

**SUBSTITUTE FOR
HOUSE BILL NO. 4531**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 702 and 703 (MCL 380.702 and 380.703), as
amended by 2003 PA 299.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 702. (1) An intermediate school district may be annexed
2 to another intermediate school district if the intermediate school
3 board of the annexing intermediate school district approves the
4 annexation by resolution, and a majority of the school electors of
5 the intermediate school district to be annexed voting on the
6 question at a regular or special school election in the
7 intermediate school district approve the annexation. If ~~prior to~~
8 **before** annexation the annexing intermediate school district adopts

1 a special education program by referendum as provided in part 30,
2 the intermediate school electors of the intermediate school
3 district to be annexed must vote to adopt that special education
4 program and annual tax rate. The vote on the question ~~shall~~**must** be
5 by ballot furnished by the school district filing official for the
6 intermediate school district to be annexed. Before the election is
7 held, the annexing intermediate school board ~~shall~~**must** obtain the
8 approval of the superintendent of public instruction of the
9 proposed annexation.

10 (2) Within 10 days after the election, the school district
11 filing official shall file the result with the secretary of the
12 intermediate school board, and 5 days later the intermediate school
13 board secretary shall file the election result with the secretary
14 of the intermediate school board of the annexing intermediate
15 school district. Within 15 days after the annexation election the
16 intermediate school board of the annexed intermediate school
17 district shall account to the intermediate school board of the
18 annexing intermediate school district for the money and property in
19 its hands and shall turn over the money and property to that
20 intermediate school board. Property and money belonging to the
21 annexed intermediate school district becomes the property of the
22 annexing intermediate school district. The outstanding indebtedness
23 of the annexed intermediate school district becomes the liability
24 of the annexing intermediate school district. Upon receipt of the
25 money and property, the members of the annexed intermediate school
26 board shall be released from liability for the money and property
27 and their offices terminated.

28 (3) The annexation is effective on the latest date on which
29 the election was held in a constituent district of the annexed

1 intermediate school district. The secretary of the intermediate
2 school board of the annexing intermediate school district shall
3 give written notice of the annexation to the superintendent of
4 public instruction within 15 days after the annexation election.
5 Within 30 days after annexation, the board of the annexing
6 intermediate school district shall appoint 2 school electors of the
7 annexed intermediate school district to membership on the
8 intermediate school board of the reorganized intermediate school
9 district, who shall serve until January 1. ~~or, if the intermediate~~
10 ~~school district's regular school election is held in May, until~~
11 ~~July 1 after the next intermediate school district election.~~
12 Notification of the appointments ~~shall~~**must** be filed with the
13 superintendent of public instruction. If the appointments are not
14 made within the 30 days, the superintendent of public instruction
15 shall make the appointments. At the next intermediate school
16 district election, members of the intermediate school board shall
17 be elected in the number and for the terms required in section 701.
18 The terms of the members of the intermediate school board whose
19 terms have not expired ~~shall~~determine the terms of the additional
20 members to be elected.

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

25 (2) The board of each constituent district may request the
26 intermediate school board to prescribe a plan for disorganization
27 of the intermediate school district. Each request ~~shall~~**must**
28 designate another intermediate school district to which the
29 constituent district desires to be attached. The intermediate

1 school board shall prescribe, by resolution, a plan under which
2 each of the constituent districts will be attached in whole to
3 contiguous intermediate school districts designated in the
4 requests. If the designated intermediate school district is not
5 contiguous, the intermediate school board's plan may prescribe
6 attachment to a contiguous intermediate school district.

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

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

24 (5) If the intermediate school board of each affected
25 intermediate school district approves the plan for disorganization,
26 the intermediate school board of the intermediate school district
27 to be dissolved shall refer the matter to the superintendent of
28 public instruction for approval. The action of the superintendent
29 of public instruction declaring the intermediate school district

1 dissolved is final. Disorganization of the intermediate school
 2 district and attachment of its constituent districts to contiguous
 3 intermediate school districts takes effect on July 1 after the date
 4 of the approval of the superintendent of public instruction.

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

17 (7) Within 30 days after a district attaches to a contiguous
 18 intermediate school district under this section, the board of the
 19 intermediate school district whose boundaries have been enlarged by
 20 the dissolution may appoint 2 school electors of constituent
 21 districts, 1 of whom shall be an elector of the attached district,
 22 to membership on the intermediate school board. Intermediate school
 23 board members appointed under this subsection serve until January
 24 1. ~~or, if the intermediate school district's regular school~~
 25 ~~election is held in May, until July 1 after the next intermediate~~
 26 ~~school district election.~~ The intermediate school board may
 27 determine 1 initial term of less than 6 years for 1 of the
 28 additional members to be elected at the intermediate school
 29 district election. Notification of an appointment ~~shall~~ **must** be

1 filed with the superintendent of public instruction.

2 Enacting section 1. This amendatory act takes effect January
3 1, 2023.

4 Enacting section 2. This amendatory act does not take effect
5 unless Senate Bill No. _____ or House Bill No. 4530 (request no.
6 02140'21) of the 101st Legislature is enacted into law.