediate school district may submit an appeal of the**
26 **determination to the department of treasury. The department of**
27 **treasury shall consider the appeal within 30 days after receipt**

1 of the appeal. If the department of treasury does not make an
2 affirmative finding within this 30-day period that the
3 determination was incorrect or that the situation has been
4 corrected, then the authorization for that proportion of the tax
5 that is the same proportion as the proportion of the proceeds
6 that were misused may be reconsidered at the next regular
7 intermediate school district election if not less than 10% of the
8 intermediate school electors petition the intermediate school
9 district to reconsider that authorization. However, if the
10 proceeds from the tax are being used to repay debt secured by
11 bonds issued by the intermediate school district, then the
12 election shall be held at the next regular intermediate school
13 district election occurring after the debt secured by the bonds
14 has been retired.

15 (3) ~~-(2)-~~ An intermediate district shall not hold more than 2
16 elections in a calendar year concerning the authorization of a
17 millage rate for special education purposes under sections 1722
18 to 1729.

19 Sec. 1731. (1) An intermediate school district may borrow
20 money and issue bonds of the intermediate school district subject
21 to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
22 141.2821, to defray all or part of the costs of purchasing,
23 erecting, completing, remodeling, improving, furnishing,
24 refurnishing, equipping, or reequipping buildings for special
25 education facilities; acquiring, preparing, developing, or
26 improving sites, or parts of sites or additions to sites, for
27 buildings and other special education facilities; refunding all

1 or part of existing bonded indebtedness; or the accomplishment of
2 a combination of ~~the foregoing~~ **these** purposes.

3 (2) An intermediate school district shall not issue bonds for
4 purposes of purchasing, erecting, completing, remodeling,
5 improving, furnishing, refurnishing, equipping, or reequipping
6 buildings for special education for an amount greater than 1.5%
7 of the total assessed valuation of the intermediate school
8 district.

9 (3) An intermediate school district shall not use the
10 proceeds from bonds issued or refunded under this section or levy
11 a tax to repay bonds issued or refunded under this section for
12 any purpose other than facilities used for special education
13 purposes. If a facility is to be used for purposes other than
14 providing special education programs and services, proceeds from
15 bonds issued or refunded under this section or from millage
16 levied to repay bonds issued or refunded under this section shall
17 be used only for that portion of the facility that is used for
18 providing special education programs and services.