

HOUSE BILL No. 6492

September 23, 2008, Introduced by Rep. Hune and referred to the Committee on Intergovernmental, Urban and Regional Affairs.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1211 (MCL 380.1211), as amended by 2007 PA 37.

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 board of a school

1 district that had a foundation allowance calculated under section
2 20 of the state school aid act of 1979, MCL 388.1620, for the 1994-
3 95 state fiscal year of more than \$6,500.00, may reduce the number
4 of mills from which a principal residence, qualified agricultural
5 property, qualified forest property, **SUPPORTIVE HOUSING PROPERTY**,
6 and industrial personal property are exempted under this subsection
7 by up to the number of mills, as certified under section 1211a,
8 required to be levied on a principal residence, qualified
9 agricultural property, qualified forest property, **SUPPORTIVE**
10 **HOUSING PROPERTY**, and industrial personal property for the school
11 district's combined state and local revenue per membership pupil
12 for the school fiscal year ending in 1995 to be equal to the school
13 district's foundation allowance for the state fiscal year ending in
14 1995, and the board also may levy in 1994 or a succeeding year that
15 number of mills for school operating purposes on a principal
16 residence, qualified agricultural property, qualified forest
17 property, **SUPPORTIVE HOUSING PROPERTY**, and industrial personal
18 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 levied under this section must be approved by the
17 school electors. For the purposes of this section, millage approved
18 by the school electors before January 1, 1994 for which the
19 authorization has not expired is considered to be approved by the
20 school electors.

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

25 (7) If a school district levies millage for school operating
26 purposes that is less than the limits of this section, the board of
27 the school district may levy at the school district's next regular

1 tax levy an additional number of mills not to exceed the additional
2 millage needed to make up the shortfall.

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

9 (9) As used in this section:

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

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

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

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

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

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

26 (g) "Owner", "person", "principal residence", and "qualified
27 agricultural property" mean those terms as defined in section 7dd

1 of the general property tax act, 1893 PA 206, MCL 211.7dd.

2 (h) "Qualified forest property" means that term as defined in
3 section 7jj of the general property tax act, 1893 PA 206, MCL
4 211.7jj[1].

5 (i) "School operating purposes" includes expenditures for
6 furniture and equipment, for alterations necessary to maintain
7 school facilities in a safe and sanitary condition, for funding the
8 cost of energy conservation improvements in school facilities, for
9 deficiencies in operating expenses for the preceding year, and for
10 paying the operating allowance due from the school district to a
11 joint high school district in which the school district is a
12 participating school district under former part 3a. Taxes levied
13 for school operating purposes do not include any of the following:

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

16 (ii) Taxes levied under section 1212.

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

19 (iv) Taxes levied for operation of a library under section 1451
20 or for operation of a library established pursuant to 1913 PA 261,
21 MCL 397.261 to 397.262, that were not included in the operating
22 millage reported by the district to the department as of April 1,
23 1993. However, a district may report to the department not later
24 than April 1, 1994 the number of mills it levied in 1993 for a
25 purpose described in this subparagraph 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 (v) Taxes paid by a school district of the first class to a
3 public library commission pursuant to section 11(4) of the property
4 tax limitation act, 1933 PA 62, MCL 211.211.

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

15 (J) "SUPPORTIVE HOUSING PROPERTY" MEANS REAL PROPERTY
16 CERTIFIED AS SUPPORTIVE HOUSING PROPERTY UNDER CHAPTER 3B OF THE
17 STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL
18 125.1459 TO 125.1459B.

19 Enacting section 1. This amendatory act does not take effect
20 unless all of the following bills of the 94th Legislature are
21 enacted into law:

22 (a) House Bill No. 5437.

23 (b) Senate Bill No. _____ or House Bill No. 6493 (request no.
24 08308'08).