

SUBSTITUTE FOR
SENATE BILL NO. 129

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 1211 and 1211e (MCL 380.1211 and 380.1211e),
section 1211 as amended and section 1211e as added by 1994
PA 258; and to repeal acts and parts of acts.

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 ~~homestead~~ **principal residence** and qualified
6 agricultural property are exempt from the mills levied under this
7 subsection except for the number of mills by which that exemption
8 is reduced under this subsection. The board of a school district
9 with a foundation allowance calculated under section 20 of the

1 state school aid act of 1979, ~~being section 388.1620 of the~~
2 ~~Michigan Compiled Laws~~ **MCL 388.1620**, for the 1994-95 state
3 fiscal year of more than \$6,500.00, may reduce the number of
4 mills from which a ~~homestead~~ **principal residence** and qualified
5 agricultural property are exempted under this subsection by up to
6 the number of mills, as certified under section 1211a, required
7 to be levied on a ~~homestead~~ **principal residence** and qualified
8 agricultural property for the school district's combined state
9 and local revenue per membership pupil for the school fiscal year
10 ending in 1995 to be equal to the school district's foundation
11 allowance for the state fiscal year ending in 1995, and the board
12 also may levy in 1994 or a succeeding year that number of mills
13 for school operating purposes on a ~~homestead~~ **principal**
14 **residence** and qualified agricultural property.

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

1 (3) After 1994, the number of mills a school district may
2 levy under this section on any class of property shall not exceed
3 the lesser of the number of mills the school district is
4 certified by the department of treasury under section 1211a to
5 levy on that class of property under this section in 1994 or the
6 number of mills required to be levied on that class of property
7 under this section to ensure that the increase from the
8 immediately preceding state fiscal year in the school district's
9 combined state and local revenue per membership pupil, calculated
10 as if the school district had levied the maximum number of mills
11 the school district was allowed to levy under this section
12 regardless of the number of mills the school district actually
13 levied, does not exceed the lesser of the dollar amount of the
14 increase in the basic foundation allowance under section 20 of
15 the state school aid act of 1979, **MCL 388.1620**, from the
16 immediately preceding state fiscal year or the percentage
17 increase in the general price level in the immediately preceding
18 calendar year. If the number of mills a school district is
19 allowed to levy under this section in a year after 1994 is less
20 than the number of mills the school district was allowed to levy
21 under this section in the immediately preceding year, any
22 reduction required by this subsection in the school district's
23 millage rate shall be calculated by first reducing the number of
24 mills the school district is allowed to levy under subsection (2)
25 and then increasing the number of mills from which a ~~homestead~~
26 **principal residence** and qualified agricultural property are
27 exempted under subsection (1).

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

6 (5) 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 (6) If a school district levies millage for school operating
11 purposes that is less than the limits of this section, the board
12 of the school district may levy at the school district's next
13 regular tax levy an additional number of mills not to exceed the
14 additional millage needed to make up the shortfall.

15 (7) A school district shall not levy mills allocated under
16 the property tax limitation act, ~~Act No. 62 of the Public Acts~~
17 ~~of 1933, being sections 211.201 to 211.217a of the Michigan~~
18 ~~Compiled Laws 1933 PA 62, MCL 211.201 to 211.217a~~, other than
19 mills allocated to a school district of the first class for
20 payment to a public library commission under section 11(4) of
21 ~~Act No. 62 of the Public Acts of 1933, being section 211.211 of~~
22 ~~the Michigan Compiled Laws~~ **the property tax limitation act, 1933**
23 **PA 62, MCL 211.211**, after 1993.

24 (8) As used in this section:

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

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

4 (c) "General price level" means that term as defined in
5 section 33 of article IX of the state constitution of 1963.

6 ~~(d) "Homestead" and "qualified agricultural property" mean~~
7 ~~those terms as defined in section 1211d or in section 7dd of the~~
8 ~~general property tax act, Act No. 206 of the Public Acts of 1893,~~
9 ~~being section 211.7dd of the Michigan Compiled Laws. If a term~~
10 ~~defined in section 1211d is defined in section 7dd of Act No. 206~~
11 ~~of the Public Acts of 1893 differently than the term is defined~~
12 ~~in section 1211d, then that term as used in this section means~~
13 ~~that term as defined in section 7dd of Act No. 206 of the Public~~
14 ~~Acts of 1893.~~

15 ~~(d) —(e)—~~ "Membership" means that term as defined in section
16 6 of the state school aid act of 1979, ~~being section 388.1606 of~~
17 ~~the Michigan Compiled Laws— MCL 388.1606.~~

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

21 (f) "School operating purposes" includes expenditures for
22 furniture and equipment, for alterations necessary to maintain
23 school facilities in a safe and sanitary condition, for funding
24 the cost of energy conservation improvements in school
25 facilities, for deficiencies in operating expenses for the
26 preceding year, and for paying the operating allowance due from
27 the school district to a joint high school district in which the

1 school district is a participating school district under **former**
2 part 3a. Taxes levied for school operating purposes do not
3 include any of the following:

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

6 (ii) Taxes levied under section 1212.

7 (iii) Taxes levied under section ~~1356(4)~~ **1356** for
8 eliminating an operating deficit.

9 (iv) Taxes levied for operation of a library under section
10 ~~260 or~~ 1451 or for operation of a library established pursuant
11 to ~~Act No. 261 of the Public Acts of 1913, being sections~~
12 ~~397.261 to 397.262 of the Michigan Compiled Laws~~ **1913 PA 261,**
13 **MCL 397.261 to 397.262**, that were not included in the operating
14 millage reported by the district to the department as of April 1,
15 1993. However, a district may report to the department not later
16 than April 1, 1994 the number of mills it levied in 1993 for a
17 purpose described in this subparagraph that the school district
18 does not want considered as operating millage and then that
19 number of mills is excluded under this section from taxes levied
20 for school operating purposes.

21 (v) Taxes paid by a school district of the first class to a
22 public library commission pursuant to section 11(4) of ~~Act~~
23 ~~No. 62 of the Public Acts of 1933, being section 211.211 of the~~
24 ~~Michigan Compiled Laws~~ **the property tax limitation act, 1933 PA**
25 **62, MCL 211.211.**

26 (vi) Taxes levied under **former** section 1512 for operation of
27 a community swimming pool. In addition, if a school district

1 included the millage it levied in 1993 for operation of a
2 community swimming pool as part of its operating millage reported
3 to the department for 1993, the school district may report to the
4 department not later than June 17, 1994 the number of mills it
5 levied in 1993 for operation of a community swimming pool that
6 the school district does not want considered as operating millage
7 and then that number of mills is excluded under this section from
8 taxes levied for school operating purposes.

9 Sec. 1211e. (1) Subject to subsection (2), to claim an
10 exemption under section 1211(1) for qualified agricultural
11 property for the 1994 tax year, if an affidavit claiming an
12 exemption on a ~~homestead~~ **principal residence** was not filed for
13 the property by May 1, 1994, an affidavit claiming the exemption
14 on qualified agricultural property shall be filed with the local
15 assessing unit by June 1, 1994. If property is qualified
16 agricultural property and is classified as agricultural property
17 under section 34c of the general property tax act, ~~Act No. 206~~
18 ~~of the Public Acts of 1893, being section 211.34c of the Michigan~~
19 ~~Compiled Laws~~ **1893 PA 206, MCL 211.34c**, that property is exempt
20 and an affidavit claiming the exemption does not need to be
21 filed.

22 (2) If there are provisions in ~~Act No. 206 of the Public~~
23 ~~Acts of 1893~~ **the general property tax act, 1893 PA 206, MCL**
24 **211.1 to 211.157**, that are inconsistent with subsection (1), the
25 provisions of ~~Act No. 206 of the Public Acts of 1893~~ **the**
26 **general property tax act, 1893 PA 206, MCL 211.1 to 211.157,**
27 prevail.

1 Enacting section 1. This amendatory act takes effect
2 January 1, 2004.

3 Enacting section 2. Section 1211d of the revised school
4 code, 1976 PA 451, MCL 380.1211d, is repealed effective January
5 1, 2004.

6 Enacting section 3. This amendatory act does not take
7 effect unless Senate Bill No. 133 of the 92nd Legislature is
8 enacted into law.