

SENATE BILL No. 1059

January 14, 2010, Introduced by Senators SWITALSKI, JACOBS and OLSHOVE and referred to the Committee on Finance.

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 approved by the school electors of the
2 school district, the board of a school district may levy a tax of
3 not to exceed 5 mills on the ~~state equalized valuation~~ **TAXABLE**
4 **VALUE OF THE REAL AND PERSONAL PROPERTY** of the school district
5 each year for a period of not to exceed 20 years, for the purpose
6 of creating a sinking fund to be used for the purchase of real
7 estate for sites for, and the construction or repair of, school
8 buildings. **HOWEVER, A SCHOOL DISTRICT THAT IN THE 1994-95 STATE**

1 FISCAL YEAR HAD A FOUNDATION ALLOWANCE GREATER THAN \$6,500.00, AS
 2 CALCULATED FOR THAT STATE FISCAL YEAR UNDER SECTION 20 OF THE
 3 STATE SCHOOL AID ACT OF 1979, MCL 388.1620, MAY USE ITS SINKING
 4 FUND FOR ANY PURPOSE FOR WHICH A SCHOOL DISTRICT MAY BORROW MONEY
 5 AND ISSUE BONDS UNDER SECTION 1351A. The sinking fund tax levy is
 6 subject to the 15 mill tax limitation provisions of section 6 of
 7 article IX of the state constitution of 1963 and the property tax
 8 limitation act, 1933 PA 62, MCL 211.201 to 211.217a.

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

20 (3) ~~(2)~~—The proposition of levying a sinking fund tax shall
 21 be submitted to the school electors of the school district at a
 22 regular or special school election.

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

1 (legal name of school district)
2 to create a sinking fund for the purpose of _____
3 _____
4 for a period of _____ years?

5 Yes ()

6 No ()".

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