

HOUSE BILL No. 6220

June 12, 2018, Introduced by Reps. Pagan, Hoadley, Camilleri, Chang, Garrett, Geiss, Love, Hammoud and Jones and referred to the Committee on Education Reform.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 705 (MCL 380.705), as amended by 2018 PA 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 705. (1) Beginning in 1997, and in each year after 1997,
2 a regional enhancement property tax may be levied by an
3 intermediate school district at a rate not to exceed 3 mills to
4 enhance other state and local funding for intermediate school
5 district, school district, or public school academy operations, as
6 provided in this section, if approved by a majority of the
7 intermediate school electors voting on the question.

8 (2) If a resolution requesting that the question of a regional
9 enhancement property tax be submitted to the voters is adopted
10 within a 180-day period and transmitted to the intermediate school

1 board by 1 or more boards or boards of directors of its constituent
2 districts representing a majority of the combined membership of the
3 constituent districts as of the most recent pupil membership count
4 day and if those resolutions all contain an identical specified
5 number of mills to be levied under this section and an identical
6 specified number of years for which the tax shall be levied, the
7 question of levying a regional enhancement property tax by the
8 intermediate school district shall be placed on the ballot by the
9 intermediate school district at the next regular school election
10 held in each of the constituent districts that are school
11 districts. If the question is to be submitted to the intermediate
12 school electors of an intermediate school district having a
13 population of more than 1,400,000, the intermediate school board
14 shall call a special election to be held at the next state primary
15 or general election. If the resolution requirement is met more than
16 180 days before the next regular school district elections, and if
17 requested in the resolutions, the intermediate school board shall
18 submit the question of levying a regional enhancement property tax
19 within the intermediate school district on the ballot at a special
20 election called by the intermediate school board for that purpose
21 not earlier than 90 days after the resolution requirements are met.

22 (3) Not later than 10 days after receipt by the intermediate
23 school district of the revenue from the regional enhancement
24 property tax, the intermediate school district shall calculate and
25 pay to each of its constituent districts an amount of the revenue
26 calculated by dividing the total amount of the revenue by the
27 combined membership of the constituent districts within the

1 intermediate school district, as of the most recent pupil
2 membership count day, and multiplying that quotient by the
3 constituent district's membership, as of the most recent pupil
4 membership count day for which a final department-audited pupil
5 count is available. If a constituent district has entered into an
6 agreement with a school district or public entity to perform the
7 functions and responsibilities of the constituent district for
8 operating a public school of the constituent district, then for the
9 purposes of this subsection the pupils in membership in that public
10 school shall be considered to be in membership in the constituent
11 district and a proportionate share of the revenue payable to the
12 constituent district under this section shall be transferred by the
13 constituent district to the school district or public entity
14 performing the functions and responsibilities of the constituent
15 district for operating the public school. The proportionate share
16 of that revenue to be paid to that school district or public entity
17 shall be determined according to the percentage of the constituent
18 district's membership that is enrolled in the particular public
19 school for the state fiscal year corresponding to the tax year.
20 Revenue from a regional enhancement property tax under this section
21 shall not be allocated or paid to a constituent district that does
22 not operate a public school directly but retains a limited separate
23 identity for purposes of section 12, 12b, 863, 903, or 947.

24 (4) If a public school academy is receiving revenue from a
25 regional enhancement property tax under an agreement described in
26 subsection (3), the public school academy shall receive that
27 revenue until the term of the initially levied regional enhancement

1 property tax expires, as specified in the ballot question, as long
2 as the receipt of that revenue remains consistent with the
3 agreement. After the term of the initially levied regional
4 enhancement property tax expires or the public school academy is no
5 longer entitled to receive revenue from the regional enhancement
6 property tax under the agreement described in subsection (3), the
7 public school academy shall not receive revenue from any regional
8 enhancement property tax that is subsequently levied or renewed
9 unless that public school academy meets the requirements of
10 subsection (7) to receive revenue from a regional enhancement
11 property tax as a constituent district.

12 (5) Regional enhancement property tax under this section may
13 be levied for a term not to exceed 20 years, as specified in the
14 ballot question, and may be renewed for the same term and for the
15 purposes described in subsection (1) with the approval of a
16 majority of the intermediate school electors voting on the
17 question.

18 (6) The question of levying a regional enhancement property
19 tax under this section shall be presented to the intermediate
20 school electors as a separate question.

21 (7) For the purposes of this section, except as otherwise
22 provided in this section, a public school academy is considered to
23 be a single constituent district of an intermediate school district
24 if the public school academy operates at least 1 site that is
25 located in that intermediate school district and the public school
26 academy counts in membership pupils enrolled at the site or sites
27 located in that intermediate school district on the pupil

1 membership count day used to calculate the combined membership of
2 the intermediate school district's constituent districts under
3 subsection (2). A public school academy that is a school of
4 excellence operating as a cyber school, as defined in section 551,
5 is considered to be a single constituent district of an
6 intermediate school district only if the administrative office of
7 that cyber school is located within the intermediate school
8 district, 100% of the pupils enrolled in the cyber school reside
9 within the intermediate school district, and the cyber school
10 counts in membership pupils enrolled in the cyber school on the
11 pupil membership count day used to calculate the combined
12 membership of the intermediate school district's constituent
13 districts under subsection (2). However, a public school academy is
14 not eligible to be considered a constituent district under this
15 subsection if the public school academy's 2 most recent annual
16 financial audits required under section 503(6)(g), 523(2)(g),
17 553(5)(g), or 1311e(5)(h) indicate successive unresolved material
18 findings. In addition, in order to be considered a constituent
19 district under this subsection, the public school academy must
20 provide the department documentation establishing that the public
21 school academy has a special education program that is in
22 compliance with state and federal law. **BEGINNING ON THE EFFECTIVE**
23 **DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, A PUBLIC**
24 **SCHOOL ACADEMY IS NOT ELIGIBLE TO BE CONSIDERED A CONSTITUENT**
25 **DISTRICT UNDER THIS SUBSECTION IF THE PUBLIC SCHOOL ACADEMY IS A**
26 **PARTY TO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT**
27 **ORGANIZATION THAT IS A FOR-PROFIT ENTITY.**

1 (8) Except for a school of excellence operating as a cyber
2 school, as defined in section 551, a public school academy that
3 receives revenue from a regional enhancement property tax due to
4 the operation of subsection (7) shall use that money only for
5 expenditures that directly benefit a site operated by the public
6 school academy that is located in the intermediate school district
7 in which the regional enhancement property tax was approved.

8 (9) For a regional enhancement property tax that was initially
9 authorized and levied before ~~the effective date of the amendatory~~
10 ~~act that added this subsection,~~ **MAY 15, 2018**, both of the following
11 apply:

12 (a) Subject to subsection (4), a public school academy is not
13 eligible to be considered a constituent district and to receive
14 revenue from that regional enhancement property tax due to the
15 operation of subsection (7) until that regional enhancement
16 property tax is renewed.

17 (b) An intermediate school district is not eligible to be
18 considered a constituent district and to receive revenue for pupils
19 counted in membership by the intermediate school district from that
20 regional enhancement property tax due to the operation of
21 subsection (10) until that regional enhancement property tax is
22 renewed.

23 (10) For a regional enhancement property tax that is initially
24 authorized and levied or renewed after ~~the effective date of the~~
25 ~~amendatory act that added this subsection,~~ **MAY 15, 2018**, for the
26 purposes of this section, an intermediate school district is
27 considered to be a single constituent district of the intermediate

1 school district if it enrolls pupils who are counted in membership
2 by the intermediate school district and not counted in membership
3 by another intermediate school district, school district, or public
4 school academy.

5 (11) AS USED IN THIS SECTION:

6 (A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT
7 ENTERS INTO A MANAGEMENT AGREEMENT WITH A PUBLIC SCHOOL ACADEMY.

8 (B) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE
9 COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR
10 INSTRUCTIONAL SERVICES OR STAFF TO A PUBLIC SCHOOL ACADEMY.

11 Enacting section 1. This amendatory act takes effect 90 days
12 after the date it is enacted into law.