

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

380.1212 Sinking fund; creation; purpose; tax levy; audit; submission of proposition to school electors; election; ballot; approval; definitions.

Sec. 1212.

(1) If approved by the school electors of the school district, the board of a school district may levy a tax on the taxable value of the real and personal property of the school district each year for the purpose of creating a sinking fund. All of the following apply to a sinking fund tax authorized under this section:

(a) For a sinking fund tax authorized before March 29, 2017, the sinking fund tax may be used for the purchase of real estate for sites for, and the construction or repair of, school buildings. For a sinking fund tax authorized on or after March 29, 2017 and before the effective date of the amendatory act that added the following sentence, the sinking fund tax may be used for the purchase of real estate for sites for, and the construction or repair of, school buildings, for school security improvements, or for the acquisition or upgrading of technology. For a sinking fund tax authorized on or after the effective date of the amendatory act that added this sentence, the sinking fund tax may be used for the purchase of real estate for sites for, and the construction or repair of, school buildings; for school security improvements; for the acquisition or upgrading of technology; for the acquisition of student transportation vehicles; for the acquisition of parts, supplies, and equipment used for the maintenance of student transportation vehicles; for the acquisition of trucks and vans registered under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, and used to carry parts, equipment, and personnel for or in the maintenance of school buildings; or for the acquisition of parts, supplies, and equipment used to maintain those trucks and vans.

(b) For a sinking fund tax authorized before March 29, 2017, the sinking fund tax must not exceed 5 mills. For a sinking fund tax authorized on or after March 29, 2017, the sinking fund tax must not exceed 3 mills.

(c) For a sinking fund tax authorized before March 29, 2017, the sinking fund tax may be levied each year for a period not to exceed 20 years. For a sinking fund tax authorized on or after March 29, 2017, the sinking fund tax may be levied each year for a period not to exceed 10 years.

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

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

(3) A school district shall submit the proposition of levying a sinking fund tax to the school electors of the school district at a regular or special school election.

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

"Shall _____ levy _____ mills

(legal name of school district)

to create a sinking fund for the purpose of _____

for a period of _____ years?

Yes ()

No ()";.

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

(6) As used in this section:

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

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

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1993, Act 312, Eff. Mar. 15, 1994 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2016, Act 319, Eff. Mar. 29, 2017 ;-- Am. 2023, Act 26, Eff. Aug. 6, 2023