

Act No. 299  
Public Acts of 2003  
Approved by the Governor  
January 8, 2004  
Filed with the Secretary of State  
January 8, 2004  
EFFECTIVE DATE: January 1, 2005

**STATE OF MICHIGAN**  
**92ND LEGISLATURE**  
**REGULAR SESSION OF 2003**

**Introduced by Reps. Ward, Hummel, Farhat, Brandenburg, Garfield, Drolet, Hoogendyk, Amos, Casperson, Emmons, Wenke, Tabor, Palsrok, Sheen, Stahl, Vander Veen, Acciavatti, LaJoy, Steil, Walker, Pastor, Van Regenmorter, Stakoe, Huizenga, Meyer, Voorhees, Taub, Ruth Johnson, Rocca, Kooiman, Robertson, Moolenaar and Richardville**

# **ENROLLED HOUSE BILL No. 4820**

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 4, 5, 6, 11a, 14, 503, 613, 614, 616, 617, 629, 661, 681, 682, 687, 690, 701, 702, 703, 705, 853, 854, 855, 856, 857, 858, 859, 860, 861, 931, 932, 945, 1212, 1216, 1351, 1361, 1451, 1722, and 1724 (MCL 380.4, 380.5, 380.6, 380.11a, 380.14, 380.503, 380.613, 380.614, 380.616, 380.617, 380.629, 380.661, 380.681, 380.682, 380.687, 380.690, 380.701, 380.702, 380.703, 380.705, 380.853, 380.854, 380.855, 380.856, 380.857, 380.858, 380.859, 380.860, 380.861, 380.931, 380.932, 380.945, 380.1212, 380.1216, 380.1351, 380.1361, 380.1451, 380.1722, and 380.1724), section 5 as amended by 2003 PA 179, sections 6, 503, and 690 as amended and section 11a as added by 1995 PA 289, section 14 as amended by 1999 PA 23, sections 614 and 617 as amended by 2002 PA 157, section 629 as amended by 2002 PA 61, sections 681, 682, 705, 1451, and 1724 as amended by 1994 PA 258, section 687 as amended by 2002 PA 62, section 703 as amended by 1981 PA 87, section 853 as amended by 1998 PA 406, sections 854, 857, and 858 as amended by 1992 PA 263, section 859 as amended by 2002 PA 509, section 945 as added by 1984 PA 154, section 1212 as amended by 1993 PA 312, section 1216 as amended by 2002 PA 64, and section 1351 as amended by 2002 PA 67, and by adding section 1206; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

Sec. 4. (1) "Educational media center" means a program operated by an intermediate school district and approved by the state board that provides services to local school districts or constituent districts under section 671.

(2) "Handicapped person" shall be defined by rules promulgated by the state board. Handicaps include, but are not limited to, mental, physical, emotional, behavioral, sensory, and speech handicaps.

(3) "Intermediate school board" means the board of an intermediate school district.

(4) "Intermediate school district" means a corporate body established under part 7.

(5) "Intermediate school district election" means an election called by an intermediate school board and held on the date of the regular school elections of constituent districts or on a date determined by the intermediate school board under section 642b of the Michigan election law, MCL 168.642b.

(6) "Intermediate school elector" means a person who is a school elector of a constituent district and who is registered in the city or township in which the person resides.

(7) "Intermediate superintendent" means the superintendent of an intermediate school district.

Sec. 5. (1) "Local act school district" or "special act school district" means a district governed by a special or local act or chapter of a local act. "Local school district" and "local school district board" as used in article 3 include a local act school district and a local act school district board.

(2) "Membership" means the number of full-time equivalent pupils in a public school as determined by the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board.

(3) "Michigan election law" means the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(4) "Nonpublic school" means a private, denominational, or parochial school.

(5) "Objectives" means measurable pupil academic skills and knowledge.

(6) "Public school" means a public elementary or secondary educational entity or agency that is established under this act, has as its primary mission the teaching and learning of academic and vocational-technical skills and knowledge, and is operated by a school district, local act school district, special act school district, intermediate school district, public school academy corporation, strict discipline academy corporation, urban high school academy corporation, or by the department or state board. Public school also includes a laboratory school or other elementary or secondary school that is controlled and operated by a state public university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(7) "Public school academy" means a public school academy established under part 6a and, except as used in part 6a, also includes an urban high school academy established under part 6c and a strict discipline academy established under sections 1311b to 1311l.

(8) "Pupil membership count day" of a school district means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(9) "Regular school election" or "regular election" means the election held in a school district, local act school district, or intermediate school district to elect a school board member in the regular course of the terms of that office and held on the school district's regular election date as determined under section 642b of the Michigan election law, MCL 168.642b.

(10) "Reorganized intermediate school district" means an intermediate school district formed by consolidation or annexation of 2 or more intermediate school districts under sections 701 and 702.

(11) "Rule" means a rule promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Sec. 6. (1) "School district" or "local school district" means a general powers school district organized under this act, regardless of previous classification, or a school district of the first class.

(2) "School district filing official" means the school district election coordinator as defined in section 4 of the Michigan election law, MCL 168.4, or an authorized agent of the school district election coordinator.

(3) "School elector" means a person qualified as an elector under section 492 of the Michigan election law, MCL 168.492, and resident of the school district, local act school district, or intermediate school district on or before the thirtieth day before the next ensuing regular or special school election.

(4) "School month" means a 4-week period of 5 days each unless otherwise specified in the teacher's contract.

(5) "Special education building and equipment" means a structure or portion of a structure or personal property accepted, leased, purchased, or otherwise acquired, prepared, or used for special education programs and services.

(6) "Special education personnel" means persons engaged in and having professional responsibility for the training, care, and education of handicapped persons in special education programs and services including, but not limited to, teachers, aides, school social workers, diagnostic personnel, physical therapists, occupational therapists, audiologists, teachers of speech and language, instructional media-curriculum specialists, mobility specialists, teacher consultants, supervisors, and directors.

(7) "Special education programs and services" means educational and training services designed for handicappers and operated by local school districts, local act school districts, intermediate school districts, the Michigan school for the deaf and blind, the department of community health, the family independence agency, or a combination of these, and ancillary professional services for handicappers rendered by agencies approved by the state board. The programs shall include vocational training, but need not include academic programs of college or university level.

(8) "Special school election" or "special election" means a school district election to fill a vacancy on the school board or submit a ballot question to the school electors that is held on a regular election date established under section 641 of the Michigan election law, MCL 168.641.

(9) "State approved nonpublic school" means a nonpublic school that complies with 1921 PA 302, MCL 388.551 to 388.558.

(10) "State board" means the state board of education unless clearly otherwise stated.

(11) "Department" means the department of education created and operating under sections 300 to 305 of the executive organization act of 1965, 1965 PA 380, MCL 16.400 to 16.405.

(12) "State school aid" means allotments from the general appropriating act for the purpose of aiding in the support of the public schools of the state.

(13) "The state school aid act of 1979" means the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

Sec. 11a. (1) Beginning on July 1, 1996, each school district formerly organized as a primary school district or as a school district of the fourth class, third class, or second class shall be a general powers school district under this act.

(2) Beginning on July 1, 1996, a school district operating under a special or local act shall operate as a general powers school district under this act except to the extent that the special or local act is inconsistent with this act. Upon repeal of a special or local act that governs a school district, that school district shall become a general powers school district under this act.

(3) A general powers school district has all of the rights, powers, and duties expressly stated in this act; may exercise a power implied or incident to a power expressly stated in this act; and, except as provided by law, may exercise a power incidental or appropriate to the performance of a function related to operation of the school district in the interests of public elementary and secondary education in the school district, including, but not limited to, all of the following:

(a) Educating pupils. In addition to educating pupils in grades K-12, this function may include operation of preschool, lifelong education, adult education, community education, training, enrichment, and recreation programs for other persons.

(b) Providing for the safety and welfare of pupils while at school or a school sponsored activity or while en route to or from school or a school sponsored activity.

(c) Acquiring, constructing, maintaining, repairing, renovating, disposing of, or conveying school property, facilities, equipment, technology, or furnishings.

(d) Hiring, contracting for, scheduling, supervising, or terminating employees, independent contractors, and others to carry out school district powers. A school district may indemnify its employees.

(e) Receiving, accounting for, investing, or expending school district money; borrowing money and pledging school district funds for repayment; and qualifying for state school aid and other public or private money from local, regional, state, or federal sources.

(4) A general powers school district may enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the school district.

(5) A general powers school district is a body corporate and shall be governed by a school board. An act of a school board is not valid unless approved, at a meeting of the school board, by a majority vote of the members lawfully serving on the board.

(6) The board of a general powers school district shall adopt bylaws. These bylaws may establish or change board procedures, the number of board officers, titles and duties of board officers, and any other matter related to effective and efficient functioning of the board. Regular meetings of the board shall be held at least once each month, at the time and place fixed by the bylaws. Special meetings may be called and held in the manner and for the purposes specified in the bylaws. Board procedures, bylaws, and policies in effect on the effective date of this section shall continue in effect until changed by action of the board.

(7) The board of a school district shall be elected as provided under this act and the Michigan election law. The number of members of the board of a general powers school district shall remain the same as for that school district before July 1, 1996 unless changed by the school electors of the school district at a regular or special school election. A ballot question for changing the number of board members may be placed on the ballot by action of the board or by petition submitted by school electors as provided under chapter XIV of the Michigan election law, MCL 168.301 to 168.315.

(8) Members of the board of a general powers school district shall be elected by the school electors for terms of 4 or 6 years, as provided by the school district's bylaws. At each regular school election, members of the board shall be elected to fill the positions of those whose terms will expire. A term of office begins as provided in section 302 of the Michigan election law, MCL 168.302, and continues until a successor is elected and qualified.

(9) The board of a general powers school district may submit to the school electors of the school district a question that is within the scope of the powers of the school electors and that the board considers proper for the management of the school system or the advancement of education in the school district. Upon the adoption of a question by the board, the board shall submit the question to the school electors by complying with section 312 of the Michigan election law, MCL 168.312.

(10) A special election may be called by the board of a general powers school district as provided under chapter XIV of the Michigan election law, MCL 168.301 to 168.315.

(11) Unless expressly provided in 1995 PA 289, the powers of a school board or school district are not diminished by this section or by 1995 PA 289.

(12) A school district operating a public library, public museum, or community recreational facility as of July 1, 1996 may continue to operate the public library, public museum, or community recreational facility.

Sec. 14. A petition under, or that is necessary to meet a requirement of, section 11a, 411a, 412a, 503, 614, 617, 690, 701, 853, 860, 931, or 1311e, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, MCL 168.488. A person who violates a provision of the Michigan election law applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law.

Sec. 503. (1) An authorizing body is not required to issue a contract to any person or entity. Public school academy contracts shall be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy.

(2) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more public school academies within the boundaries of the school district and the board does not issue the contract, the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school electors of the school district. The petition shall contain all of the information required to be in the contract application under section 502 and shall be signed by a number of school electors of the school district equal to at least 15% of the total number of school electors of that school district. The petition shall be filed with the school district filing official. If the board receives a petition meeting the requirements of this subsection, the board shall have the question of issuing the contract placed on the ballot at its next regular school election held at least 60 days after receiving the petition. If a majority of the school electors of the school district voting on the question vote to issue the contract, the board shall issue the contract.

(3) Within 10 days after issuing a contract for a public school academy, the authorizing body shall submit to the superintendent of public instruction a copy of the contract and of the application under section 502.

(4) An authorizing body shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each public school academy subject to its jurisdiction.

(5) A contract issued to organize and administer a public school academy shall contain at least all of the following:

(a) The educational goals the public school academy is to achieve and the methods by which it will be held accountable. To the extent applicable, the pupil performance of a public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279.

(b) A description of the method to be used to monitor the public school academy's compliance with applicable law and its performance in meeting its targeted educational objectives.

(c) A description of the process for amending the contract during the term of the contract.

(d) All of the matters set forth in the application for the contract.

(e) For a public school academy authorized by a school district, an agreement that employees of the public school academy will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not public school academies.

(f) Procedures for revoking the contract and grounds for revoking the contract, including at least the grounds listed in section 507.

(g) A description of and address for the proposed physical plant in which the public school academy will be located.

(h) Requirements and procedures for financial audits. The financial audits shall be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles.

(6) A public school academy shall comply with all applicable law, including all of the following:

- (a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (b) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (c) 1947 PA 336, MCL 423.201 to 423.217.
- (d) 1965 PA 166, MCL 408.551 to 408.558.
- (e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

(7) A public school academy and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for an act or omission in authorizing a public school academy if the authorizing body or the person acted or reasonably believed he or she acted within the authorizing body's or the person's scope of authority.

(8) A public school academy is exempt from all taxation on its earnings and property. Instruments of conveyance to or from a public school academy are exempt from all taxation including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. A public school academy may not levy ad valorem property taxes or another tax for any purpose. However, operation of 1 or more public school academies by a school district or intermediate school district does not affect the ability of the school district or intermediate school district to levy ad valorem property taxes or another tax.

(9) A public school academy may acquire by purchase, gift, devise, lease, sublease, installment purchase agreement, land contract, option, or by any other means, hold and own in its own name buildings and other property for school purposes, and interests therein, and other real and personal property, including, but not limited to, interests in property subject to mortgages, security interests, or other liens, necessary or convenient to fulfill its purposes. For the purposes of condemnation, a public school academy may proceed under the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of that act, MCL 213.56 to 213.59, or other applicable statutes, but only with the express, written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid.

Sec. 613. The intermediate school board shall meet annually on or before the fourth Monday of December or, if the intermediate school district's regular election is in May, on or before the fourth Monday of June. The intermediate school board shall organize by electing a president, a vice-president, a secretary, and a treasurer. The president and vice-president shall be members of the intermediate school board, but the secretary and treasurer need not be. The officers shall perform duties provided by law and prescribed by the policies and regulations of the intermediate school board not inconsistent with this part or other laws of the state. The treasurer shall post with the secretary a bond in an amount approved by the intermediate school board, conditioned upon the faithful performance of the treasurer's duties.

Sec. 614. (1) Except as provided in section 615 and subject to section 642 of the Michigan election law, MCL 168.642, the members of the intermediate school board shall be elected biennially on the first Monday in June by a body composed of 1 member of the board of each constituent school district, who shall be designated by the board of which that individual is a member. The secretary shall send a notice by certified mail of the hour and place of meeting to the secretary of the board of each constituent school district at least 10 days before the meeting. The president and secretary of the intermediate school board shall act as chairperson and secretary.

(2) Except as provided in section 703, the term of office of each member elected to the intermediate school board is 6 years and begins on July 1 following election. Not more than 2 members of the intermediate school board shall be from the same school district unless there are fewer districts than there are positions to be filled.

(3) A vacancy shall be filled by the remaining members of the intermediate school board until the next biennial election at which time the vacancy shall be filled for the balance of the unexpired term. Notice of the vacancy shall be filed with the state board within 5 days after the vacancy occurs. If the vacancy is not filled within 30 days after it occurs, the vacancy shall be filled by the state board.

(4) Subject to subsection (6), a candidate for election to the intermediate school board shall be nominated by petitions that are signed by a number of school electors of the combined constituent school districts of the intermediate school district, as follows:

(a) If the population of the intermediate school district is less than 10,000 according to the most recent federal census, a minimum of 6 and a maximum of 20.

(b) If the population of the intermediate school district is 10,000 or more according to the most recent federal census, a minimum of 40 and a maximum of 100.

(5) A school elector may sign as many petitions as there are vacancies to fill. Nominating petitions and an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558, shall be filed with the school district filing official not later than 30 days before the date of the biennial election under subsection (1). The school district filing

official shall determine the sufficiency of the petitions and the eligibility of the candidates nominated. The school district filing official shall provide ballots for the biennial election, listing on the ballots the names of all candidates properly nominated. The chairperson of the biennial election may accept nominations for a vacancy from the floor only if no nominating petitions have been filed for the vacancy.

(6) Instead of filing nominating petitions, a candidate for election to the intermediate school board may pay a nonrefundable filing fee of \$100.00 to the school district filing official. If this fee is paid by the due date for nominating petitions, the payment has the same effect under this section as the filing of nominating petitions.

Sec. 616. (1) An intermediate school board may submit to the school electors of the constituent districts comprising the intermediate school district the question of adoption of sections 615 to 617. The question shall be in substantially the following form:

“Shall sections 615 to 617 of the revised school code, providing for the popular election of members of the intermediate school board, be effective within the constituent districts of \_\_\_\_\_ (name of intermediate school district)?

Yes ( )

No ( )”.

(2) The intermediate school board shall submit the question upon receipt of resolutions adopted by a majority of the boards of constituent districts and representing more than 1/2 of the combined memberships of the constituent districts of the intermediate school district as of the latest pupil membership count day. The resolutions of the constituent district boards shall be adopted between March 1 and the next succeeding July 1. The question shall be presented to the school electors of the constituent districts at the next regular school election after resolutions of constituent district boards meeting the requirements of this section have been filed with the school district filing official.

(3) If a majority of the school electors votes in favor of popular election, members of the intermediate school board shall be elected at the next regular school election and biennially thereafter at the regular school elections of the constituent districts.

(4) An intermediate school district that adopts sections 615 to 617 may terminate the popular election of members of the intermediate school board in the same manner.

Sec. 617. (1) In an intermediate school district in which sections 615 to 617 are effective, a candidate for the office of member of the intermediate school board shall be nominated, and members shall be elected, as provided in chapter XIV of the Michigan election law, MCL 168.301 to 168.315.

(2) At the first election, 3 members of an intermediate school board shall be elected for a term of 6 years, 2 for a term of 4 years, and 2 for a term of 2 years. After the first election, their successors shall be elected biennially for terms of 6 years.

Sec. 629. (1) An intermediate school board may borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, sums of money on terms the intermediate school board considers necessary for 1 or more of the following purposes:

(a) For temporary purposes for which the intermediate school board may give notes of the intermediate school district. The intermediate school board shall not borrow a sum that exceeds the amount that has been voted by the intermediate school board or the school electors of the intermediate school district.

(b) To purchase sites for buildings; to purchase, erect, complete, remodel, improve, furnish, refurbish, equip, or reequip buildings and facilities the board is authorized to acquire, including, but not limited to, general administrative, vocational, or special education buildings or facilities, or parts of those buildings or facilities, or additions to those buildings or facilities, and prepare, develop, or improve sites for those buildings or facilities; to purchase and install information technology systems, together with the equipment and software, as are necessary for programs conducted by the intermediate school district under section 627(2); and to issue and sell bonds of the intermediate school district in the form and on the terms the board considers advisable.

(2) An intermediate school board shall not borrow money or issue bonds for a sum that, together with the total outstanding bonded indebtedness of the intermediate school district, exceeds 1/9 of 1% of the state equalized valuation of the taxable property within the district, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the intermediate school district held under section 661 and approved by the majority of the registered school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the intermediate school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a or to issue bonds under section 11i of the state school aid act of 1979, 1979 PA 94, MCL 388.1611i. Money may be borrowed and bonds may be issued for the purposes stated in this section in an amount equal to that provided by part 17. For the purposes of this subsection, bonds authorized by vote of the school electors for special education facilities under part 30 and for area vocational-technical education facilities under sections

681 to 690 and bonds issued under section 11i of the state school aid act of 1979, MCL 388.1611i, shall not be included in computing the total outstanding bonded indebtedness of an intermediate school district.

(3) Not later than 30 days after receipt of notice that the question of issuing bonds under this section to purchase and install information technology systems as are necessary for a cooperative program under section 627(2) will be submitted to the school electors of the intermediate school district, the board of a constituent school district by resolution may elect not to participate in the cooperative program and not to conduct an election on the question within the constituent school district.

Sec. 661. (1) Subject to the Michigan election law, the intermediate school board may submit questions to the intermediate school electors of the intermediate school district at a regular or special school election held in each of the constituent districts. A question shall not be submitted to the intermediate school electors unless the question is within the lawful authority of the intermediate school electors to decide.

(2) A person who is a school elector of a constituent district of an intermediate school district and who is registered in the city or township in which that person resides is an intermediate school elector of that intermediate school district.

Sec. 681. (1) An intermediate school district may establish an area vocational-technical education program and operate the program under sections 681 to 690 if approved by a majority of the intermediate school electors of the intermediate school district voting on the question. The election shall be called and conducted in accordance with this act and the Michigan election law. The establishment of the area vocational-technical education program may be rescinded by the same process.

(2) The question of establishing an area vocational-technical education program may be submitted to the intermediate school electors of an intermediate school district at a regular school election or at a special election held in each of the constituent districts. Subject to section 641 of the Michigan election law, MCL 168.641, the intermediate school board shall determine the date of the election and shall give notice to the school district filing official at least 60 days in advance of the date the ballot question is to be submitted to the intermediate school electors.

(3) The ballot for referring the question of adopting sections 681 to 690 and establishing an area vocational-technical education program to the intermediate school electors of an intermediate school district shall be substantially in the following form:

“Shall \_\_\_\_\_, state of Michigan, come under sections 681 to 690 of the revised school code and establish an area vocational-technical education program which is designed to encourage the operation of area vocational-technical education programs if the annual property tax levied for this purpose is limited to \_\_\_\_\_ mills?

Yes ( )

No ( )”.

(4) Beginning in 1995, the number of mills of ad valorem property taxes an intermediate school board may levy for area vocational-technical education program operating purposes under sections 681 to 690 is limited to the following:

(a) If the intermediate school district did not levy any millage in 1993 for area vocational-technical education program operating purposes under sections 681 to 690, the intermediate school board, with the approval of the intermediate school electors, may levy not more than 1 mill for those purposes.

(b) If the intermediate school district levied millage in 1993 for area vocational-technical education program operating purposes under sections 681 to 690, the intermediate school board, with the approval of the intermediate school electors, may levy mills for those purposes at a rate not to exceed 1.5 times the number of mills authorized for those purposes in the intermediate school district in 1993. Approval of the intermediate school electors is not required for the levy under this subdivision of previously authorized mills until that authorization expires.

(5) An intermediate school district shall not hold more than 2 elections in a calendar year concerning the authorization of a millage rate for area vocational-technical education program operating purposes under sections 681 to 690.

Sec. 682. Subject to section 681(4), an intermediate school board operating under sections 681 to 690 may direct that the question of increasing the millage limit on the annual property tax levied for area vocational-technical education be submitted to the intermediate school electors of the intermediate school district. The election shall be called and conducted in accordance with section 661. The ballot shall be substantially in the following form:

“Shall the \_\_\_\_\_ mill limitation on the annual property tax previously approved by the electors of \_\_\_\_\_, state of Michigan, for the establishment and operation of area vocational-technical education programs be increased by \_\_\_\_\_ mills?

Yes ( )

No ( )”.

Sec. 687. (1) An intermediate school board in which an area vocational-technical education program is established, by a majority vote of the intermediate school electors voting on the question at a regular school election or at a special election called for that purpose, may borrow money and issue bonds of the intermediate school district subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to defray all or part of the cost of purchasing, erecting, completing, remodeling, improving, furnishing, refurbishing, equipping, or reequipping area vocational-technical buildings and other facilities, or parts of buildings and other facilities or additions to buildings and other facilities; acquiring, preparing, developing, or improving sites, or parts of sites or additions to sites, for area vocational-technical buildings and other facilities; refunding all or part of existing bonded indebtedness; or accomplishing a combination of the foregoing purposes. An intermediate school district shall not issue bonds under this part for an amount greater than 1.5% of the total assessed valuation of the intermediate school district.

(2) A bond qualified under section 16 of article IX of the state constitution of 1963 and implementing legislation shall not be included for purposes of calculating the foregoing 1.5% limitation.

(3) An intermediate school board may submit a proposal to issue bonds of the intermediate school district, authorized under this section, to the intermediate school electors at the same election at which the intermediate school electors vote on the establishment of an area vocational-technical education program. If these questions are presented to the school electors at the same election, the board shall include the bond proposal in the 60-day notice given the boards of constituent districts. The establishment of an area vocational-technical education program shall become effective if approved by a majority of the intermediate school electors voting on the question. The authority to issue bonds is effective only if a majority of the intermediate school electors approve both the establishment of the area vocational-technical education program and the issuance of bonds.

(4) The ballot used in submitting the question of borrowing money and issuing bonds under this section shall be in substantially the following form:

“Shall \_\_\_\_\_ (here state the legal name of the intermediate school district designating the name of a district of not less than 18,000 pupils or first class school district that has elected not to come under this act as far as an area vocational-technical education program is concerned) state of Michigan, borrow the sum of not to exceed \$\_\_\_\_\_ and issue its bonds therefor, for the purpose of \_\_\_\_\_?”

Yes ( )

No ( )”.

Sec. 690. (1) A school district of not less than 18,000 pupils, a first class school district, or a school district offering or making available to its pupils a comprehensive vocational education program approved by the state board, may elect not to come under an area vocational-technical education program by resolution adopted by its board not later than 30 days after receipt of notice that the question of establishing the area vocational-technical education program will be submitted to the school electors of the district.

(2) A school district electing not to come under the area vocational-technical education program may thereafter elect to come under the program if at a special or regular school election a majority of the school electors voting approve the operation of the area vocational-technical education program and the annual tax rate for that purpose in effect in the other constituent districts of the intermediate school district.

(3) Except as provided in this subsection, in an intermediate school district where the school electors have voted upon and failed to approve the ballot question set forth in section 681, a combination of 2 or more contiguous constituent districts, by resolution of their boards, may elect to establish an area vocational-technical education program, if approved by resolution of the intermediate district board and designated by the state board. The requirement of contiguity of constituent districts does not apply if 1 or more of the districts that constitute the basis of contiguity declare their intent, by board resolution, not to be part of the proposed area vocational-technical education program. At any time within 6 months after the enactment of the resolution establishing the program in a local school district, school electors equal in number to not less than 5% of the votes cast in the most recent school election may petition their local school district board to submit the resolution to the school district filing official for submission to the electorate, in a form and manner to be prescribed by the secretary of state, and the district’s participation in the program shall be terminated if not approved by a majority of the school electors voting on the question.

(4) Area vocational-technical education programs established under this section shall receive appropriate state funding or federal funding allocated by the state board on exactly the same basis as area vocational-technical education programs and centers established by intermediate school districts. Constituent districts establishing an approved area vocational-technical education program under this section may designate, by board resolution, specific amounts of either authorized operating millage or operating millage being requested from the school electors to be utilized solely for the area vocational-technical education program, in a manner to be prescribed by the state board, and the specified amount of millage shall be regarded as area vocational-technical education millage rather than local school district operating millage in all computations made by the state board to determine state aid. The revenue obtained from the millage designated, together with appropriate state and federal funds, may be expended for the same purposes specified for intermediate district programs in sections 684 and 685, including contracts with the intermediate school district, another



local school district, or a community college for area vocational-technical education programs, facilities, and services. If constituent districts establish area vocational-technical education programs under this section, buildings, sites, and equipment may be jointly acquired, owned, or leased.

(5) A contiguous school district desiring to become part of an area vocational-technical education program established under this section may do so with the approval of each participating school district, the intermediate school district, and the state board. Constituent districts operating an approved area vocational-technical education program under this section may subsequently elect not to participate, or may thereafter elect to participate, in an intermediate school district vocational-technical education program in exactly the same manner prescribed in this section for school districts of not less than 18,000 pupils, a first class school district, or a school district offering or making available to its pupils a comprehensive vocational education program approved by the state board.

Sec. 701. (1) Two or more adjoining intermediate school districts may combine to form a single intermediate school district when the reorganization is approved by a majority of the electors of each intermediate school district voting on the question in the regular school elections of the constituent districts.

(2) The question of combining intermediate school districts may be submitted by a resolution of the intermediate school boards meeting in joint session.

(3) The question shall be submitted if petitions signed by a number of school electors of each intermediate school district equal to not less than 5% of the number of pupil memberships on the latest pupil membership count day of the combined constituent districts of the intermediate school district are filed with the school district filing official. Within 30 days after receiving sufficient petitions, the school district filing official shall notify the secretary of the intermediate school district and the secretary shall apply for approval to the superintendent of public instruction. The school district filing official shall submit the question in accordance with section 661 at the next regular school election after the superintendent of public instruction approves the merger.

(4) The ballots for a ballot question under this section shall be in substantially the following form:

“Shall the following intermediate school districts be organized as a single intermediate school district?

(List names of intermediate school districts)

Yes ( )

No ( )”.

(5) If the consolidation is approved by a majority of the school electors voting on the question in each of the participating intermediate school districts, the reorganization is effective in the combined intermediate school districts 30 days after the regular school election at which the question is submitted. The reorganized intermediate school district is a single intermediate school district subject to this part.

(6) The members of the intermediate school boards of the original intermediate school districts shall act as an interim board until a board of the combined intermediate school district is elected. The interim board has all the powers and duties of an intermediate school board under this part. The person chosen by the interim intermediate school board as intermediate superintendent shall serve only until a successor is chosen by the elected intermediate school board. The secretary of the intermediate school board having the largest number of pupils in membership in its combined constituent districts at the time of reorganization shall call a meeting of the members of the interim intermediate school board for the purpose of organization within 15 days after the effective date of the reorganization. The school district filing official shall provide for the election of a board of the reorganized intermediate school district under chapter XIV of the Michigan election law, MCL 168.301 to 168.315. At the first election there shall be elected 3 members of a board for 6 years, 2 for 4 years, and 2 for 2 years. Their successors shall be elected biennially for terms of 6 years.

(7) The reorganized intermediate school district shall operate as a single intermediate school district from the effective date of the reorganization. Within 10 days after the reorganization, all accounts of the reorganized intermediate school districts shall be audited in the manner established by the interim intermediate school board. The contracts of the intermediate superintendents in force on the effective date of reorganization continue in effect until the time of their termination except as to position as intermediate superintendents.

(8) If, before reorganization of the intermediate school districts each of the combining intermediate school districts adopted special education programs by referendum as provided in part 30 and approved the same annual property tax rates for the education of handicapped persons, the special education programs and the annual property tax rates shall continue in effect in the reorganized intermediate school district.

Sec. 702. (1) An intermediate school district may be annexed to another intermediate school district if the intermediate school board of the annexing intermediate school district approves the annexation by resolution, and a majority of the school electors of the intermediate school district to be annexed voting on the question at a regular or special school election in the intermediate school district approve the annexation. If prior to annexation the annexing intermediate school district adopts a special education program by referendum as provided in part 30, the intermediate school electors of the intermediate school district to be annexed must vote to adopt that special education program and

annual tax rate. The vote on the question shall be by ballot furnished by the school district filing official for the intermediate school district to be annexed. Before the election is held, the annexing intermediate school board shall obtain the approval of the superintendent of public instruction of the proposed annexation.

(2) Within 10 days after the election, the school district filing official shall file the result with the secretary of the intermediate school board, and 5 days later the intermediate school board secretary shall file the election result with the secretary of the intermediate school board of the annexing intermediate school district. Within 15 days after the annexation election the intermediate school board of the annexed intermediate school district shall account to the intermediate school board of the annexing intermediate school district for the money and property in its hands and shall turn over the money and property to that intermediate school board. Property and money belonging to the annexed intermediate school district becomes the property of the annexing intermediate school district. The outstanding indebtedness of the annexed intermediate school district becomes the liability of the annexing intermediate school district. Upon receipt of the money and property, the members of the annexed intermediate school board shall be released from liability for the money and property and their offices terminated.

(3) The annexation is effective on the latest date on which the election was held in a constituent district of the annexed intermediate school district. The secretary of the intermediate school board of the annexing intermediate school district shall give written notice of the annexation to the superintendent of public instruction within 15 days after the annexation election. Within 30 days after annexation, the board of the annexing intermediate school district shall appoint 2 school electors of the annexed intermediate school district to membership on the intermediate school board of the reorganized intermediate school district, who shall serve until January 1 or, if the intermediate school district's regular school election is held in May, until July 1 after the next intermediate school district election. Notification of the appointments shall be filed with the superintendent of public instruction. If the appointments are not made within the 30 days, the superintendent of public instruction shall make the appointments. At the next intermediate school district election, members of the intermediate school board shall be elected in the number and for the terms required in section 701. The terms of the members of the intermediate school board whose terms have not expired shall determine the terms of the additional members to be elected.

Sec. 703. (1) An intermediate school district comprised of less than 5 constituent districts and having no bonded indebtedness may be disorganized and its constituent districts attached to contiguous intermediate school districts under this section.

(2) The board of each constituent district may request the intermediate school board to prescribe a plan for disorganization of the intermediate school district. Each request shall designate another intermediate school district to which the constituent district desires to be attached. The intermediate school board shall prescribe, by resolution, a plan under which each of the constituent districts will be attached in whole to contiguous intermediate school districts designated in the requests. If the designated intermediate school district is not contiguous, the intermediate school board's plan may prescribe attachment to a contiguous intermediate school district.

(3) The intermediate superintendent of the intermediate school district that is to be disorganized shall give 30 days' notice of the time and place of the meeting of the intermediate school board and of the proposed plan for disorganization by publication of the notice in a newspaper of general circulation in the intermediate school district. The intermediate school board shall present the adopted plan for dissolution to the board of each of its constituent districts and to the intermediate school board of each intermediate school district whose boundaries would be enlarged by the proposal.

(4) The intermediate superintendent of each intermediate school district whose boundaries would be enlarged by the dissolution shall give 30 days' notice of the time and place of the meeting of the intermediate school board and of the recommended plan for enlargement of the intermediate school district by publication of the notice in a newspaper of general circulation in the intermediate school district.

(5) If the intermediate school board of each affected intermediate school district approves the plan for disorganization, the intermediate school board of the intermediate school district to be dissolved shall refer the matter to the superintendent of public instruction for approval. The action of the superintendent of public instruction declaring the intermediate school district dissolved is final. Disorganization of the intermediate school district and attachment of its constituent districts to contiguous intermediate school districts takes effect on July 1 after the date of the approval of the superintendent of public instruction.

(6) The intermediate school boards of the intermediate school districts to which territory is attached by dissolution shall meet jointly, sitting as a single board, and make an equitable distribution of the money, property, and other assets belonging to the disorganized intermediate school district among the intermediate school districts affected. The territory of constituent districts transferred to other intermediate school districts by dissolution shall be subject to all taxes levied for purposes of the intermediate school district to which transferred, including taxes for the retirement of bonded indebtedness, special education programs, and area vocational-technical education programs.

(7) Within 30 days after a district attaches to a contiguous intermediate school district under this section, the board of the intermediate school district whose boundaries have been enlarged by the dissolution may appoint 2 school electors of constituent districts, 1 of whom shall be an elector of the attached district, to membership on the

intermediate school board. Intermediate school board members appointed under this subsection serve until January 1 or, if the intermediate school district's regular school election is held in May, until July 1 after the next intermediate school district election. The intermediate school board may determine 1 initial term of less than 6 years for 1 of the additional members to be elected at the intermediate school district election. Notification of an appointment shall be filed with the superintendent of public instruction.

Sec. 705. (1) Beginning in 1997, and in each year after 1997, a regional enhancement property tax may be levied by an intermediate school district at a rate not to exceed 3 mills to enhance other state and local funding for local school district operations if approved by a majority of the intermediate school electors voting on the question.

(2) If a resolution requesting that the question of a regional enhancement property tax be submitted to the voters is adopted within a 180-day period and transmitted to the intermediate school board by 1 or more boards of its constituent school districts representing a majority of the combined membership of the constituent school districts as of the most recent pupil membership count day and if those resolutions all contain an identical specified number of mills to be levied under this section and an identical specified number of years for which the tax shall be levied, the question of levying a regional enhancement property tax by the intermediate school district shall be placed on the ballot by the intermediate school district at the next regular school election held in each of the constituent districts. If the question is to be submitted to the intermediate school electors of an intermediate school district having a population of more than 1,400,000, the intermediate school board shall call a special election to be held at the next state primary or general election. If the resolution requirement is met more than 180 days before the next regular school district elections, and if requested in the resolutions, the intermediate school board shall submit the question of levying a regional enhancement property tax within the intermediate school district on the ballot at a special election called by the intermediate school board for that purpose not earlier than 90 days after the resolution requirements are met.

(3) Not later than 10 days after receipt by the intermediate school district of the revenue from the regional enhancement property tax, the intermediate school district shall calculate and pay to each of its constituent school districts an amount of the revenue calculated by dividing the total amount of the revenue by the combined membership of the constituent school districts within the intermediate district, as of the most recent pupil membership count day, and multiplying that quotient by the constituent school district's membership, as of the most recent pupil membership count day for which a final department-audited pupil count is available.

(4) Regional enhancement property tax under this section may be levied for a term not to exceed 20 years, as specified in the ballot question, and may be renewed for the same term with the approval of a majority of the intermediate school electors voting on the question.

(5) The question of levying a regional enhancement property tax under this section shall be presented to the intermediate school electors as a separate question.

Sec. 853. (1) Within 30 days after the receipt of the approval of the state board to the consolidation, the intermediate superintendent shall notify the school district filing official, who shall have petitions prepared for circulation within the designated school districts. The petitions shall be printed or duplicated.

(2) A petition under this section shall be substantially in the form prescribed for other petitions under this act and is subject to section 14.

(3) Upon the request of a school elector of the district proposed to be consolidated, the school district filing official shall provide a petition for consolidation to the school elector. A petition shall be circulated only by a school elector of the district. The statement appearing below the signatures of petitioners shall be dated and signed on each page before filing the petition with the school district filing official.

(4) A school elector circulating a petition under this section shall return the petition to the school district filing official before the expiration date stated on the petition that is the sixtieth day after the school district filing official certifies the number of registered general electors residing in each of the affected school districts. The expiration date shall be not later than 180 days after the date of approval by the state board.

Sec. 854. (1) Immediately upon receipt of the approval of the state board to the consolidation, the intermediate superintendent shall request the school district filing official to certify the number of registered general electors residing in each of the affected school districts. The number of registered general electors certified is the basis for determining the required number of signatures for calling an election on the question of consolidation.

(2) The signature of a person registering after the date of certification by the school district filing official is a valid signature if the person is registered at the time of signing the petition. Additional registrations do not affect the number of registered general electors originally certified. Only a registered school elector is eligible to sign a petition and to vote on the question of consolidation.

Sec. 855. The school district filing official shall canvass the petitions to determine the number of school electors who have signed them. For the purpose of determining the validity of doubtful signatures, the school district filing official

may have the signatures checked against the registration records by the clerk of a political subdivision in which petitions were circulated or may use other methods to determine the validity of doubtful signatures.

Sec. 856. (1) If the school district filing official is presented with petitions signed by school electors in each school district in a number at least equal to 5% of the number of school electors residing in each school district, the school district filing official shall submit the question of consolidation to be submitted to the vote of the school electors of the school districts at the next regular school election or a special election.

(2) Petitions are not required in a school district operating 12 grades if a resolution adopted by the board of the school district requesting consolidation of school districts has been filed with the intermediate superintendent.

Sec. 857. (1) The question of establishing a consolidated school district shall be submitted to the school electors at a regular school election or at a special election held for that purpose. In voting to form the consolidated school district, a school district operating 12 grades shall vote separately as a unit. The remaining school districts to be included in the consolidation shall vote together as a unit.

(2) The elections shall be held on the same day and during the same hours.

Sec. 858. The school district filing official shall give written notice to the secretary of the board of each affected school district of the date of the consolidation election at least 60 days before the election.

Sec. 859. (1) The ballot question shall be in substantially the following form:

“Shall the territory of the following school districts be united to form 1 school district?

(Names of school districts to be consolidated to be listed here)

Yes ( )

No ( )”.

(2) The affirmative vote of a majority of the school electors voting on the question in each of the election units is necessary to effect the consolidation of the school districts. The consolidation is effective as of the date of the official canvass.

(3) If the consolidation becomes effective, expenses incurred for the election in each election unit shall be certified to the board of the consolidated school district. The school board of the consolidated school district shall pay election reimbursements from the funds of the consolidated school district. If the proposition to consolidate is not approved, the intermediate school board shall determine the expenses of the election held in the election unit operating less than 12 grades and apportion the required reimbursements equally among the school districts of the election unit. Each school board of the election unit shall pay the apportionment to the local unit of government that conducted the election.

Sec. 860. (1) If the petitions filed with a school district filing official under section 853 request submission of the question of assuming the bonded indebtedness of 1 or more of the school districts proposing consolidation, or the question of increasing the constitutional limitation on taxes of the consolidated school district for operating purposes to the school electors at the consolidation election, the school district filing official shall include the question or questions in the notice of the election ballot questions filed with each of the election units.

(2) A request for including assumption by the consolidated school district of the bonded indebtedness of 1 or more of the districts proposing consolidation shall be stated on the petition after the names of the school districts to be consolidated in substantially the following form:

“We petition that the question of assumption and payment by the proposed consolidated school district of the bonded indebtedness of \_\_\_\_\_ be submitted to the electors at the same election in which the proposed

(name of school district or districts)

consolidation is submitted”, and if applicable,

“We petition that the question of increasing the constitutional limitation on taxes which may be assessed against all property in the proposed consolidated school district by \_\_\_\_ mills for a period of \_\_\_\_ years, \_\_\_ to \_\_\_, inclusive, for operating purposes, be submitted to the electors at the same election with the question of consolidating the above listed districts”.

(3) If the school electors approve the consolidation of school districts and the assumption of the bonded indebtedness of an original district, the consolidated school district shall assume the obligation of the bonded indebtedness. The consolidated school district shall pay the bonded indebtedness by spreading debt retirement taxes uniformly over the territory of the consolidated district. Section 864 applies to the debt retirement tax levies, the continuing obligations of the original school districts, and the rights and remedies of a bondholder.

Sec. 861. Within 10 days after the date of the official canvass of the consolidation election, the intermediate school board of the intermediate school district containing the territory of the consolidated school district shall appoint school electors of the school district in the number required by the classification of the school district to act as a board for the

school district. If a consolidated school district includes territory in more than 1 intermediate school district, the appointment shall be made by the intermediate school board of each intermediate school district acting jointly as a single board. Within 7 days after appointment, each member shall file with the intermediate superintendent an acceptance of the office, accompanied by a written affidavit setting forth the fact of eligibility for office. Each appointed board member shall hold office until January 1, or, if the consolidated school district's regular election is in May, until July 1, next following appointment. A new board shall be elected at the first regular school election held after the effective date of consolidation in the manner prescribed by law for the election of a first board.

Sec. 931. (1) An intermediate school board may divide a constituent district that has no bonded indebtedness and attach the parts thereof to 2 or more operating school districts if requested to do so by resolution of the board of the school district to be divided, or if petitioned by not less than 5% of the registered school electors residing in the district on the date the petition is received, and if the school electors of the school district, voting on the question at a regular or special school election, approve the division.

(2) The school district filing official shall certify the number of registered school electors residing in a school district as needed for voting on the ballot question.

(3) The resolution of the board of the school district to be divided or the petition of the registered school electors residing in the district may specify the effective date of the division of the school district, which date shall not be later than the end of the fiscal year in which the election takes place.

(4) The resolution of the intermediate school board to which the school district to be divided is constituent shall clearly describe the division. The description of the division shall be based on the resolution of the board of the school district to be divided or on the petition of the school electors.

Sec. 932. (1) The board of the school district to be divided shall call an election at which the question of the division of the school district shall be submitted to the school electors. Vote on the ballot question shall be by ballot in the form determined by the school district filing official and shall clearly describe the division. Before an election is held, the superintendent of public instruction shall approve the proposed division and the attachment of the parts to existing operating school districts. The election in the school district to be divided shall be held not later than the next available day for a regular school election or special school election following the date of approval by the superintendent of public instruction.

(2) The affirmative vote of a majority of the school electors voting on the question is necessary to ratify the action of the intermediate school board.

(3) Territory attached to an existing operating school district shall be a part of that school district for all purposes, including the levy of all taxes the school district to which the territory is attached is authorized to levy.

(4) Within 5 days after the election, the school district filing official shall file a certified statement of the vote for division with the intermediate superintendent.

(5) Within 30 days after the filing of the certified statement of the vote approving the division, the intermediate school board, by resolution, shall declare the school district divided, attach the territory to the specified operating school districts, and make an equitable distribution of the money, property, and other material belonging to the school district among the school districts to which the territory is attached.

(6) If the effective date is determined by the resolution of the board or by the petition of the school electors under section 931, the intermediate school board shall declare the school district divided on that date.

Sec. 945. Upon receipt of an order transmitted as prescribed by section 944 and approving the division of the school district, the board of the school district to be annexed, divided, and transferred shall provide by resolution for the election on the question of annexing, dividing, and transferring the school district. The election shall be conducted and canvassed in the dividing district as provided in the Michigan election law. The question to be submitted to the electors shall be whether the territory of the dividing school district shall be annexed and transferred in the manner specified in the resolution of the dividing school district.

Sec. 1206. (1) The Michigan election law governs election procedures for a school district, local act school district, or intermediate school district regular school election or special school election.

(2) A school district, local act school district, or intermediate school district regular school election or special school election shall be administered and conducted as provided in chapter XIV of the Michigan election law, MCL 168.301 to 168.315. A school district, local act school district, or intermediate school district may use general operating funds to reimburse units of local government involved in administering and conducting a regular school election or special school election for the school district, local act school district, or intermediate school district, as required under the Michigan election law.

Sec. 1212. (1) If approved by the school electors of the school district, the board of a school district may levy a tax of not to exceed 5 mills on the state equalized valuation of the school district each year for a period of not to exceed 20 years, for the purpose of creating a sinking fund to be used for the purchase of real estate for sites for, and the construction or repair of, school buildings. The sinking fund tax levy is subject to the 15 mill tax limitation provisions of section 6 of article IX of the state constitution of 1963 and the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a. A school district that levies a sinking fund tax under this section shall have an independent audit of its sinking fund conducted annually, including a review of the uses of the sinking fund, and shall submit the audit report to the department of treasury. If the department of treasury determines from the audit report that the sinking fund has been used for a purpose other than those authorized for the sinking fund under this section, the school district shall repay the misused funds to the sinking fund from the school district's operating funds and shall not levy a sinking fund tax under this section after the date the department of treasury makes that determination.

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

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

“Shall \_\_\_\_\_ levy \_\_\_\_\_ mills to create a sinking fund for the purpose of \_\_\_\_\_  
(legal name of school district) \_\_\_\_\_ for a period of \_\_\_\_\_ years?”

Yes ( )

No ( )”.

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

Sec. 1216. Except as provided in the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, money raised by tax shall not be used for a purpose other than that for which it was raised without the consent of a majority of the school electors of the district voting on the question at a regular or special school election.

Sec. 1351. (1) Until May 1, 1994, a school district may borrow money and issue bonds of the district to defray all or a part of the cost of purchasing, erecting, completing, remodeling, improving, furnishing, refurnishing, equipping, or reequipping school buildings, including library buildings, structures, athletic fields, playgrounds, or other facilities, or parts of or additions to those facilities; acquiring, preparing, developing, or improving sites, or parts of or additions to sites, for school buildings, including library buildings, structures, athletic fields, playgrounds, or other facilities; purchasing school buses; participating in the administrative costs of an urban renewal program through which the school district desires to acquire a site or addition to a site for school purposes; refunding all or part of existing bonded indebtedness; or accomplishing a combination of the purposes set forth in this subsection. In addition, until December 31, 1991 a school district may borrow money and issue bonds to defray all or part of the cost of purchasing textbooks.

(2) Except as otherwise provided in this subsection, a school district shall not borrow money or issue bonds for a sum that, together with the total outstanding bonded indebtedness of the district, exceeds 5% of the state equalized valuation of the taxable property within the district, unless the proposition of borrowing the money or issuing the bonds is submitted to a vote of the school electors of the district at a regular or special school election and approved by the majority of the school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a or to issue bonds under section 11i of the state school aid act of 1979, MCL 388.1611i. For the purposes of this subsection, bonds issued under section 11i of the state school aid act of 1979, MCL 388.1611i, shall not be included in computing the total outstanding bonded indebtedness of a school district.

(3) A school district shall not issue bonds under this part for an amount greater than 15% of the total assessed valuation of the district, except as provided in section 1356. A bond qualified under section 16 of article IX of the state constitution of 1963 and implementing legislation shall not be included for purposes of calculating the 15% limitation. Bonds issued under this part are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, except that bonds issued for a purpose described in section 1274a may be sold at a public or publicly negotiated sale at the time or times, at the price or prices, and at a discount as determined by the board of the school district.

(4) Bonds or notes issued by a school district or intermediate school district under this part or section 442, 629, or 1274a shall be full faith and credit tax limited obligations of the district pledging the general funds, voted and allocated tax levies, or any other money available for such a purpose and shall not allow or provide for the levy of additional millage for payment of the bond or note without a vote of the qualified electorate of the district.

Sec. 1361. (1) School district elections upon the issuance of bonds shall be held and conducted in accordance with this act and chapter XIV of the Michigan election law, MCL 168.301 to 168.315. Members of the school board shall not serve on a board of election inspectors.

(2) The question shall be submitted by ballot in substantially the following form:

“Shall \_\_\_\_\_, county/or counties of \_\_\_\_\_ and state of Michigan, borrow the sum  
(here state the legal name of the school district)

of not to exceed dollars (\$ \_\_\_\_\_) and issue its bonds therefor, for the purpose of \_\_\_\_\_?

Yes ( )

No ( )”.

(3) Anything contained in the ballot not specified in this section shall be considered surplusage and of no legal effect.

Sec. 1451. (1) A school district, by a majority vote of the school electors at a regular or special school election, may establish a public library.

(2) The school electors of a school district in which a library is established may vote a district tax for the support of the public library at a regular or special school election of the district. The board of the school district may vote a tax for the maintenance and support of the public library.

(3) A tax authorized or voted under this part shall be levied and collected in the same manner as other school district taxes are levied and collected.

(4) The millage allowed under this section may be levied without a vote of the school electors of the school district until the millage authorization expires. The rate of a tax authorized or voted under this section shall not exceed the number of mills levied by the school district under this section in 1993 that were not included in the operating millage reported by the school district to the department as of April 1, 1993 or the number of mills levied by the school district under this section in 1993 that the school district does not want considered as operating millage reported by the school district as of April 1, 1994, whichever is greater.

(5) The board of a school district shall not hold an election to levy mills under this section after December 31, 1993.

Sec. 1722. (1) The question of adopting sections 1722 to 1729 may be submitted to the school electors of an intermediate school district at a regular school election or at a special election held in each of the constituent districts. Sections 1722 to 1729 shall be effective if approved by a majority of the school electors of an intermediate school district voting at an election called and conducted under section 661.

(2) Sections 1722 to 1729 shall continue in effect in an intermediate school district reorganized under section 701.

Sec. 1724. Subject to section 1724a, an intermediate school board operating under sections 1722 to 1729 may direct that the question of increasing the millage limit on the annual property tax levied for special education be submitted to the school electors of the intermediate school district. The election shall be called and held in the manner provided in section 661. The ballot shall be substantially in the following form:

“Shall the \_\_\_\_\_ mill limitation on the annual property tax previously approved by the electors of the \_\_\_\_\_, state of Michigan, for the education of handicapped  
(legal name of the intermediate school district)

persons be increased by \_\_\_\_\_ mills?

Yes ( )

No ( )”.

Enacting section 1. The following sections and parts of the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, are repealed effective January 1, 2005:

(a) Section 662, MCL 380.662.

(b) Parts 12 to 14, MCL 380.1001 to 380.1106.

Enacting section 2. This amendatory act takes effect January 1, 2005.

Enacting section 3. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

(a) Senate Bill No. 877.

(b) House Bill No. 4822.

(c) House Bill No. 4823.

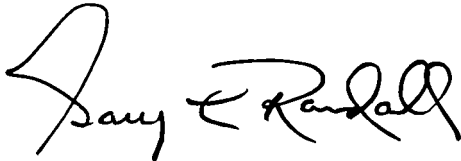
(d) House Bill No. 4824.

(e) House Bill No. 4825.

(f) House Bill No. 4826.

(g) House Bill No. 4827.

(h) House Bill No. 4828.



Clerk of the House of Representatives



Secretary of the Senate

Approved .....

.....  
Governor