

HOUSE BILL No. 5962

June 1, 2004, Introduced by Rep. Koetje and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 625a, 681, 1711, and 1724a (MCL 380.625a,
380.681, 380.1711, and 380.1724a), sections 625a and 1724a as
added by 1994 PA 258 and section 681 as amended by 2003 PA 299,
and by adding section 641.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 625a. Except as provided in section 705 **and subject to**
2 **section 641**, beginning in 1995, the board of an intermediate
3 school district may levy ad valorem property taxes for operating
4 purposes at a rate not to exceed 1.5 times the number of mills
5 allocated to the intermediate school district for those purposes
6 in 1993 as provided for under the property tax limitation act,
7 ~~Act No. 62 of the Public Acts of 1933, being sections 211.201 to~~
8 ~~211.217a of the Michigan Compiled Laws~~ **1933 PA 62, MCL 211.201**

1 to 211.217a.

2 Sec. 641. (1) For an intermediate school district that does
3 not include a school district of the first class and that has a
4 combined pupil membership of at least 75,000 pupils among its
5 constituent districts, the intermediate school board shall place
6 on the ballot in the intermediate school district at the June
7 2005 school election the question of ceasing intermediate school
8 district operations and diverting all intermediate school
9 district tax revenue to the constituent districts of the
10 intermediate school district.

11 (2) The question under subsection (1) shall be in
12 substantially the following form:

13 "Shall the _____ (insert name of intermediate school
14 district) cease its operations and divert all intermediate school
15 district tax revenue to the constituent districts of the
16 intermediate school district?

17 Yes ()

18 No ()".

19 (3) If the question under subsection (1) is approved in an
20 intermediate school district, all of the following apply in that
21 intermediate school district:

22 (a) The intermediate school board shall continue to collect
23 intermediate school district taxes and shall ensure the
24 retirement of existing debt of the intermediate school district.
25 The intermediate school board shall retain revenue from taxes
26 levied by the intermediate school district for debt retirement
27 purposes and shall ensure the retirement of the debt according to

1 the terms of the debt. Subject to subdivision (d) and subsection
2 (4), the intermediate school board shall distribute revenue from
3 taxes levied by the intermediate school district for all other
4 purposes to the constituent districts of the intermediate school
5 district on an equal per pupil basis, except that the
6 intermediate school board may retain an amount not to exceed 0.5%
7 of the total intermediate school district tax revenue as an
8 administrative fee for collecting these taxes.

9 (b) The intermediate school district shall continue to
10 perform duties required by law and fund those activities by fees
11 charged to constituent districts, and may continue other
12 operations to provide services to constituent districts on a fee
13 basis. The intermediate school district shall not borrow money
14 or issue bonds for any purpose and shall not seek authorization
15 for any new millage or millage renewals. Fees charged to
16 constituent districts shall not exceed the actual cost to the
17 intermediate school district of providing the service.

18 (c) Unless otherwise prohibited by law, a constituent
19 district may directly provide services and perform functions for
20 its pupils that were previously carried out by the intermediate
21 school district.

22 (d) A constituent district that receives revenue from the
23 intermediate school district under subdivision (a) shall expend
24 at least 25% of that revenue on special education programs and
25 services and at least 25% of that revenue on mathematics,
26 science, technology, or computer programs or facilities and shall
27 not expend any of that revenue on social science programs or to

1 increase insurance, pension, or other fringe benefits for
2 employees. The balance of the revenue may be expended by the
3 constituent district for any other school operating purpose. If
4 a school district is determined to have violated this
5 subdivision, that school district forfeits its eligibility to
6 receive revenue under this section, and the forfeited revenue
7 shall instead be distributed to the remaining eligible
8 constituent districts on an equal per pupil basis.

9 (4) To be eligible to receive revenue under subsection
10 (3)(a), the board of a school district shall adopt and submit to
11 the department no later than September 30, 2005 a resolution
12 waiving any claims against this state that may exist as of the
13 effective date of this section relating to state funding under
14 sections 25 to 33 of article IX of the state constitution of
15 1963. Not later than September 30, 2005, the attorney general
16 shall distribute to school districts waiver resolution language
17 that may be adopted for the purposes of this section. A school
18 district that submits a waiver under this section to the
19 department by September 30, 2005 forfeits its eligibility to
20 receive revenue under this section, and the forfeited revenue
21 shall instead be distributed to the remaining eligible
22 constituent districts on an equal per pupil basis.

23 Sec. 681. (1) ~~An~~ Subject to section 641, an intermediate
24 school district may establish an area vocational-technical
25 education program and operate the program under sections 681 to
26 690 if approved by a majority of the intermediate school electors
27 of the intermediate school district voting on the question. The

1 election shall be called and conducted in accordance with this
2 act and the Michigan election law. The establishment of the area
3 vocational-technical education program may be rescinded by the
4 same process.

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

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

20 "Shall _____, state
21 of

22 (legal name of intermediate school district)
23 Michigan, come under sections 681 to 690 of the revised school code
24 and establish an area vocational-technical education program which is
25 designed to encourage the operation of area vocational-technical
26 education programs if the annual property tax levied for this purpose
27 is limited to _____ mills?

1 Yes ()

2 No ()".

3 (4) Beginning in 1995, **and subject to section 641**, the number
4 of mills of ad valorem property taxes an intermediate school
5 board may levy for area vocational-technical education program
6 operating purposes under sections 681 to 690 is limited to the
7 following:

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

13 (b) If the intermediate school district levied millage in
14 1993 for area vocational-technical education program operating
15 purposes under sections 681 to 690, the intermediate school
16 board, with the approval of the intermediate school electors, may
17 levy mills for those purposes at a rate not to exceed 1.5 times
18 the number of mills authorized for those purposes in the
19 intermediate school district in 1993. Approval of the
20 intermediate school electors is not required for the levy under
21 this subdivision of previously authorized mills until that
22 authorization expires.

23 (5) An intermediate school district shall not hold more than
24 2 elections in a calendar year concerning the authorization of a
25 millage rate for area vocational-technical education program
26 operating purposes under sections 681 to 690.

27 Sec. 1711. (1) ~~The~~ **Subject to subsection (3), the**

1 intermediate school board shall **do all of the following:**

2 (a) Develop, establish, and continually evaluate and modify
3 in cooperation with its constituent districts, a plan for special
4 education which shall provide for the delivery of special
5 education programs and services designed to develop the maximum
6 potential of each handicapped person of whom the intermediate
7 school board is required to maintain a record under subdivision
8 (f). The plan shall coordinate the special education programs
9 and services operated or contracted for by the constituent
10 districts and shall be submitted to the state board for its
11 approval.

12 (b) Contract for the delivery of a special education program
13 or service, in accordance with the intermediate school district
14 plan in compliance with section 1701. Under the contract the
15 intermediate school board may operate special education programs
16 or services and furnish transportation services and room and
17 board.

18 (c) Employ or engage special education personnel in
19 accordance with the intermediate school district plan, and
20 appoint a director of special education meeting the
21 qualifications and requirements of the rules promulgated by the
22 state board.

23 (d) Accept and use available funds or contributions from
24 governmental or private sources for the purpose of providing
25 special education programs and services consistent with this
26 article.

27 (e) Lease, purchase, or otherwise acquire vehicles, sites,

1 buildings, or portions thereof, and equip them for its special
2 education staff, programs, and services.

3 (f) Maintain a record of each handicapped person under 26
4 years of age, who is a resident of 1 of its constituent districts
5 and who has not completed a normal course of study and graduated
6 from high school, and the special education programs or services
7 in which the handicapped person is participating on the fourth
8 Friday after Labor day and Friday before Memorial day. The sole
9 basis for determining the local school district in which a
10 handicapped person is a resident shall be the rules promulgated
11 by the state board notwithstanding the provisions of section
12 1148. The records shall be maintained in accordance with rules
13 promulgated by the state board.

14 (g) Have the authority to place in appropriate special
15 education programs or services a handicapped person for whom a
16 constituent district is required to provide special education
17 programs or services under section 1751.

18 (h) Investigate special education programs and services
19 operated or contracted for by the intermediate school board or
20 constituent district boards and report in writing failures to
21 comply with the provisions of a contract, statute, or rule
22 governing the special education programs and services or with the
23 intermediate school district plan, to the local school district
24 board and to the state board.

25 (i) Operate the special education programs or services or
26 contract for the delivery of special education programs or
27 services by local school district boards, in accordance with

1 section 1702, as if a local school district under section 1751.
2 The contract shall provide for items stated in section 1751 and
3 shall be approved by the state board. The intermediate school
4 board shall contract for the transportation, or room and board,
5 or both, or persons participating in the program or service as if
6 a local school district board under sections 1756 and 1757.

7 (j) Receive the report of a parent or guardian or, with the
8 consent of a parent or guardian, receive the report of a licensed
9 physician, registered nurse, social worker, or school or other
10 appropriate professional personnel whose training and
11 relationship to handicapped persons provide competence to judge
12 same and who in good faith believes that a person under 26 years
13 of age examined by the professional is or may be handicapped, and
14 immediately evaluate the person pursuant to rules promulgated by
15 the state board. A person making or filing this report or a
16 local school district board shall not incur liability to a person
17 by reason of filing the report or seeking the evaluation, unless
18 lack of good faith is proven.

19 (k) Evaluate pupils in accordance with section 1311.

20 (2) The intermediate school board may expend up to 10% of the
21 annual budget, but not to exceed \$12,500.00, for special
22 education programs approved by the intermediate school board
23 without having to secure the approval of the state board.

24 (3) If the question under section 641 is approved in an
25 intermediate school district, a constituent district of that
26 intermediate school district may directly perform the functions
27 required under this part on behalf of pupils or residents of the

1 constituent district or may contract with the intermediate school
2 district to perform these functions on a fee basis.

3 Sec. 1724a. (1) Beginning in 1995, **and subject to section**
4 **641**, the board of an intermediate school district may levy ad
5 valorem property taxes for special education purposes under
6 sections 1722 to 1729 at a rate not to exceed 1.75 times the
7 number of mills of those taxes authorized in the intermediate
8 school district in 1993. ~~All~~ **Subject to section 641, all** or
9 part of the millage levied under this section may be renewed as
10 provided in this article. Approval of the intermediate school
11 electors is not required for the levy under this section of
12 previously authorized mills until that authorization expires.

13 (2) An intermediate district shall not hold more than 2
14 elections in a calendar year concerning the authorization of a
15 millage rate for special education purposes under sections 1722
16 to 1729.