

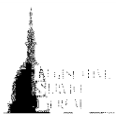
HOUSE BILL NO. 6103

August 12, 2020, Introduced by Rep. Cole 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 1211 (MCL 380.1211), as amended by 2012 PA 285.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1211. (1) Except as otherwise provided in this section
2 and section 1211c, the board of a school district shall levy not
3 more than 18 mills for school operating purposes or the number of
4 mills levied in 1993 for school operating purposes, whichever is
5 less. A principal residence, qualified agricultural property,
6 qualified forest property, supportive housing property, property



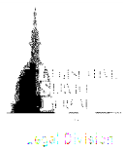
1 occupied by a public school academy, **rural workforce housing**
 2 **property**, and industrial personal property are exempt from the
 3 mills levied under this subsection except for the number of mills
 4 by which that exemption is reduced under this subsection. Except as
 5 otherwise provided in subsection (9), the board of a school
 6 district that had a foundation allowance for the 1994-95 state
 7 fiscal year greater than \$6,500.00 may reduce the number of mills
 8 from which a principal residence, qualified agricultural property,
 9 qualified forest property, supportive housing property, property
 10 occupied by a public school academy, **rural workforce housing**
 11 **property**, and industrial personal property are exempted under this
 12 subsection by up to the number of mills, as certified under section
 13 1211a, required to be levied on a principal residence, qualified
 14 agricultural property, qualified forest property, supportive
 15 housing property, property occupied by a public school academy,
 16 **rural workforce housing property**, and industrial personal property
 17 for the school district's combined state and local revenue per
 18 membership pupil for the school fiscal year ending in 1995 to be
 19 equal to the school district's foundation allowance for the state
 20 fiscal year ending in 1995, and the board also may levy in 1994 or
 21 a succeeding year that number of mills for school operating
 22 purposes on a principal residence, qualified agricultural property,
 23 qualified forest property, supportive housing property, property
 24 occupied by a public school academy, **rural workforce housing**
 25 **property**, and industrial personal property.

26 (2) Subject to subsection (3), if the department of treasury
 27 determines that the maximum number of mills allowed to be levied
 28 under subsection (1) on all classes of property was not sufficient
 29 for a school district's combined state and local revenue per



1 membership pupil for the school fiscal year ending in 1995 to be
2 equal to the school district's foundation allowance for that school
3 fiscal year, the board of the school district may levy in 1994 or a
4 succeeding year additional mills uniformly on all property up to
5 the number of mills required for the school district's combined
6 state and local revenue per membership pupil for the school fiscal
7 year ending in 1995 to be equal to the school district's foundation
8 allowance for the state fiscal year ending in 1995. However, the
9 board of a school district described in this subsection, by board
10 resolution, may elect to exempt each principal residence and all
11 qualified agricultural property, qualified forest property,
12 supportive housing property, property occupied by a public school
13 academy, **rural workforce housing property**, and industrial personal
14 property located in the school district from some or all of the
15 mills that the board is authorized to levy under this subsection.

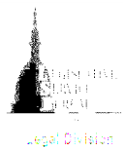
16 (3) After 1994, the number of mills a school district may levy
17 under this section on any class of property ~~shall~~**must** not exceed
18 the lesser of the number of mills the school district was certified
19 by the department of treasury under section 1211a to levy on that
20 class of property under this section in 1994 or the number of mills
21 required to be levied on that class of property under this section
22 to ensure that the increase from the immediately preceding state
23 fiscal year in the school district's combined state and local
24 revenue per membership pupil, calculated as if the school district
25 had levied the maximum number of mills the school district was
26 allowed to levy under this section regardless of the number of
27 mills the school district actually levied, does not exceed the
28 lesser of the dollar amount of the increase in the basic foundation
29 allowance under section 20 of the state school aid act of 1979, MCL



388.1620, from the immediately preceding state fiscal year or the percentage increase in the general price level in the immediately preceding calendar year. If the number of mills a school district is allowed to levy under this section in a year after 1994 is less than the number of mills the school district was allowed to levy under this section in the immediately preceding year, any reduction required by this subsection in the school district's millage rate ~~shall~~**must** be calculated by first reducing the number of mills the school district is allowed to levy under subsection (2) and then increasing the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, property occupied by a public school academy, **rural workforce housing property**, and industrial personal property are exempted under subsection (1).

(4) Commercial personal property is exempt from 12 of the mills levied under this section. However, if the number of mills from which industrial personal property is exempted for a specific school district is reduced under this section, then the number of mills from which commercial personal property is exempted for that school district ~~shall~~**must** be reduced by that same number of mills.

(5) Except as otherwise provided under this subsection, millage levied under this section must be approved by the school electors. For the purposes of this section, millage approved by the school electors before January 1, 1994 for which the authorization has not expired is considered to be approved by the school electors. With the approval of the state treasurer, a school district may pledge millage levied under this section for the repayment of a loan under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, money borrowed by the school district



1 under section 1225, or the repayment of advances, overpayments, or
2 other obligations of the school district to this state under
3 section 15 of the state school aid act of 1979, MCL 388.1615.

4 (6) If a school district levies millage for school operating
5 purposes that is in excess of the limits of this section, the
6 amount of the resulting excess tax revenue ~~shall~~**must** be deducted
7 from the school district's next regular tax levy.

8 (7) If a school district levies millage for school operating
9 purposes that is less than the limits of this section, the board of
10 the school district may levy at the school district's next regular
11 tax levy an additional number of mills not to exceed the additional
12 millage needed to make up the shortfall.

13 (8) A school district shall not levy mills allocated under the
14 property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a,
15 other than mills allocated to a school district of the first class
16 or a school district that was previously a school district of the
17 first class, for payment to a public library commission under
18 section 11(4) of the property tax limitation act, 1933 PA 62, MCL
19 211.211, after 1993.

20 (9) Beginning with taxes levied for 2011, if a school district
21 had a foundation allowance for the 1994-95 state fiscal year
22 greater than \$6,500.00 and if the school district's foundation
23 allowance for the 2009-2010 state fiscal year was less than the
24 basic foundation allowance prescribed for the 2009-2010 state
25 fiscal year under section 20 of the state school aid act of 1979,
26 MCL 388.1620, the school district may not reduce the number of
27 mills from which certain classes of property are exempted from the
28 levy of millage under subsection (1) and may not levy that number
29 of mills on those classes of property as would otherwise be allowed



1 under subsection (1).

2 (10) As used in this section:

3 (a) "Combined state and local revenue per membership pupil"
4 means that term as defined in section 20 of the state school aid
5 act of 1979, MCL 388.1620.

6 (b) "Commercial personal property" means property classified
7 as commercial personal property under section 34c of the general
8 property tax act, 1893 PA 206, MCL 211.34c.

9 (c) "Foundation allowance" means a school district's
10 foundation allowance as calculated under section 20 of the state
11 school aid act of 1979, MCL 388.1620.

12 (d) "General price level" means that term as defined in
13 section 33 of article IX of the state constitution of 1963.

14 (e) "Industrial personal property" means the following:

15 (i) Except as otherwise provided in subparagraph (ii), property
16 classified as industrial personal property under section 34c of the
17 general property tax act, 1893 PA 206, MCL 211.34c.

18 (ii) Beginning December 31, 2011, industrial personal property
19 does not include a turbine powered by gas, steam, nuclear energy,
20 coal, or oil the primary purpose of which is the generation of
21 electricity for sale.

22 (f) "Membership" means that term as defined in section 6 of
23 the state school aid act of 1979, MCL 388.1606.

24 (g) ~~"Owner", "person", "Person",~~ "principal residence", and
25 "qualified agricultural property" mean those terms as defined in
26 section 7dd of the general property tax act, 1893 PA 206, MCL
27 211.7dd.

28 (h) "Property occupied by a public school academy" means
29 property occupied by a public school academy, urban high school



academy, or school of excellence that is used exclusively for educational purposes.

(i) "Qualified forest property" means that term as defined in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(j) **"Rural workforce housing property" means that term as defined in section 7xx of the general property tax act, 1893 PA 206, MCL 211.7xx.**

(k) ~~(j)~~ "School operating purposes" includes expenditures for furniture and equipment, for alterations necessary to maintain school facilities in a safe and sanitary condition, for funding the cost of energy conservation improvements in school facilities, for deficiencies in operating expenses for the preceding year or preceding years, including, but not limited to, repayment of an emergency loan under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, and for paying the operating allowance due from the school district to a joint high school district in which the school district is a participating school district under former part 3a. Taxes levied for school operating purposes do not include any of the following:

(i) Taxes levied by a school district for operating a community college under part 25.

(ii) Taxes levied under section 1212.

(iii) Taxes levied under section 1356 for eliminating an operating deficit.

(iv) Taxes levied for operation of a library under section 1451 or for operation of a library established ~~pursuant to~~ **under** 1913 PA 261, MCL 397.261 to 397.262, that were not included in the operating millage reported by the district to the department as of



1 April 1, 1993. However, a district may report to the department not
 2 later than April 1, 1994 the number of mills it levied in 1993 for
 3 a purpose described in this subparagraph that the school district
 4 does not want considered as operating millage and then that number
 5 of mills is excluded under this section from taxes levied for
 6 school operating purposes.

7 (v) Taxes paid by a school district of the first class or a
 8 school district that was previously a school district of the first
 9 class to a public library commission ~~pursuant to~~ **under** section
 10 11(4) of the property tax limitation act, 1933 PA 62, MCL 211.211.

11 (vi) Taxes levied under former section 1512 for operation of a
 12 community swimming pool. In addition, if a school district included
 13 the millage it levied in 1993 for operation of a community swimming
 14 pool as part of its operating millage reported to the department
 15 for 1993, the school district may report to the department not
 16 later than June 17, 1994 the number of mills it levied in 1993 for
 17 operation of a community swimming pool that the school district
 18 does not want considered as operating millage and then that number
 19 of mills is excluded under this section from taxes levied for
 20 school operating purposes.

21 (l) ~~(k)~~—"Supportive housing property" means real property
 22 certified as supportive housing property under chapter 3B of the
 23 state housing development authority act of 1966, 1966 PA 346, MCL
 24 125.1459 to 125.1459a.

25 Enacting section 1. This amendatory act does not take effect
 26 unless Senate Bill No. ____ or House Bill No. 6102 (request no.
 27 06409'20) of the 100th Legislature is enacted into law.

