

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

380.1227 Estimates of necessary taxes; insurance reserve funds; adoption of budget; apportionment of school taxes.

Sec. 1227.

(1) The board of a school district shall prepare annual estimates of the amount of taxes necessary for the school district's needs for the ensuing fiscal year. The estimates shall specify the amount required for the "general fund", the amount required for the "capital projects fund", and the amount required for the "debt retirement fund", in accordance with the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and outstanding bonding resolutions.

(2) The school board may include in the "capital projects fund" an amount not exceeding in 1 year .01% of the school district's taxable value to establish and maintain a school district insurance reserve fund from which school buildings or other school property damaged or destroyed by fire, lightning, or otherwise may be repaired, rebuilt, or replaced by other buildings or property to be used in its place. Taxes shall not be levied for this purpose while the insurance reserve fund exceeds or equals .1% of the school district's taxable value. The board shall carry the insurance reserves forward as an encumbered reserve and may add to the reserve in the manner prescribed in this section. Insurance reserve funds may be invested in the manner provided in section 1223. Income from the investment shall be considered a part of the "general fund". If an emergency is declared by a 2/3 vote of the members elected to and serving on the board, the insurance reserve funds may be borrowed for the emergency, but the funds shall be returned to the insurance reserve fund from the collection of taxes in the next ensuing fiscal year.

(3) The school board shall adopt a budget in the same manner and form as required for its estimates and, subject to limitations under law, determine the amount of tax levy necessary for the budget. The board shall certify the amount to the city and township before the date required by law.

(4) The proper officials of the city and township shall apportion the school taxes in the school district in the same manner as the other taxes of the city or township are apportioned. Except as otherwise provided under part 26, the amount apportioned shall be assessed, levied, collected, and returned for each portion of the school district in the same manner as taxes of the city or township in which the portion of the school district is located.

History: Add. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2002, Act 66, Imd. Eff. Mar. 15, 2002

Popular Name: Act 451