



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

DEBT RETIREMENT TAXES IN ANNEXATION

House Bill 5528
Sponsor: Rep. Robert Bender
Committee: Education

Complete to 5-4-90

A SUMMARY OF HOUSE BILL 5528 AS INTRODUCED 2-21-90

JUN 26 1990

The School Code provides annexation procedures for an intermediate school board to follow, under the direction of the State Board of Education, if a constituent school district which has not operated during the previous two years fails either to reopen for operation or attach itself totally or in part to one or more operating school districts. The procedures for annexation specify, among other things, that as of the date of attachment of a non-operating district to an operating one, territory attached to an operating district is part of the operating district for all purposes, including the levy of all taxes except for those "levied for the retirement of outstanding bonded indebtedness." The bill would amend the act to specify that for territory attached to an operating district after January 1, 1990, the territory would be subject to taxes levied for the retirement of outstanding bonded indebtedness and all other taxes levied by the operating school district.

MCL 380.922

House Bill 5528 (5-4-90)