

HOUSE BILL No. 5437

March 27, 2014, Introduced by Reps. Kosowski, Barnett, Brunner, Smiley, LaVoy and Zemke
and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1212 (MCL 380.1212), as amended by 2003 PA
299.

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 of
3 not to exceed 5 mills on the ~~state-equalized valuation~~ **TAXABLE**
4 **VALUE OF THE REAL AND PERSONAL PROPERTY** of the school district
5 each year for a period of not to exceed 20 years, for the purpose
6 of creating a sinking fund to be used for the purchase of real
7 estate for sites for, and the construction or repair of, school
8 buildings. **BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT**

1 **THAT ADDED THIS SENTENCE, A SINKING FUND MAY ALSO BE USED FOR**
 2 **PURCHASING SCHOOL BUSES.** The sinking fund tax levy is subject to
 3 the 15 mill tax limitation provisions of section 6 of article IX
 4 of the state constitution of 1963 and the property tax limitation
 5 act, 1933 PA 62, MCL 211.201 to 211.217a.

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

17 (3) ~~(2)~~—The proposition of levying a sinking fund tax shall
 18 be submitted to the school electors of the school district at a
 19 regular or special school election.

20 (4) ~~(3)~~—The question of levying taxes for the purpose of
 21 creating a sinking fund shall be by ballot in substantially the
 22 following form:

23 "Shall _____ levy _____ mills
 24 (legal name of school district)
 25 to create a sinking fund for the purpose of _____
 26 _____

1 for a period of _____ years?

2 Yes ()

3 No ()".

4 (5) ~~(4)~~—For the purposes of this section, millage approved
5 by the school electors before December 1, 1993 for which the
6 authorization has not expired is considered to be approved by the
7 school electors.