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LOCAL DISTRICT ENHANCEMENT MILLAGE

House Bill 4900

Sponsor: Rep. Gerald Law

Committee: Education

Complete to 6-29-00

A SUMMARY OF HOUSE BILL 4900 AS INTRODUCED 9-28-99

House Bill 4900 would amend the Revised School Code to allow local school districts the option of placing before voters a local district enhancement millage, instead of a regional enhancement millage; revise some of the requirements for the regional enhancement millage; and, allow local school districts to opt out of a regional enhancement millage either permanently or temporarily.

Regional enhancement millage. Current law specifies that beginning in 1997, a regional enhancement property tax can be levied by an intermediate school district (ISD) at a rate not to exceed three mills, in order to enhance other state and local funding for local school districts within the ISD region. The millage must be approved by ISD voters. The ISD puts the question on the ballot of each constituent district after receiving resolutions from its constituent school boards which when combined, represent a majority of the voters in the intermediate district. The law then describes the kinds of elections that must be called depending upon the size the school district, and the time during the election cycle the petitions were submitted. House Bill 4900 would retain these provisions but also require that the resolutions submitted by local boards to the ISD represent at least one-third of the total number of constituent school districts within the ISD. In addition, the bill specifies that a constituent school district could elect not to participate in the regional enhancement property tax. Further, under current law, not later than 10 days after receiving revenue from a regional enhancement property tax, the ISD is required to pay each constituent school district its share, based on its percentage of the total student population served by all districts in the ISD's region. The regional enhancement property tax can be levied for up to twenty years, as specified in the ballot question, and it may be renewed for the same term with the approval of a majority of the ISD electors voting on the question. Under the bill, the revenue would be divided among the districts electing to participate in the regional enhancement property tax.

Local opt out of regional millage. House Bill 4900 specifies that a constituent school district could elect not to participate in a regional enhancement property tax if a resolution was adopted by its board not later than 30 days after receiving notice that the question would be submitted to the ISD electors. A school district electing not to participate could later elect to do so, if at a special or annual election a majority of the voters approved of participating.

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Local enhancement millage. As an alternative to the regional enhancement millage, the bill specifies that if a resolution requesting a local enhancement property tax was adopted within 180 days of the school election, and transmitted to the ISD by two-thirds or more of the boards of its constituent school districts, the question of allowing constituent school districts to levy a local enhancement property tax would be placed on the ballot at the next annual school election held in each of the constituent districts. However, if the question was to be submitted at an annual school election and a district was not scheduled to hold one on the second Monday in June, then the ISD would be required to call a special election in that district. In addition, if the question was to be submitted to voters of an ISD having a population of more than 1,400,000, the ISD would be required to call a special election at the next state primary or general election. Further, if the resolution requirement was met more than 180 days before the next annual school district election (customarily held the second Monday in June), and if requested in the resolutions, the ISD would be required to submit the question of allowing constituent school districts to levy a local enhancement property tax on the ballot at a special election called by the ISD for that purpose, but not earlier than 90 days or later than 120 days after the resolution requirement was met.

If voters both in the ISD and school electors of a constituent school district approved the levy in that school district of a local enhancement property tax, the school district also could levy, in addition to the 18 mills authorized to be levied on non-homestead property by local school districts for school operating purposes, not more than three additional mills for enhancing operating revenue. The question of levying these mills would be presented to school electors as a separate question, and identified as being for enhancement of local operating revenue. Under the bill, a school district would be prohibited from levying any enhancement millage unless that school district already levied, for the same tax year, the maximum number of mills authorized to be levied by local districts (generally, 18 mills on non-homestead property).

Finally, the bill specifies that if the ISD electors had approved the levy of a regional enhancement property tax, the sections of the law authorizing the levy of a local enhancement property tax would not apply. Under the bill, either the regional or local enhancement property tax could be levied for up to 20 years, and could be renewed for the same term with approval of a majority of the ISD electors, or for local enhancement property tax, a majority of the school electors of the school district.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.