

SUBSTITUTE FOR
HOUSE BILL NO. 4125

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1211 (MCL 380.1211), as amended by 2006 PA 380.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1211. (1) Except as otherwise provided in this section
2 and section 1211c, the board of a school district shall levy not
3 more than 18 mills for school operating purposes or the number of
4 mills levied in 1993 for school operating purposes, whichever is
5 less. A principal residence, qualified agricultural property, and
6 qualified forest property are exempt from the mills levied under
7 this subsection except for the number of mills by which that
8 exemption is reduced under this subsection. The board of a school
9 district ~~with~~ **THAT HAD** a foundation allowance calculated under

1 section 20 of the state school aid act of 1979, MCL 388.1620, for
2 the 1994-95 state fiscal year of more than \$6,500.00, may reduce
3 the number of mills from which a principal residence, ~~and~~
4 qualified agricultural property, **AND QUALIFIED FOREST PROPERTY** are
5 exempted under this subsection by up to the number of mills, as
6 certified under section 1211a, required to be levied on a principal
7 residence, ~~and~~ qualified agricultural property, **AND QUALIFIED**
8 **FOREST PROPERTY** for the school district's combined state and local
9 revenue per membership pupil for the school fiscal year ending in
10 1995 to be equal to the school district's foundation allowance for
11 the state fiscal year ending in 1995, and the board also may levy
12 in 1994 or a succeeding year that number of mills for school
13 operating purposes on a principal residence, qualified agricultural
14 property, and qualified forest property.

15 (2) Subject to subsection (3), if the department of treasury
16 determines that the maximum number of mills allowed to be levied
17 under subsection (1) on all classes of property ~~is~~ **WAS** not
18 sufficient for a school district's combined state and local revenue
19 per membership pupil for the school fiscal year ending in 1995 to
20 be equal to the school district's foundation allowance for that
21 school fiscal year, the board of the school district may levy in
22 1994 or a succeeding year additional mills uniformly on all
23 property up to the number of mills required for the school
24 district's combined state and local revenue per membership pupil
25 for the school fiscal year ending in 1995 to be equal to the school
26 district's foundation allowance for the state fiscal year ending in
27 1995. **HOWEVER, THE BOARD OF A SCHOOL DISTRICT DESCRIBED IN THIS**

1 SUBSECTION, BY BOARD RESOLUTION, MAY ELECT TO EXEMPT EACH PRINCIPAL
2 RESIDENCE AND ALL QUALIFIED AGRICULTURAL PROPERTY AND QUALIFIED
3 FOREST PROPERTY LOCATED IN THE SCHOOL DISTRICT FROM SOME OR ALL OF
4 THE MILLS THAT THE BOARD IS AUTHORIZED TO LEVY UNDER THIS
5 SUBSECTION.

6 (3) After 1994, the number of mills a school district may levy
7 under this section on any class of property shall not exceed the
8 lesser of the number of mills the school district ~~is~~ **WAS**
9 certified by the department of treasury under section 1211a to levy
10 on that class of property under this section in 1994 or the number
11 of mills required to be levied on that class of property under this
12 section to ensure that the increase from the immediately preceding
13 state fiscal year in the school district's combined state and local
14 revenue per membership pupil, calculated as if the school district
15 had levied the maximum number of mills the school district was
16 allowed to levy under this section regardless of the number of
17 mills the school district actually levied, does not exceed the
18 lesser of the dollar amount of the increase in the basic foundation
19 allowance under section 20 of the state school aid act of 1979, MCL
20 388.1620, from the immediately preceding state fiscal year or the
21 percentage increase in the general price level in the immediately
22 preceding calendar year. If the number of mills a school district
23 is allowed to levy under this section in a year after 1994 is less
24 than the number of mills the school district was allowed to levy
25 under this section in the immediately preceding year, any reduction
26 required by this subsection in the school district's millage rate
27 shall be calculated by first reducing the number of mills the

1 school district is allowed to levy under subsection (2) and then
2 increasing the number of mills from which a principal residence,
3 qualified agricultural property, and qualified forest property are
4 exempted under subsection (1).

5 (4) Millage levied under this section must be approved by the
6 school electors. For the purposes of this section, millage approved
7 by the school electors before January 1, 1994 for which the
8 authorization has not expired is considered to be approved by the
9 school electors.

10 (5) If a school district levies millage for school operating
11 purposes that is in excess of the limits of this section, the
12 amount of the resulting excess tax revenue shall be deducted from
13 the school district's next regular tax levy.

14 (6) If a school district levies millage for school operating
15 purposes that is less than the limits of this section, the board of
16 the school district may levy at the school district's next regular
17 tax levy an additional number of mills not to exceed the additional
18 millage needed to make up the shortfall.

19 (7) A school district shall not levy mills allocated under the
20 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,
21 other than mills allocated to a school district of the first class
22 for payment to a public library commission under section 11(4) of
23 the property tax limitation act, 1933 PA 62, MCL 211.211, after
24 1993.

25 (8) As used in this section:

26 (a) "Combined state and local revenue per membership pupil"
27 means that term as defined in section 20 of the state school aid

1 act of 1979, MCL 388.1620.

2 (b) "Foundation allowance" means a school district's
3 foundation allowance as calculated under section 20 of the state
4 school aid act of 1979, MCL 388.1620.

5 (c) "General price level" means that term as defined in
6 section 33 of article IX of the state constitution of 1963.

7 (d) "Membership" means that term as defined in section 6 of
8 the state school aid act of 1979, MCL 388.1606.

9 (e) "Owner", "person", "principal residence", and "qualified
10 agricultural property" mean those terms as defined in section 7dd
11 of the general property tax act, 1893 PA 206, MCL 211.7dd.

12 (f) "Qualified forest property" means that term as defined in
13 section 7jj of the general property tax act, 1893 PA 206, ~~MCL~~
14 ~~211.7jj~~ **MCL 211.7JJ[1]**.

15 (g) "School operating purposes" includes expenditures for
16 furniture and equipment, for alterations necessary to maintain
17 school facilities in a safe and sanitary condition, for funding the
18 cost of energy conservation improvements in school facilities, for
19 deficiencies in operating expenses for the preceding year, and for
20 paying the operating allowance due from the school district to a
21 joint high school district in which the school district is a
22 participating school district under former part 3a. Taxes levied
23 for school operating purposes do not include any of the following:

24 (i) Taxes levied by a school district for operating a community
25 college under part 25.

26 (ii) Taxes levied under section 1212.

27 (iii) Taxes levied under section 1356 for eliminating an

1 operating deficit.

2 (iv) Taxes levied for operation of a library under section 1451
3 or for operation of a library established pursuant to 1913 PA 261,
4 MCL 397.261 to 397.262, that were not included in the operating
5 millage reported by the district to the department as of April 1,
6 1993. However, a district may report to the department not later
7 than April 1, 1994 the number of mills it levied in 1993 for a
8 purpose described in this subparagraph that the school district
9 does not want considered as operating millage and then that number
10 of mills is excluded under this section from taxes levied for
11 school operating purposes.

12 (v) Taxes paid by a school district of the first class to a
13 public library commission pursuant to section 11(4) of the property
14 tax limitation act, 1933 PA 62, MCL 211.211.

15 (vi) Taxes levied under former section 1512 for operation of a
16 community swimming pool. In addition, if a school district included
17 the millage it levied in 1993 for operation of a community swimming
18 pool as part of its operating millage reported to the department
19 for 1993, the school district may report to the department not
20 later than June 17, 1994 the number of mills it levied in 1993 for
21 operation of a community swimming pool that the school district
22 does not want considered as operating millage and then that number
23 of mills is excluded under this section from taxes levied for
24 school operating purposes.