

SENATE BILL No. 419

June 8, 2011, Introduced by Senators WHITMER, WARREN and ANDERSON 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~~ **SUBJECT TO SUBSECTION (6), IF** approved by
2 the school electors of the school district, the board of a school
3 district may levy a tax of not to exceed 5 mills on the ~~state~~
4 ~~equalized valuation~~ **TAXABLE VALUE OF THE REAL AND PERSONAL PROPERTY**
5 of the school district each year ~~for a period of not to exceed 20~~
6 ~~years,~~ for the purpose of creating a sinking fund to be used for
7 the purchase of real estate for sites for, and the construction or
8 repair of, school buildings, **FOR THE PURCHASE OR MAJOR MAINTENANCE**
9 **OF SCHOOL BUSES, OR FOR THE ACQUISITION OR UPGRADING OF TECHNOLOGY.**
10 **THE MAXIMUM TIME PERIOD FOR A SINKING FUND TAX LEVY IS AS**

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1 **PRESCRIBED IN SUBSECTION (6)**. The sinking fund tax levy is subject
2 to the 15 mill tax limitation provisions of section 6 of article IX
3 of the state constitution of 1963 and the property tax limitation
4 act, 1933 PA 62, MCL 211.201 to 211.217a.

5 (2) A school district that levies a sinking fund tax under
6 this section shall have an independent audit of its sinking fund
7 conducted annually, including a review of the uses of the sinking
8 fund, and shall submit the audit report to the department of
9 treasury. **THE SCHOOL DISTRICT ALSO SHALL SUBMIT TO THE DEPARTMENT**
10 **OF TREASURY AND TO THE LEGISLATURE, AND SHALL MAKE AVAILABLE ON ITS**
11 **WEBSITE, AN ANNUAL REPORT DETAILING THE USES OF THE SINKING FUND.**
12 **THIS REPORT SHALL BE SUBMITTED IN THE FORM AND MANNER PRESCRIBED BY**
13 **THE DEPARTMENT OF TREASURY AND SHALL MEET THE REQUIREMENTS**
14 **ESTABLISHED BY THE DEPARTMENT OF TREASURY UNDER SUBSECTION (7)**. If
15 the department of treasury determines from the audit report that
16 the sinking fund has been used for a purpose other than those
17 authorized for the sinking fund under this section, the school
18 district shall repay the misused funds to the sinking fund from the
19 school district's operating funds and shall not levy a sinking fund
20 tax under this section after the date the department of treasury
21 makes that determination.

22 (3) ~~(2)~~The proposition of levying a sinking fund tax shall be
23 submitted to the school electors of the school district at a
24 regular or special school election. **THIS ELECTION SHALL BE HELD ON**
25 **EITHER THE MAY REGULAR ELECTION DATE OR THE NOVEMBER REGULAR**
26 **ELECTION DATE, AS PROVIDED UNDER SECTION 641 OF THE MICHIGAN**
27 **ELECTION LAW, 1954 PA 116, MCL 168.641.**

1 (4) ~~(3)~~—The question of levying taxes for the purpose of
 2 creating a sinking fund shall be by ballot in substantially the
 3 following form:

4 "Shall _____ levy _____ mills
 5 (legal name of school district)
 6 to create a sinking fund for the purpose of _____
 7 _____
 8 for a period of _____ years?

9 Yes ()

10 No ()".

11 (5) ~~(4)~~—For the purposes of this section, millage approved by
 12 the school electors before December 1, 1993 for which the
 13 authorization has not expired is considered to be approved by the
 14 school electors.

15 (6) A SINKING FUND TAX LEVIED UNDER THIS SECTION FOR CREATING
 16 A SINKING FUND TO BE USED FOR THE PURCHASE OF REAL ESTATE FOR SITES
 17 FOR, AND THE CONSTRUCTION OR REPAIR OF, SCHOOL BUILDINGS MAY BE
 18 LEVIED EACH YEAR FOR A PERIOD OF NOT TO EXCEED 20 YEARS. A SINKING
 19 FUND TAX LEVIED UNDER THIS SECTION FOR CREATING A SINKING FUND TO
 20 BE USED FOR THE PURCHASE OR MAJOR MAINTENANCE OF SCHOOL BUSES OR
 21 FOR THE ACQUISITION OR UPGRADING OF TECHNOLOGY MAY BE LEVIED EACH
 22 YEAR FOR A PERIOD OF NOT TO EXCEED 10 YEARS.

23 (7) NOT LATER THAN 180 DAYS AFTER THE EFFECTIVE DATE OF THE
 24 AMENDATORY ACT THAT ADDED THIS SUBSECTION, THE DEPARTMENT OF
 25 TREASURY SHALL PRESCRIBE REQUIREMENTS FOR THE CONTENTS AND
 26 SUBMISSION OF THE ANNUAL REPORT DESCRIBED IN SUBSECTION (2). THE
 27 REPORT SHALL BE DESIGNED TO ENSURE FISCAL TRANSPARENCY AND BEST

1 FINANCIAL PRACTICES AND SHALL INCLUDE AS LEAST IDENTIFICATION OF
2 ALL COST CONTAINMENT MEASURES AND BENCHMARKS FOR MEASURING THE
3 EFFECTIVENESS OF THE PROJECTS FUNDED BY THE SINKING FUND TAX LEVY.

4 (8) AS USED IN THIS SECTION, "TECHNOLOGY" MEANS THAT TERM AS
5 DEFINED IN SECTION 1351A.