

SENATE BILL NO. 859

February 08, 2022, Introduced by Senators MCMORROW, HOLLIER, WOJNO, SANTANA, MOSS, CHANG, POLEHANKI, GEISS, IRWIN, BAYER, MCCANN, BULLOCK and BRINKS and referred to the Committee on Finance.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1212 (MCL 380.1212), as amended by 2016 PA 319.

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 on
3 the taxable value of the real and personal property of the school
4 district each year for the purpose of creating a sinking fund. All
5 of the following apply to a sinking fund tax authorized under this

1 section:

2 (a) For a sinking fund tax authorized before ~~the effective~~
3 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
4 **2017,** the sinking fund tax may be used for the purchase of real
5 estate for sites for, and the construction or repair of, school
6 buildings. For a sinking fund tax authorized on or after ~~the~~
7 ~~effective date of the amendatory act that added subsection (6),~~
8 **March 29, 2017 and before the effective date of the amendatory act**
9 **that added the following sentence,** the sinking fund tax may be used
10 for the purchase of real estate for sites for, and the construction
11 or repair of, school buildings, for school security improvements,
12 or for the acquisition or upgrading of technology. **For a sinking**
13 **fund tax authorized on or after the effective date of the**
14 **amendatory act that added this sentence, the sinking fund tax may**
15 **be used for the purchase of real estate for sites for, and the**
16 **construction or repair of, school buildings, for school security**
17 **improvements, for the acquisition or upgrading of technology, for**
18 **purchasing electric school buses, or for infrastructure upgrades to**
19 **facilitate the use of purchased electric school buses. This**
20 **subdivision does not impose a cap on the total amount of money that**
21 **may be spent on the purchase of electric school buses or on**
22 **infrastructure upgrades to facilitate the use of purchased electric**
23 **school buses using the sinking fund tax, but the sinking fund tax**
24 **must not be used for compensation for school bus drivers.**

25 (b) For a sinking fund tax authorized before ~~the effective~~
26 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
27 **2017,** the sinking fund tax ~~shall~~ **must** not exceed 5 mills. For a
28 sinking fund tax authorized on or after ~~the effective date of the~~
29 ~~amendatory act that added subsection (6),~~ **March 29, 2017,** the

1 sinking fund tax ~~shall~~**must** not exceed 3 mills.

2 (c) For a sinking fund tax authorized before ~~the effective~~
3 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
4 **2017,** the sinking fund tax may be levied each year for a period not
5 to exceed 20 years. For a sinking fund tax authorized on or after
6 ~~the effective date of the amendatory act that added subsection (6),~~
7 **March 29, 2017,** the sinking fund tax may be levied each year for a
8 period not to exceed 10 years.

9 (d) The sinking fund tax levy is subject to the 15 mill tax
10 limitation provisions of section 6 of article IX of the state
11 constitution of 1963 and the property tax limitation act, 1933 PA
12 62, MCL 211.201 to 211.217a.

13 (2) A school district that levies a sinking fund tax under
14 this section ~~shall~~**must** have an independent audit of its sinking
15 fund conducted annually, including a review of the uses of the
16 sinking fund, and shall submit the audit report to the department
17 of treasury. If the department of treasury determines from the
18 audit report that the sinking fund has been used for a purpose
19 other than those authorized for the sinking fund under this
20 section, the school district shall repay the misused funds to the
21 sinking fund from the school district's operating funds and shall
22 not levy a sinking fund tax under this section after the date the
23 department of treasury makes that determination.

24 (3) ~~The~~ **A school district shall submit the** proposition of
25 levying a sinking fund tax ~~shall be submitted~~ to the school
26 electors of the school district at a regular or special school
27 election.

28 (4) The question of levying taxes for the purpose of creating
29 a sinking fund ~~shall~~**must** be by ballot in substantially the

1 following form:

2 "Shall _____ levy _____ mills

3 (legal name of school district)

4 to create a sinking fund for the purpose of _____

5 _____

6 for a period of _____ years?

7 Yes ()

8 No ()".

9 (5) For the purposes of this section, millage approved by the
10 school electors before December 1, 1993 for which the authorization
11 has not expired is considered to be approved by the school
12 electors.

13 (6) As used in this section:

14 (a) "School security improvement" means any capital
15 improvement or purchase that is designed to act as a deterrent to
16 unauthorized entry of persons or items onto school premises or to
17 otherwise promote security, including, but not limited to, metal
18 detectors, locks, doors, lighting, cameras, and enhancements to
19 entryways. School security improvement also includes a mobile
20 telephone application that provides the ability to communicate with
21 personnel on site while also connecting an emergency telephone call
22 to a 9-1-1 center. School security improvement does not include
23 personnel costs or operation costs related to a capital improvement
24 or purchase or related to a mobile telephone application.

25 (b) "Technology" means that term as defined in section 1351a.