

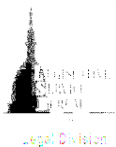
HOUSE BILL NO. 4888

September 03, 2019, Introduced by Reps. Liberati and Albert and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1724a (MCL 380.1724a), as amended by 2004 PA
415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1724a. (1) Beginning in 1995, and subject to **subsection**
2 **(6) and** section 625b, the board of an intermediate school district
3 may levy ad valorem property taxes for special education purposes
4 under sections 1722 to 1729 at a rate not to exceed 1.75 times the



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1 number of mills of those taxes authorized in the intermediate
2 school district in 1993. All or part of the millage levied under
3 this section may be renewed as provided in this article. Approval
4 of the intermediate school electors is not required for the levy
5 under this section of previously authorized mills until that
6 authorization expires.

7 (2) An intermediate school district that levies a tax for
8 special education operating purposes **under this section** shall not
9 use proceeds from the tax for any purpose other than special
10 education operating purposes and shall submit to the department of
11 treasury a copy of the audit report from the audit of the
12 intermediate school district conducted under section 622a. If the
13 department of treasury determines from the audit report that the
14 proceeds from the tax have been used for a purpose other than
15 special education operating purposes, as defined under subsection
16 (4), the department of treasury shall notify the intermediate
17 school district of that determination. If the intermediate school
18 district disputes the determination or claims that the situation
19 has been corrected, within 15 days after receipt of the
20 determination the intermediate school district may submit an appeal
21 of the determination to the department of treasury. Within 90 days
22 after receipt of the appeal, the department of treasury shall
23 consider the appeal and make a determination of whether the initial
24 determination was correct or incorrect and of whether the situation
25 has been corrected. If the department of treasury finds that the
26 initial determination was correct and that the situation has not
27 been corrected, then the department of treasury shall file a copy
28 of the report with the attorney general. The attorney general shall
29 review the report and, if the attorney general considers it



1 appropriate, shall commence or direct the prosecuting attorney for
2 the county in which the violations occurred to commence appropriate
3 proceedings against the intermediate school board or the official
4 or employee. These proceedings ~~shall~~**must** include at least a civil
5 action in a court of competent jurisdiction for the recovery of any
6 public money determined by the audit to have been illegally
7 expended and for the recovery of any public property determined by
8 the audit to have been converted or misappropriated.

9 (3) If the attorney general determines from a report filed
10 under subsection (2) that an intermediate school district has
11 misspent tax proceeds as described in subsection (2) and notifies
12 the intermediate school district of this determination, the
13 intermediate school district shall repay to its special education
14 operating fund an amount equal to the amount the department of
15 treasury determined under subsection (2) has been used for a
16 purpose other than special education operating purposes. The
17 intermediate school district shall make this repayment from funds
18 of the intermediate school district that lawfully may be used for
19 making such a repayment.

20 (4) For the purposes of subsections (2) and (3), the
21 department and the department of treasury, in consultation with
22 intermediate school districts, shall develop and make available to
23 intermediate school districts a definition of special education
24 operating purposes.

25 (5) An intermediate district shall not hold more than 2
26 elections in a calendar year concerning the authorization of a
27 millage rate for special education purposes under sections 1722 to
28 1729.

29 (6) **During the period beginning on January 1, 2020 and ending**



1 on January 1, 2022, notwithstanding subsection (1) and subject to
2 section 661, the board of an intermediate school district may hold
3 an election to seek approval from the intermediate school electors
4 to levy ad valorem property taxes for special education purposes
5 under sections 1722 to 1729 in an amount necessary to yield a local
6 special education revenue that equals \$690.00 per membership pupil.
7 If approval is granted under this subsection, the intermediate
8 school district may levy those taxes.

9 (7) As used in this section:

10 (a) "Local special education revenue" means the taxable value
11 behind each membership pupil for the 2018-2019 state fiscal year,
12 as calculated by the department for the purposes of section 56 of
13 the state school aid act of 1979, MCL 388.1656, multiplied by the
14 millage levied for special education under this part, including a
15 levy for debt service obligations.

16 (b) "Membership" means that term as defined in section 56 of
17 the state school aid act of 1979, MCL 388.1656.

18 (c) "Taxable value" means that term as defined in section 56
19 of the state school aid act of 1979, MCL 388.1656.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No. ____ or House Bill No. 4887 (request no.
22 03718'19 **) of the 100th Legislature is enacted into law.

