

**SENATE BILL NO. 340**

February 23, 1999, Introduced by Senator STEIL and referred to the Committee on Appropriations.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending section 1212 (MCL 380.1212), as amended by 1993 PA 312.

**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~~ MORE THAN 5 mills on the ~~state equalized~~  
4 ~~valuation~~ TAXABLE VALUE of the school district each year for a  
5 period of not ~~to exceed~~ MORE THAN 20 years, for the purpose of  
6 creating a sinking fund. ~~to be used for the~~ A SINKING FUND  
7 UNDER THIS SECTION MAY BE USED ONLY FOR 1 OR MORE OF THE FOLLOW-  
8 ING PURPOSES:

9       (A) THE purchase of real estate for sites for, and the  
10 construction or repair of, school buildings.

1 (B) LEASING A SCHOOL BUILDING THAT IS EXEMPT FROM PROPERTY  
2 TAX PURSUANT TO SECTION 7GG OF THE GENERAL PROPERTY TAX ACT, 1893  
3 PA 206, MCL 211.7GG, AND FOR WHICH THE OWNER OF THE SCHOOL BUILD-  
4 ING CLAIMS A CREDIT UNDER SECTION 39D OF THE SINGLE BUSINESS TAX  
5 ACT, 1975 PA 228, MCL 208.39D.

6 (2) The sinking fund tax levy is subject to the 15 mill tax  
7 limitation provisions of section 6 of article IX of the state  
8 constitution of 1963 and the property tax limitation act, ~~Act~~  
9 ~~No. 62 of the Public Acts of 1933, as amended, being sections~~  
10 ~~211.201 to 211.217a of the Michigan Compiled Laws~~ 1933 PA 62,  
11 MCL 211.201 TO 211.217A.

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

23 (4) ~~(2)~~ The proposition of levying a sinking fund tax  
24 shall be submitted to the school electors of the school district  
25 at an annual or special ~~meeting or~~ election.

1 (5) ~~(3)~~ The question of levying taxes for the purpose of  
2 creating a sinking fund shall be by ballot in substantially the  
3 following form:

4 "Shall \_\_\_\_\_ levy \_\_\_\_\_ mills  
5 (legal name of school district)  
6 to create a sinking fund for the purpose of \_\_\_\_\_  
7 \_\_\_\_\_  
8 for a period of \_\_\_\_\_ years?

9 Yes ( )

10 No ( )".

11 (6) ~~(4)~~ For the purposes of this section, millage approved  
12 by the school electors before December 1, 1993 for which the  
13 authorization has not expired is considered to be approved by the  
14 school electors.

15 Enacting section 1. This amendatory act does not take  
16 effect unless all of the following bills of the 90th Legislature  
17 are enacted into law:

18 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
19 no. 01442'99).

20 (b) Senate Bill No. 341.

21