

**SUBSTITUTE FOR
SENATE BILL NO. 63**

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
6 section:

7 (a) For a sinking fund tax authorized before ~~the effective~~
8 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
9 **2017,** the sinking fund tax may be used for the purchase of real

1 estate for sites for, and the construction or repair of, school
2 buildings. For a sinking fund tax authorized on or after ~~the~~
3 ~~effective date of the amendatory act that added subsection (6),~~
4 **March 29, 2017 and before the effective date of the amendatory act**
5 **that added the following sentence**, the sinking fund tax may be used
6 for the purchase of real estate for sites for, and the construction
7 or repair of, school buildings, for school security improvements,
8 or for the acquisition or upgrading of technology. **For a sinking**
9 **fund tax authorized on or after the effective date of the**
10 **amendatory act that added this sentence**, the sinking fund tax may
11 **be used for the purchase of real estate for sites for, and the**
12 **construction or repair of, school buildings; for school security**
13 **improvements; for the acquisition or upgrading of technology; for**
14 **the acquisition of student transportation vehicles; for the**
15 **acquisition of parts, supplies, and equipment used for the**
16 **maintenance of student transportation vehicles; for the acquisition**
17 **of trucks and vans registered under the Michigan vehicle code, 1949**
18 **PA 300, MCL 257.1 to 257.923, and used to carry parts, equipment,**
19 **and personnel for or in the maintenance of school buildings; or for**
20 **the acquisition of parts, supplies, and equipment used to maintain**
21 **those trucks and vans.**

22 (b) For a sinking fund tax authorized before ~~the effective~~
23 ~~date of the amendatory act that added subsection (6),~~ **March 29,**
24 **2017**, the sinking fund tax ~~shall~~**must** not exceed 5 mills. For a
25 sinking fund tax authorized on or after ~~the effective date of the~~
26 ~~amendatory act that added subsection (6),~~ **March 29, 2017**, the
27 sinking fund tax ~~shall~~**must** not exceed 3 mills.

28 (c) For a sinking fund tax authorized before ~~the effective~~
29 ~~date of the amendatory act that added subsection (6),~~ **March 29,**

1 **2017**, the sinking fund tax may be levied each year for a period not
 2 to exceed 20 years. For a sinking fund tax authorized on or after
 3 ~~the effective date of the amendatory act that added subsection (6),~~
 4 **March 29, 2017**, the sinking fund tax may be levied each year for a
 5 period not to exceed 10 years.

6 (d) The sinking fund tax levy is subject to the 15 mill tax
 7 limitation provisions of section 6 of article IX of the state
 8 constitution of 1963 and the property tax limitation act, 1933 PA
 9 62, MCL 211.201 to 211.217a.

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

21 (3) ~~The~~**A school district shall submit the** proposition of
 22 levying a sinking fund tax ~~shall be submitted~~ to the school
 23 electors of the school district at a regular or special school
 24 election.

25 (4) The question of levying taxes for the purpose of creating
 26 a sinking fund ~~shall~~**must** be by ballot in substantially the
 27 following form:

28 "Shall _____ levy _____ mills
 29 (legal name of school district)

1 to create a sinking fund for the purpose of _____
2 _____

3 for a period of _____ years?

4 Yes ()

5 No ()".

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

10 (6) As used in this section:

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

22 (b) "Technology" means that term as defined in section 1351a.

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