

HOUSE BILL No. 4376

March 21, 2017, Introduced by Reps. Miller, Pagel, Pagan, Lucido, LaGrand, Kivela, Lasinski, Brann, Chang, Guerra, Wittenberg, Kosowski and Zemke and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 451, entitled
 "The revised school code,"
 by amending section 1212 (MCL 380.1212), as amended by 2016 PA 319.

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 on
 3 the taxable value of the real and personal property of the school
 4 district each year for the purpose of creating a sinking fund. All
 5 of the following apply to a sinking fund tax authorized under this
 6 section:

7 (a) For a sinking fund tax authorized before ~~the effective~~
 8 ~~date of the amendatory act that added subsection (6),~~ **MARCH 29,**
 9 **2017,** the sinking fund tax may be used for the purchase of real
 10 estate for sites for, and the construction or repair of, school
 11 buildings. For a sinking fund tax authorized on or after ~~the~~
 12 ~~effective date of the amendatory act that added subsection (6),~~

1 **MARCH 29, 2017**, the sinking fund tax may be used for the purchase
2 of real estate for sites for, and the construction or repair of,
3 school buildings, for school security improvements, ~~or~~ for the
4 acquisition or upgrading of technology, **OR FOR PURCHASING SCHOOL**
5 **BUSES. THIS SUBDIVISION DOES NOT IMPOSE A CAP ON THE TOTAL AMOUNT**
6 **OF MONEY THAT MAY BE SPENT ON THE PURCHASE OF SCHOOL BUSES UNDER**
7 **THIS SUBDIVISION, BUT THE SINKING FUND TAX SHALL NOT BE USED FOR**
8 **COMPENSATION FOR SCHOOL BUS DRIVERS OR FOR COSTS RELATING TO**
9 **SERVICING OR MAINTAINING A SCHOOL BUS.**

10 (b) For a sinking fund tax authorized before ~~the effective~~
11 ~~date of the amendatory act that added subsection (6),~~ **MARCH 29,**
12 **2017**, the sinking fund tax shall not exceed 5 mills. For a sinking
13 fund tax authorized on or after ~~the effective date of the~~
14 ~~amendatory act that added subsection (6),~~ **MARCH 29, 2017**, the
15 sinking fund tax shall not exceed 3 mills.

16 (c) For a sinking fund tax authorized before ~~the effective~~
17 ~~date of the amendatory act that added subsection (6),~~ **MARCH 29,**
18 **2017**, the sinking fund tax may be levied each year for a period not
19 to exceed 20 years. For a sinking fund tax authorized on or after
20 ~~the effective date of the amendatory act that added subsection (6),~~
21 **MARCH 29, 2017**, the sinking fund tax may be levied each year for a
22 period not to exceed 10 years.

23 (d) The sinking fund tax levy is subject to the 15 mill tax
24 limitation provisions of section 6 of article IX of the state
25 constitution of 1963 and the property tax limitation act, 1933 PA
26 62, MCL 211.201 to 211.217a.

27 (2) A school district that levies a sinking fund tax under

1 this section shall have an independent audit of its sinking fund
2 conducted annually, including a review of the uses of the sinking
3 fund, and shall submit the audit report to the department of
4 treasury. If the department of treasury determines from the audit
5 report that the sinking fund has been used for a purpose other than
6 those authorized for the sinking fund under this section, the
7 school district shall repay the misused funds to the sinking fund
8 from the school district's operating funds and shall not levy a
9 sinking fund tax under this section after the date the department
10 of treasury makes that determination.

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

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

17 "Shall _____ levy _____ mills
18 _____ (legal name of school district)
19 to create a sinking fund for the purpose of _____
20 _____

21 for a period of _____ years?

22 Yes ()
23 No ()".

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

1 electors.

2 (6) As used in this section:

3 (a) "School security improvement" means any capital
4 improvement or purchase that is designed to act as a deterrent to
5 unauthorized entry of persons or items onto school premises or to
6 otherwise promote security, including, but not limited to, metal
7 detectors, locks, doors, lighting, cameras, and enhancements to
8 entryways. School security improvement also includes a mobile
9 telephone application that provides the ability to communicate with
10 personnel on site while also connecting an emergency telephone call
11 to a 9-1-1 center. School security improvement does not include
12 personnel costs or operation costs related to a capital improvement
13 or purchase or related to a mobile telephone application.

14 (b) "Technology" means that term as defined in section 1351a.

15 Enacting section 1. This amendatory act takes effect 90 days
16 after the date it is enacted into law.