

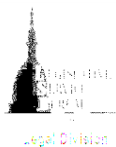
HOUSE BILL NO. 4989

September 18, 2019, Introduced by Rep. Bellino and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 705 (MCL 380.705), as amended by 2018 PA 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 705. (1) Beginning in 1997, and in each year after 1997,
- 2 **an intermediate school district may levy** a regional enhancement
- 3 property tax ~~may be levied by an intermediate school district~~ at a
- 4 rate not to exceed 3 mills to enhance other state and local funding



1 for intermediate school district, school district, or public school
 2 academy operations, as provided in this section, if approved by a
 3 majority of the intermediate school electors voting on the
 4 question.

5 (2) If a resolution requesting that the question of a regional
 6 enhancement property tax be submitted to the ~~voters~~**intermediate**
 7 **school electors** is adopted within a 180-day period and transmitted
 8 to the intermediate school board by 1 or more boards or boards of
 9 directors of its constituent districts representing a majority of
 10 the combined membership of the constituent districts as of the most
 11 recent pupil membership count day and if those resolutions all
 12 contain an identical specified number of mills to be levied under
 13 this section and an identical specified number of years for which
 14 the tax ~~shall~~**must** be levied, **the intermediate school board shall**
 15 **place** the question of levying a regional enhancement property tax
 16 by the intermediate school district ~~shall be placed~~ on the ballot
 17 ~~by the intermediate school district~~ at the next regular school
 18 election held in each of the constituent districts that are school
 19 districts. ~~If the question is to be submitted to the intermediate~~
 20 ~~school electors of an intermediate school district having a~~
 21 ~~population of more than 1,400,000, the intermediate school board~~
 22 ~~shall call a special election to be held at the next state primary~~
 23 ~~or general election.~~ If the resolution requirement is met more than
 24 180 days before the next regular school district elections, and if
 25 requested in the resolutions, the intermediate school board shall
 26 submit the question of levying a regional enhancement property tax
 27 within the intermediate school district on the ballot at a special
 28 election called by the intermediate school board for that purpose
 29 not earlier than 90 days after the resolution requirements are met.



1 (3) Not later than 10 days after receipt by the intermediate
2 school district of the revenue from the regional enhancement
3 property tax, the intermediate school district shall calculate and
4 pay to each of its constituent districts an amount of the revenue
5 calculated by dividing the total amount of the revenue by the
6 combined membership of the constituent districts within the
7 intermediate school district, as of the most recent pupil
8 membership count day, and multiplying that quotient by the
9 constituent district's membership, as of the most recent pupil
10 membership count day for which a final department-audited pupil
11 count is available. If a constituent district has entered into an
12 agreement with a school district or public entity to perform the
13 functions and responsibilities of the constituent district for
14 operating a public school of the constituent district, then for the
15 purposes of this subsection the pupils in membership in that public
16 school ~~shall be~~ **are** considered to be in membership in the
17 constituent district and **the constituent district shall transfer** a
18 proportionate share of the revenue payable to the constituent
19 district under this section ~~shall be transferred by the constituent~~
20 ~~district~~ to the school district or public entity performing the
21 functions and responsibilities of the constituent district for
22 operating the public school. The proportionate share of that
23 revenue to be paid to that school district or public entity ~~shall~~
24 ~~be~~ **is** determined according to the percentage of the constituent
25 district's membership that is enrolled in the particular public
26 school for the state fiscal year corresponding to the tax year.
27 Revenue from a regional enhancement property tax under this section
28 ~~shall~~ **must** not be allocated or paid to a constituent district that
29 does not operate a public school directly but retains a limited



1 separate identity for purposes of section 12, 12b, 863, 903, or
2 947.

3 (4) If a public school academy is receiving revenue from a
4 regional enhancement property tax under an agreement described in
5 subsection (3), the public school academy ~~shall~~**is entitled to**
6 receive that revenue until the term of the initially levied
7 regional enhancement property tax expires, as specified in the
8 ballot question, as long as the receipt of that revenue remains
9 consistent with the agreement. After the term of the initially
10 levied regional enhancement property tax expires or the public
11 school academy is no longer entitled to receive revenue from the
12 regional enhancement property tax under the agreement described in
13 subsection (3), the public school academy ~~shall~~**is not entitled to**
14 receive revenue from any regional enhancement property tax that is
15 subsequently levied or renewed unless that public school academy
16 meets the requirements of subsection (7) to receive revenue from a
17 regional enhancement property tax as a constituent district.

18 (5) Regional enhancement property tax under this section may
19 be levied for a term not to exceed 20 years, as specified in the
20 ballot question, and may be renewed for the same term and for the
21 purposes described in subsection (1) with the approval of a
22 majority of the intermediate school electors voting on the
23 question.

24 (6) The question of levying a regional enhancement property
25 tax under this section ~~shall~~**must** be presented to the intermediate
26 school electors as a separate question.

27 (7) For the purposes of this section, except as otherwise
28 provided in this section, a public school academy is considered to
29 be a single constituent district of an intermediate school district



1 if the public school academy operates at least 1 site that is
2 located in that intermediate school district and the public school
3 academy counts in membership pupils enrolled at the site or sites
4 located in that intermediate school district on the pupil
5 membership count day used to calculate the combined membership of
6 the intermediate school district's constituent districts under
7 subsection (2). A public school academy that is a school of
8 excellence operating as a cyber school, as defined in section 551,
9 is considered to be a single constituent district of an
10 intermediate school district only if the administrative office of
11 that cyber school is located within the intermediate school
12 district, 100% of the pupils enrolled in the cyber school reside
13 within the intermediate school district, and the cyber school
14 counts in membership pupils enrolled in the cyber school on the
15 pupil membership count day used to calculate the combined
16 membership of the intermediate school district's constituent
17 districts under subsection (2). However, a public school academy is
18 not eligible to be considered a constituent district under this
19 subsection if the public school academy's 2 most recent annual
20 financial audits required under section 503(6)(g), 523(2)(g),
21 553(5)(g), or 1311e(5)(h) indicate successive unresolved material
22 findings. In addition, in order to be considered a constituent
23 district under this subsection, the public school academy must
24 provide the department documentation establishing that the public
25 school academy has a special education program that is in
26 compliance with state and federal law.

27 (8) Except for a school of excellence operating as a cyber
28 school, as defined in section 551, a public school academy that
29 receives revenue from a regional enhancement property tax due to



1 the operation of subsection (7) shall use that money only for
 2 expenditures that directly benefit a site operated by the public
 3 school academy that is located in the intermediate school district
 4 in which the regional enhancement property tax was approved.

5 (9) For a regional enhancement property tax that was initially
 6 authorized and levied before ~~the effective date of the amendatory~~
 7 ~~act that added this subsection,~~ **May 15, 2018**, both of the following
 8 apply:

9 (a) Subject to subsection (4), a public school academy is not
 10 eligible to be considered a constituent district and to receive
 11 revenue from that regional enhancement property tax due to the
 12 operation of subsection (7) until that regional enhancement
 13 property tax is renewed.

14 (b) An intermediate school district is not eligible to be
 15 considered a constituent district and to receive revenue for pupils
 16 counted in membership by the intermediate school district from that
 17 regional enhancement property tax due to the operation of
 18 subsection (10) until that regional enhancement property tax is
 19 renewed.

20 (10) For a regional enhancement property tax that is initially
 21 authorized and levied or renewed after ~~the effective date of the~~
 22 ~~amendatory act that added this subsection,~~ **May 15, 2018**, for the
 23 purposes of this section, an intermediate school district is
 24 considered to be a single constituent district of the intermediate
 25 school district if it enrolls pupils who are counted in membership
 26 by the intermediate school district and not counted in membership
 27 by another intermediate school district, school district, or public
 28 school academy.

