

# HOUSE BILL No. 4021

January 15, 2015, Introduced by Rep. Kosowski and referred to the Committee on Tax Policy.

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 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~~ **TAXABLE**  
4 **VALUE OF THE REAL AND PERSONAL PROPERTY** of the school district  
5 each year for a period of not to exceed 20 years, for the purpose  
6 of creating a sinking fund to be used for the purchase of real  
7 estate for sites for, and the construction or repair of, school  
8 buildings. **BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT**

1 THAT ADDED THIS SENTENCE, A SINKING FUND MAY ALSO BE USED FOR  
2 PURCHASING SCHOOL BUSES. The sinking fund tax levy is subject to  
3 the 15 mill tax limitation provisions of section 6 of article IX  
4 of the state constitution of 1963 and the property tax limitation  
5 act, 1933 PA 62, MCL 211.201 to 211.217a.

6 (2) A school district that levies a sinking fund tax under  
7 this section shall have an independent audit of its sinking fund  
8 conducted annually, including a review of the uses of the sinking  
9 fund, and shall submit the audit report to the department of  
10 treasury. If the department of treasury determines from the audit  
11 report that the sinking fund has been used for a purpose other  
12 than those authorized for the sinking fund under this section,  
13 the school district shall repay the misused funds to the sinking  
14 fund from the school district's operating funds and shall not  
15 levy a sinking fund tax under this section after the date the  
16 department of treasury makes that determination.

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

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

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

1 Yes ( )

2 No ( )".

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