

SENATE BILL No. 688

October 3, 2001, Introduced by Senators SIKKEMA, NORTH, GAST and STEIL 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 1993 PA 312.

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 of
3 not to exceed 5 mills on the state equalized valuation of the
4 school district each year for a period of not to exceed 20 years,
5 for the purpose of creating a sinking fund to be used for the
6 purchase of real estate for sites for, and the construction or
7 repair of, school buildings, OR FOR ANY OTHER PURPOSE FOR WHICH A
8 SCHOOL DISTRICT MAY BORROW MONEY AND ISSUE BONDS UNDER SECTION
9 1351A. The sinking fund tax levy is subject to the 15 mill tax
10 limitation provisions of section 6 of article IX of the state

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1 constitution of 1963 and the property tax limitation act, ~~Act~~
2 ~~No. 62 of the Public Acts of 1933, as amended, being sections~~
3 ~~211.201 to 211.217a of the Michigan Compiled Laws 1933 PA 62,~~
4 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. If the department of treasury determines from the
10 audit report that the sinking fund has been used for a purpose
11 other than those authorized for the sinking fund under this sec-
12 tion, the school district shall repay the misused funds to the
13 sinking fund from the school district's operating funds and shall
14 not levy a sinking fund tax under this section after the date the
15 department of treasury makes that determination.

16 (3) ~~(2)~~ The proposition of levying a sinking fund tax
17 shall be submitted to the school electors of the school district
18 at an annual or special meeting or election.

19 (4) ~~(3)~~ The question of levying taxes for the purpose of
20 creating a sinking fund shall be by ballot in substantially the
21 following form:

22 "Shall _____ levy _____ mills
23 (legal name of school district)
24 to create a sinking fund for the purpose of _____
25 _____
26 for a period of _____ years?
27 Yes ()

1 No ()".

2 (5) ~~(4)~~ For the purposes of this section, millage approved
3 by the school electors before December 1, 1993 for which the
4 authorization has not expired is considered to be approved by the
5 school electors.