

SENATE BILL NO. 973

June 18, 2020, Introduced by Senator ZORN 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,** the sinking fund tax may be used for the purchase
9 of real estate for sites for, and the construction or repair of,
10 school buildings, for school security improvements, ~~or~~ for the
11 acquisition or upgrading of technology, **or for purchasing school**
12 **buses. This subdivision does not impose a cap on the total amount**
13 **of money that may be spent on the purchase of school buses using**
14 **the sinking fund tax, but the sinking fund tax must not be used for**
15 **compensation for school bus drivers or for costs relating to**
16 **servicing or maintaining a school bus.**

17 (b) For a sinking fund tax authorized before ~~the effective~~
18 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
19 **2017,** the sinking fund tax ~~shall~~ **must** not exceed 5 mills. For a
20 sinking fund tax authorized on or after ~~the effective date of the~~
21 ~~amendatory act that added subsection (6),~~ **March 29, 2017,** the
22 sinking fund tax ~~shall~~ **must** not exceed 3 mills.

23 (c) For a sinking fund tax authorized before ~~the effective~~
24 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
25 **2017,** the sinking fund tax may be levied each year for a period not
26 to exceed 20 years. For a sinking fund tax authorized on or after
27 ~~the effective date of the amendatory act that added subsection (6),~~
28 **March 29, 2017,** the sinking fund tax may be levied each year for a
29 period not to exceed 10 years.

1 (d) The sinking fund tax levy is subject to the 15 mill tax
2 limitation provisions of section 6 of article IX of the state
3 constitution of 1963 and the property tax limitation act, 1933 PA
4 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. If the department of treasury determines from the audit
10 report that the sinking fund has been used for a purpose other than
11 those authorized for the sinking fund under this section, the
12 school district shall repay the misused funds to the sinking fund
13 from the school district's operating funds and shall not levy a
14 sinking fund tax under this section after the date the department
15 of treasury makes that determination.

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

19 (4) The question of levying taxes for the purpose of creating
20 a sinking fund ~~shall~~**must** 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 ()

28 No ()".

29 (5) For the purposes of this section, millage approved by the

1 school electors before December 1, 1993 for which the authorization
2 has not expired is considered to be approved by the school
3 electors.

4 (6) As used in this section:

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

16 (b) "Technology" means that term as defined in section 1351a.
17 Enacting section 1. This amendatory act takes effect 90 days
18 after the date it is enacted into law.