

SENATE BILL No. 553

October 8, 2015, Introduced by Senator JONES and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 681, 684, 687, 1711, 1724a, and 1731 (MCL
380.681, 380.684, 380.687, 380.1711, 380.1724a, and 380.1731),
sections 681 and 684 as amended by 2007 PA 45, sections 687, 1724a,
and 1731 as amended by 2004 PA 415, and section 1711 as amended by
2008 PA 1, and by adding section 640.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 640. (1) SUBJECT TO SUBSECTION (2), THE BOARD OF A
2 CONSTITUENT DISTRICT OF AN INTERMEDIATE SCHOOL DISTRICT MAY ADOPT A
3 RESOLUTION TO CEASE TO PARTICIPATE IN INTERMEDIATE SCHOOL DISTRICT
4 SERVICES THAT ARE PROVIDED UNDER THIS ACT OR, EXCEPT AS OTHERWISE
5 PROVIDED UNDER THIS SECTION, UNDER THE STATE SCHOOL AID ACT OF
6 1979. IF THE BOARD OF A CONSTITUENT DISTRICT ADOPTS A RESOLUTION
7 UNDER THIS SECTION, ALL OF THE FOLLOWING APPLY:

1 (A) SUBJECT TO SUBDIVISION (E), THE INTERMEDIATE SCHOOL
2 DISTRICT SHALL CEASE TO PROVIDE SERVICES TO THE CONSTITUENT
3 DISTRICT OR PUPILS ENROLLED IN THE CONSTITUENT DISTRICT UNDER THIS
4 ACT AND THE STATE SCHOOL AID ACT OF 1979.

5 (B) THE CONSTITUENT DISTRICT SHALL ASSUME AND SHALL PROVIDE TO
6 PUPILS ENROLLED IN THE CONSTITUENT DISTRICT ALL SERVICES THAT WOULD
7 OTHERWISE BE PROVIDED BY THE INTERMEDIATE SCHOOL DISTRICT UNDER
8 THIS ACT AND THE STATE SCHOOL AID ACT OF 1979, AND SHALL USE FUNDS
9 RECEIVED FROM THE INTERMEDIATE SCHOOL DISTRICT UNDER THIS SECTION
10 FOR THIS PURPOSE.

11 (C) THE INTERMEDIATE SCHOOL DISTRICT SHALL CONTINUE TO LEVY
12 TAXES AUTHORIZED UNDER SECTIONS 625A, 681, AND 1724A, BUT, FOR EACH
13 LEVY AND COLLECTION OF THOSE TAXES, BOTH OF THE FOLLOWING APPLY:

14 (i) WITHIN 1 BUSINESS DAY AFTER RECEIVING THE PROCEEDS FROM
15 THE COLLECTION OF THOSE TAXES, THE INTERMEDIATE SCHOOL DISTRICT
16 SHALL PAY TO THE CONSTITUENT DISTRICT AN AMOUNT EQUAL TO 80% OF THE
17 TOTAL AMOUNT OF MONEY THE INTERMEDIATE SCHOOL DISTRICT RECEIVES
18 FROM THAT COLLECTION THAT IS ATTRIBUTABLE TO PROPERTY LOCATED
19 WITHIN THAT CONSTITUENT DISTRICT.

20 (ii) WITHIN 5 BUSINESS DAYS AFTER RECEIVING THE PROCEEDS FROM
21 THE COLLECTION OF THOSE TAXES, THE INTERMEDIATE SCHOOL DISTRICT
22 SHALL REFUND TO EACH PERSON THAT PAYS TAXES ATTRIBUTABLE TO
23 PROPERTY LOCATED WITHIN THE CONSTITUENT DISTRICT AN AMOUNT EQUAL TO
24 10% OF THE TOTAL AMOUNT OF MONEY THE INTERMEDIATE SCHOOL DISTRICT
25 RECEIVES FROM THAT COLLECTION THAT IS ATTRIBUTABLE TO THAT PERSON.
26 THE STATE TREASURER SHALL PRESCRIBE PROCEDURES FOR THE REFUND
27 REQUIRED UNDER THIS SUBPARAGRAPH.

1 (D) WITHIN 1 BUSINESS DAY AFTER RECEIPT OF THE MONEY, THE
2 INTERMEDIATE SCHOOL DISTRICT SHALL PAY TO THE CONSTITUENT DISTRICT
3 AN AMOUNT EQUAL TO 90% OF ANY MONEY RECEIVED BY THE INTERMEDIATE
4 SCHOOL DISTRICT FROM STATE SCHOOL AID OR FEDERAL FUNDING THAT IS
5 ATTRIBUTABLE TO THE CONSTITUENT DISTRICT OR TO A PUPIL ENROLLED IN
6 THE CONSTITUENT DISTRICT. THE SUPERINTENDENT OF PUBLIC INSTRUCTION
7 SHALL PRESCRIBE STANDARDS AND PROCEDURES FOR THE PAYMENT REQUIRED
8 UNDER THIS SUBDIVISION.

9 (E) THE INTERMEDIATE SCHOOL DISTRICT SHALL CONTINUE TO AUDIT
10 ENROLLMENT AND ATTENDANCE DATA AS PROVIDED UNDER SECTION 101 OF THE
11 STATE SCHOOL AID ACT OF 1979, MCL 388.1701.

12 (2) BEFORE ADOPTING A RESOLUTION UNDER SUBSECTION (1), A BOARD
13 SHALL HOLD AT LEAST 2 BOARD MEETINGS WITH PROPER NOTICE INDICATING
14 THAT ISSUE OF ADOPTING THE RESOLUTION WILL BE ON THE AGENDA AT THE
15 MEETING.

16 Sec. 681. (1) An intermediate school district may establish an
17 area career and technical education program and operate the program
18 under sections 681 to 690 if approved by a majority of the
19 intermediate school electors of the intermediate school district
20 voting on the question. The election shall be called and conducted
21 in accordance with this act and the Michigan election law. The
22 establishment of the area career and technical education program
23 may be rescinded by the same process.

24 (2) The question of establishing an area career and technical
25 education program may be submitted to the intermediate school
26 electors of an intermediate school district at a regular school
27 election or at a special election held in each of the constituent

1 districts. Subject to section 641 of the Michigan election law, MCL
2 168.641, the intermediate school board shall determine the date of
3 the election and shall give notice to the school district filing
4 official at least 60 days in advance of the date the ballot
5 question is to be submitted to the intermediate school electors.

6 (3) The ballot for referring the question of adopting sections
7 681 to 690 and establishing an area career and technical education
8 program to the intermediate school electors of an intermediate
9 school district shall be substantially in the following form:

10 "Shall _____ (legal name of intermediate school
11 district), state of Michigan, come under sections 681 to 690 of the
12 revised school code and establish an area career and technical
13 education program which is designed to encourage the operation of
14 area career and technical education programs if the annual property
15 tax levied for this purpose is limited to _____ mills?

16 Yes ()

17 No ()".

18 (4) Beginning in 1995, and subject to section 625b, the number
19 of mills of ad valorem property taxes an intermediate school board
20 may levy for area career and technical education program operating
21 purposes under sections 681 to 690 is limited to the following:

22 (a) If the intermediate school district did not levy any
23 millage in 1993 for area career and technical education program
24 operating purposes under sections 681 to 690, the intermediate
25 school board, with the approval of the intermediate school
26 electors, may levy not more than 1 mill for those purposes.

27 (b) If the intermediate school district levied millage in 1993

1 for area career and technical education program operating purposes
2 under sections 681 to 690, the intermediate school board, with the
3 approval of the intermediate school electors, may levy mills for
4 those purposes at a rate not to exceed 1.5 times the number of
5 mills authorized for those purposes in the intermediate school
6 district in 1993. Approval of the intermediate school electors is
7 not required for the levy under this subdivision of previously
8 authorized mills until that authorization expires.

9 (5) An intermediate school district that levies a tax for area
10 career and technical education program operating purposes shall not
11 use proceeds from the tax for any purpose other than area career
12 and technical education program operating purposes **AND MAKING**
13 **PAYMENTS TO A CONSTITUENT DISTRICT OR REFUNDS TO TAXPAYERS AS**
14 **REQUIRED UNDER SECTION 640**, and shall submit to the department of
15 treasury a copy of the audit report from the audit of the
16 intermediate school district conducted under section 622a. If the
17 department of treasury determines from the audit report that the
18 proceeds from the tax have been used for a purpose other than area
19 career and technical education program operating purposes, as
20 defined under subsection (7), **OR MAKING PAYMENTS TO A CONSTITUENT**
21 **DISTRICT OR REFUNDS TO TAXPAYERS AS REQUIRED UNDER SECTION 640**, the
22 department of treasury shall notify the intermediate school
23 district of that determination. If the intermediate school district
24 disputes the determination or claims that the situation has been
25 corrected, within 15 days after receipt of the determination the
26 intermediate school district may submit an appeal of the
27 determination to the department of treasury. Within 90 days after

1 receipt of the appeal, the department of treasury shall consider
2 the appeal and make a determination of whether the initial
3 determination was correct or incorrect and of whether the situation
4 has been corrected. If the department of treasury finds that the
5 initial determination was correct and that the situation has not
6 been corrected, then the department of treasury shall file a copy
7 of the report with the attorney general. The attorney general shall
8 review the report and, if the attorney general considers it
9 appropriate, shall commence or direct the prosecuting attorney for
10 the county in which the violations occurred to commence appropriate
11 proceedings against the intermediate school board or the official
12 or employee. These proceedings shall include at least a civil
13 action in a court of competent jurisdiction for the recovery of any
14 public money determined by the audit to have been illegally
15 expended and for the recovery of any public property determined by
16 the audit to have been converted or misappropriated.

17 (6) If the attorney general determines from a report filed
18 under subsection (5) that an intermediate school district has
19 misspent tax proceeds as described in subsection (5) and notifies
20 the intermediate school district of this determination, the
21 intermediate school district shall repay to its area career and
22 technical education program operating fund an amount equal to the
23 amount the department of treasury determined under subsection (5)
24 has been used for a purpose other than area career and technical
25 education program operating purposes. The intermediate school
26 district shall make this repayment from funds of the intermediate
27 school district that lawfully may be used for making such a

1 repayment.

2 (7) For the purposes of subsections (5) and (6), not later
3 than January 1, 2008, the department and the department of
4 treasury, in consultation with intermediate school districts, shall
5 develop and make available to intermediate school districts a
6 definition of area career and technical education program operating
7 purposes.

8 (8) An intermediate school district shall not hold more than 2
9 elections in a calendar year concerning the authorization of a
10 millage rate for area career and technical education program
11 operating purposes under sections 681 to 690.

12 (9) Within 30 days after receiving the audit results, an
13 intermediate school district shall publish the results of any audit
14 conducted concerning the area career and technical education
15 program on the intermediate school district's website. The results
16 shall remain posted on the website for at least 6 months.

17 Sec. 684. (1) An intermediate school board in which an area
18 career and technical education program has been established may
19 operate area career and technical education programs or may
20 contract with local school districts or with community colleges for
21 the operation of the programs or with a private degree-granting
22 postsecondary institution if the intermediate school district is
23 not within a community college district and if there existed on or
24 before July 1, 1992 a written agreement for the operation of such a
25 program. Area career and technical education programs operated
26 under sections 681 to 690 shall be submitted for review of the
27 representatives of the constituent districts of the intermediate

1 school district at an annual budget review meeting held on or
2 before June 1 under section 624.

3 (2) An intermediate school board may expend area career and
4 technical education funds for the operation of area career and
5 technical education programs for instructional, support, and
6 administrative costs associated with providing career and technical
7 education activities, including, but not limited to, staff
8 salaries, wages, and benefits for career and technical education
9 programs only; information and awareness activities; acquisition
10 and rental of real property; construction of buildings; acquisition
11 of equipment and supplies; ~~and~~ maintenance, repair, and replacement
12 of buildings, lands, equipment, and supplies. **AN INTERMEDIATE**

13 **SCHOOL BOARD ALSO MAY EXPEND AREA CAREER AND TECHNICAL EDUCATION**
14 **FUNDS FOR MAKING PAYMENTS TO A CONSTITUENT DISTRICT AS REQUIRED**
15 **UNDER SECTION 640.** An intermediate school board shall not expend

16 area career and technical education funds for purposes other than
17 those set forth in sections 681 to 690. An intermediate school
18 board must obtain state approval to use state or federal career and
19 technical education funds. Expenditure of vocational education
20 millage revenue for the purposes allowed under this subsection
21 shall be determined by the intermediate school board. However, if
22 the millage revenue is commingled with state or federal funds, then
23 the intermediate school district must obtain state approval to use
24 the commingled funds. If an audit by or on behalf of the department
25 determines that an intermediate school board has expended area
26 career and technical education funds for a purpose other than those
27 set forth in sections 681 to 690, the intermediate school district

1 is subject to the measures under section 681(5) and (6).

2 (3) The intermediate school board shall ensure that all of the
3 following are met:

4 (a) The intermediate school board shall notify the department
5 at the time the area career and technical education program is
6 established.

7 (b) In order to be responsive to local workforce needs,
8 emerging technologies, and local demand occupations, the
9 intermediate school district shall establish a program advisory
10 committee pursuant to administrative guidelines established by the
11 office of career and technical preparation within the department.
12 At least a majority of the members of the program advisory
13 committee shall be representatives from business and industry.

14 (c) The program shall collect career and technical education
15 information data and distribute that data to the appropriate state
16 department or departments and to the program advisory committee.

17 (d) The intermediate school district shall submit its career
18 and technical education plan to the department in the form and
19 manner prescribed by the department.

20 (4) The department may monitor career and technical education
21 programs funded with state or federal funding based upon feedback
22 from the program advisory committee and predetermined state or
23 federal skills standards that include student outcomes.

24 (5) The department, in consultation with the appropriate
25 career and technical education professionals, shall develop a
26 process for expedited state approval of programs that recognize
27 local workforce needs, emerging technologies, and local demand

1 occupations.

2 (6) If there is a community college that offers career and
3 technical preparation programs within the intermediate school
4 district, the intermediate school board shall collaborate with the
5 community college to minimize duplication of programs.

6 (7) An area career and technical education program shall allow
7 participation by public school academy and nonpublic school pupils
8 to the same extent as pupils of constituent districts.

9 (8) An intermediate school board operating under sections 681
10 to 690 may expend funds received under section 683 for the costs of
11 a special election held to renew or increase the millage limit on
12 the annual property tax levied for area career and technical
13 education purposes.

14 (9) The treasurer of an intermediate school board shall pay
15 out area career and technical education funds on order of the
16 intermediate school board.

17 Sec. 687. (1) An intermediate school board in which an area
18 vocational-technical education program is established, by a
19 majority vote of the intermediate school electors voting on the
20 question at a regular school election or at a special election
21 called for that purpose, may borrow money and issue bonds of the
22 intermediate school district subject to the revised municipal
23 finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to defray all or
24 part of the cost of purchasing, erecting, completing, remodeling,
25 improving, furnishing, refurnishing, equipping, or reequipping area
26 vocational-technical buildings and other facilities, or parts of
27 buildings and other facilities or additions to buildings and other

1 facilities; acquiring, preparing, developing, or improving sites,
2 or parts of sites or additions to sites, for area vocational-
3 technical buildings and other facilities; refunding all or part of
4 existing bonded indebtedness; or accomplishing a combination of the
5 foregoing purposes. An intermediate school district shall not issue
6 bonds under this part for an amount greater than 1.5% of the total
7 assessed valuation of the intermediate school district.

8 (2) A bond qualified under section 16 of article IX of the
9 state constitution of 1963 and implementing legislation shall not
10 be included for purposes of calculating the foregoing 1.5%
11 limitation.

12 (3) An intermediate school board may submit a proposal to
13 issue bonds of the intermediate school district, authorized under
14 this section, to the intermediate school electors at the same
15 election at which the intermediate school electors vote on the
16 establishment of an area vocational-technical education program. If
17 these questions are presented to the school electors at the same
18 election, the board shall include the bond proposal in the 60-day
19 notice given the boards of constituent districts. The establishment
20 of an area vocational-technical education program shall become
21 effective if approved by a majority of the intermediate school
22 electors voting on the question. The authority to issue bonds is
23 effective only if a majority of the intermediate school electors
24 approve both the establishment of the area vocational-technical
25 education program and the issuance of bonds.

26 (4) The ballot used in submitting the question of borrowing
27 money and issuing bonds under this section shall be in

1 substantially the following form:

2 "Shall _____ (here state the legal name of the
3 intermediate school district designating the name of a district of
4 not less than 18,000 pupils or first class school district that has
5 elected not to come under this act as far as an area vocational-
6 technical education program is concerned) state of Michigan, borrow
7 the sum of not to exceed \$_____ and issue its bonds therefor, for
8 the purpose of _____?

9 Yes ()

10 No ()".

11 (5) An intermediate school district shall not use the proceeds
12 from bonds issued or refunded under this section or levy a tax to
13 repay bonds issued or refunded under this section for any purpose
14 other than facilities used for area vocational-technical education
15 purposes. If a facility is to be used during regular school hours
16 for purposes other than providing area vocational-technical
17 education programs and services, proceeds from bonds issued or
18 refunded under this section or from millage levied to repay bonds
19 issued or refunded under this section shall be used only for that
20 portion of the facility that is used for providing area vocational-
21 technical education programs and services.

22 (6) FOR BONDS THAT ARE ISSUED UNDER THIS SECTION AFTER THE
23 EFFECTIVE DATE OF SECTION 640, BOTH OF THE FOLLOWING APPLY:

24 (A) THE SCHOOL ELECTORS OF A CONSTITUENT DISTRICT THAT HAS IN
25 EFFECT A RESOLUTION ADOPTED UNDER SECTION 640 ARE NOT ELIGIBLE TO
26 VOTE ON THE QUESTION OF ISSUING BONDS UNDER THIS SECTION OR LEVYING
27 A TAX TO REPAY THOSE BONDS.

1 **(B) THE INTERMEDIATE SCHOOL DISTRICT SHALL NOT LEVY A TAX TO**
2 **REPAY THE BONDS ON PROPERTY THAT IS LOCATED IN A CONSTITUENT**
3 **DISTRICT THAT HAS IN EFFECT A RESOLUTION ADOPTED UNDER SECTION 640.**

4 Sec. 1711. (1) The intermediate school board shall do all of
5 the following:

6 (a) Develop, establish, and continually evaluate and modify in
7 cooperation with its constituent districts, a plan for special
8 education that provides for the delivery of special education
9 programs and services designed to develop the maximum potential of
10 each student with a disability of whom the intermediate school
11 board is required to maintain a record under subdivision (f). The
12 plan shall coordinate the special education programs and services
13 operated or contracted for by the constituent districts and shall
14 be submitted to the superintendent of public instruction for
15 approval.

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

21 (c) Employ or engage special education personnel in accordance
22 with the intermediate school district plan, and appoint a director
23 of special education meeting the qualifications and requirements of
24 the rules promulgated by the superintendent of public instruction.

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

1 article.

2 (e) Lease, purchase, or otherwise acquire vehicles, sites,
3 buildings, or portions thereof, and equip them for its special
4 education staff, programs, and services.

5 (f) Maintain a record of each student with a disability under
6 26 years of age, who is a resident of 1 of its constituent
7 districts and who has not graduated from high school, and the
8 special education programs or services in which the student with a
9 disability is participating on the fourth Friday after Labor ~~day~~
10 **DAY** and Friday before Memorial ~~day~~—**DAY**. The sole basis for
11 determining the local school district in which a student with a
12 disability is a resident shall be the rules promulgated by the
13 superintendent of public instruction notwithstanding the provisions
14 of section 1148. The records shall be maintained in accordance with
15 rules promulgated by the superintendent of public instruction.

16 (g) Have the authority to place in appropriate special
17 education programs or services a student with a disability for whom
18 a constituent district is required to provide special education
19 programs or services under section 1751.

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

27 (i) Operate the special education programs or services or

1 contract for the delivery of special education programs or services
2 by local school district boards, in accordance with section 1702,
3 as if a local school district under section 1751. The contract
4 shall provide for items stated in section 1751 and shall be
5 approved by the superintendent of public instruction. The
6 intermediate school board shall contract for the transportation, or
7 room and board, or both, or persons participating in the program or
8 service as if a local school district board under sections 1756 and
9 1757.

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

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

23 (2) The intermediate school board may expend up to 10% of the
24 annual budget but not to exceed \$12,500.00, for special education
25 programs approved by the intermediate school board without having
26 to secure the approval of the superintendent of public instruction.

27 **(3) IF A CONSTITUENT DISTRICT OF AN INTERMEDIATE SCHOOL**

1 DISTRICT HAS IN EFFECT A RESOLUTION ADOPTED UNDER SECTION 640, THAT
2 CONSTITUENT DISTRICT SHALL DIRECTLY PERFORM THE FUNCTIONS OTHERWISE
3 REQUIRED UNDER THIS PART TO BE PERFORMED BY THE INTERMEDIATE SCHOOL
4 DISTRICT ON BEHALF OF PUPILS OR RESIDENTS OF THE CONSTITUENT
5 DISTRICT AND SHALL USE FUNDS RECEIVED FROM THE INTERMEDIATE SCHOOL
6 DISTRICT UNDER SECTION 640 FOR THIS PURPOSE.

7 Sec. 1724a. (1) Beginning in 1995, and subject to section
8 625b, the board of an intermediate school district may levy ad
9 valorem property taxes for special education purposes under
10 sections 1722 to 1729 at a rate not to exceed 1.75 times the number
11 of mills of those taxes authorized in the intermediate school
12 district in 1993. All or part of the millage levied under this
13 section may be renewed as provided in this article. Approval of the
14 intermediate school electors is not required for the levy under
15 this section of previously authorized mills until that
16 authorization expires.

17 (2) An intermediate school district that levies a tax for
18 special education operating purposes shall not use proceeds from
19 the tax for any purpose other than special education operating
20 purposes **AND FOR MAKING PAYMENTS TO A CONSTITUENT DISTRICT OR**
21 **REFUNDS TO TAXPAYERS AS REQUIRED UNDER SECTION 640** and shall submit
22 to the department of treasury a copy of the audit report from the
23 audit of the intermediate school district conducted under section
24 622a. If the department of treasury determines from the audit
25 report that the proceeds from the tax have been used for a purpose
26 other than special education operating purposes, as defined under
27 subsection (4), **OR MAKING PAYMENTS TO A CONSTITUENT DISTRICT OR**

1 **REFUNDS TO TAXPAYERS AS REQUIRED UNDER SECTION 640**, the department
2 of treasury shall notify the intermediate school district of that
3 determination. If the intermediate school district disputes the
4 determination or claims that the situation has been corrected,
5 within 15 days after receipt of the determination the intermediate
6 school district may submit an appeal of the determination to the
7 department of treasury. Within 90 days after receipt of the appeal,
8 the department of treasury shall consider the appeal and make a
9 determination of whether the initial determination was correct or
10 incorrect and of whether the situation has been corrected. If the
11 department of treasury finds that the initial determination was
12 correct and that the situation has not been corrected, then the
13 department of treasury shall file a copy of the report with the
14 attorney general. The attorney general shall review the report and,
15 if the attorney general considers it appropriate, shall commence or
16 direct the prosecuting attorney for the county in which the
17 violations occurred to commence appropriate proceedings against the
18 intermediate school board or the official or employee. These
19 proceedings shall include at least a civil action in a court of
20 competent jurisdiction for the recovery of any public money
21 determined by the audit to have been illegally expended and for the
22 recovery of any public property determined by the audit to have
23 been converted or misappropriated.

24 (3) If the attorney general determines from a report filed
25 under subsection (2) that an intermediate school district has
26 misspent tax proceeds as described in subsection (2) and notifies
27 the intermediate school district of this determination, the

1 intermediate school district shall repay to its special education
2 operating fund an amount equal to the amount the department of
3 treasury determined under subsection (2) has been used for a
4 purpose other than special education operating purposes **OR MAKING**
5 **PAYMENTS TO A CONSTITUENT DISTRICT OR REFUNDS TO TAXPAYERS AS**
6 **REQUIRED UNDER SECTION 640.** The intermediate school district shall
7 make this repayment from funds of the intermediate school district
8 that lawfully may be used for making such a repayment.

9 (4) For the purposes of subsections (2) and (3), the
10 department and the department of treasury, in consultation with
11 intermediate school districts, shall develop and make available to
12 intermediate school districts a definition of special education
13 operating purposes.

14 (5) An intermediate district shall not hold more than 2
15 elections in a calendar year concerning the authorization of a
16 millage rate for special education purposes under sections 1722 to
17 1729.

18 Sec. 1731. (1) An intermediate school district may borrow
19 money and issue bonds of the intermediate school district subject
20 to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
21 141.2821, to defray all or part of the costs of purchasing,
22 erecting, completing, remodeling, improving, furnishing,
23 refurnishing, equipping, or reequipping buildings for special
24 education facilities; acquiring, preparing, developing, or
25 improving sites, or parts of sites or additions to sites, for
26 buildings and other special education facilities; refunding all or
27 part of existing bonded indebtedness; or the accomplishment of a

1 combination of these purposes.

2 (2) An intermediate school district shall not issue bonds for
3 purposes of purchasing, erecting, completing, remodeling,
4 improving, furnishing, refurnishing, equipping, or reequipping
5 buildings for special education for an amount greater than 1.5% of
6 the total assessed valuation of the intermediate school district.

7 (3) An intermediate school district shall not use the proceeds
8 from bonds issued or refunded under this section or levy a tax to
9 repay bonds issued or refunded under this section for any purpose
10 other than facilities used for special education purposes. If a
11 facility is to be used during regular school hours for purposes
12 other than providing special education programs and services,
13 proceeds from bonds issued or refunded under this section or from
14 millage levied to repay bonds issued or refunded under this section
15 shall be used only for that portion of the facility that is used
16 for providing special education programs and services.

17 (4) **FOR BONDS THAT ARE ISSUED UNDER THIS SECTION AFTER THE**
18 **EFFECTIVE DATE OF SECTION 640, BOTH OF THE FOLLOWING APPLY:**

19 (A) **THE SCHOOL ELECTORS OF A CONSTITUENT DISTRICT THAT HAS IN**
20 **EFFECT A RESOLUTION ADOPTED UNDER SECTION 640 ARE NOT ELIGIBLE TO**
21 **VOTE ON THE QUESTION OF ISSUING BONDS UNDER THIS SECTION OR LEVYING**
22 **A TAX TO REPAY THOSE BONDS.**

23 (B) **THE INTERMEDIATE SCHOOL DISTRICT SHALL NOT LEVY A TAX TO**
24 **REPAY THE BONDS ON PROPERTY THAT IS LOCATED IN A CONSTITUENT**
25 **DISTRICT THAT HAS IN EFFECT A RESOLUTION ADOPTED UNDER SECTION 640.**

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