

HOUSE BILL No. 4109

February 7, 1991, Introduced by Reps. Webb, Trim, Willis Bullard, Van Singel, Middleton, Dobb, London, Dalman, Middaugh and Gubow and referred to the Committee on Taxation.

A bill to amend section 24e of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

as amended by Act No. 2 of the Public Acts of 1986, being section 211.24e of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 24e of Act No. 206 of the Pubic Acts of
2 1893, as amended by Act No. 2 of the Public Acts of 1986, being
3 section 211.24e of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 24e. (1) As used in this section:

6 (a) "Additional millage rate" means a millage rate for oper-
7 ating purposes in excess of the millage rate permitted by
8 ~~operation of~~ subsection (2).

1 (b) "Additions" means all increases in value caused by new
2 construction, a physical addition of equipment or furnishings,
3 and the value of property ~~which~~ THAT was exempt from taxes in
4 the previous year or not included on the assessment unit's previ-
5 ous year's assessment roll.

6 (c) "Base tax rate" means a millage rate for a local unit of
7 government equal to the dollar amount of taxes levied for operat-
8 ing purposes for the concluding fiscal year from existing prop-
9 erty divided by the state equalized value of existing property
10 for ad valorem property tax levies for the ensuing fiscal year.

11 (d) "Concluding fiscal year" means the fiscal year of the
12 taxing unit immediately preceding the fiscal year for which a
13 limitation under this section is applied or calculated.

14 (e) "Ensuing fiscal year" means the fiscal year of the
15 taxing unit for which a limitation under this section is applied
16 or calculated.

17 (f) "Existing property" means all property against which ad
18 valorem property taxes were levied by a local unit for its con-
19 cluding fiscal year, minus all property ~~which~~ THAT is consid-
20 ered losses for purposes of ad valorem property tax levies of the
21 local unit for the ensuing fiscal year.

22 (g) "Local unit of government" or "taxing unit" means a
23 city, village, township, charter township, county, charter
24 county, local school district, intermediate school district, com-
25 munity college district, or authority.

26 (h) "Losses" means a decrease in value caused by the removal
27 or destruction of real or personal property, and the value of

1 property in the prior year ~~which~~ THAT has been exempted or
2 removed from the assessment unit's assessment roll.

3 (i) "Operating purposes" means all purposes for which ad
4 valorem property taxes are levied by the taxing unit other than
5 the levy of ad valorem property taxes to provide local school
6 districts revenue ~~which~~ THAT is deposited in a building and
7 site fund, or to pay principal and interest due on a bond or note
8 if and to the extent the ad valorem taxes levied for this purpose
9 are in addition to charter or statutory limitations, as autho-
10 rized by section 1a of chapter VII of THE MUNICIPAL FINANCE ACT,
11 Act No. 202 of the Public Acts of 1943, as amended, being section
12 137.1a of the Michigan Compiled Laws.

13 (2) Except as provided by subsection (3), the governing body
14 of a taxing unit shall not levy ad valorem property taxes for
15 operating purposes for an ensuing fiscal year of the taxing unit
16 ~~which~~ THAT yield an amount more than the sum of the taxes
17 levied at the base tax rate on additions within the taxing unit
18 for the ensuing fiscal year plus an amount equal to the taxes
19 levied for operating purposes for the concluding fiscal year on
20 existing property. If the taxing unit is a county, for purposes
21 of this calculation the resulting sum shall be reduced by an
22 amount equal to the estimate of the distribution as certified by
23 the state treasurer to be received by the county pursuant to
24 section 10 of the state convention facility development act, Act
25 No. 106 of the Public Acts of 1985, being section 207.630 of the
26 Michigan Compiled Laws, to the extent that the distribution has
27 been appropriated by the legislature and the estimate has been

1 certified by the state treasurer OR before the final date ON
2 WHICH a county millage rate can be certified for the ensuing
3 year. For purposes of this section, the state treasurer shall
4 certify an amount that is an estimate of the amount to be dis-
5 tributed to each county pursuant to section 10 of ~~the state con-~~
6 ~~vention facility development act~~ ACT NO. 106 OF THE PUBLIC ACTS
7 OF 1985.

8 (3) A governing body of a taxing unit may approve a levy of
9 an additional millage rate only after providing the notice
10 required by subsections (6) and (9) ~~,~~ AND holding a public
11 hearing of the governing body as prescribed by subsection (6).
12 ~~, and adopting a separate resolution or ordinance of the govern-~~
13 ~~ing body approving~~ TO APPROVE the levy of the additional millage
14 rate, THE GOVERNING BODY SHALL ADOPT A SEPARATE RESOLUTION OR
15 ORDINANCE.

16 (4) If, as a result of an appeal of county equalization or
17 state equalization, the state equalized valuation of a unit of
18 local government changes, and an incorrect amount of property
19 taxes has been levied, the amount of additional tax revenue or
20 the shortage of tax revenue shall be deducted from or added to
21 the next regular tax levy for that unit of local government after
22 the determination of the rate authorized pursuant to this
23 section. If the legislature makes an appropriation to a county
24 pursuant to section 10 of ~~the state convention facility develop-~~
25 ~~ment act,~~ Act No. 106 of the Public Acts of 1985, ~~being section~~
26 ~~207.630 of the Michigan Compiled Laws,~~ after the final date a
27 county millage rate can be certified for the ensuing year, or if

1 an appropriation made pursuant to section 10 of ~~the state~~
2 ~~convention facility development act~~ ACT NO. 106 OF THE PUBLIC
3 ACTS OF 1985 is reduced by an executive order, or if the amount
4 of a distribution pursuant to section 10 of ~~the state convention~~
5 ~~facility development act~~ ACT NO. 106 OF THE PUBLIC ACTS OF 1985
6 varies from the estimated amount certified by the state treasurer
7 pursuant to subsection (2), the amount of additional tax revenue
8 or the shortage of tax revenue shall be deducted from or added to
9 the next regularly estimated amount for purposes of the next
10 required calculations under subsections (2) and (11).

11 (5) If, at any time, the taxing unit determines that the
12 published, proposed additional millage rate or an adopted addi-
13 tional millage rate is insufficient, the taxing unit shall read-
14 vertise, hold another public hearing of the governing body, and,
15 if necessary, revote.

16 (6) The public hearing of the governing body of a taxing
17 unit required pursuant to subsections (3) and (5) shall be held
18 for the purpose of receiving testimony and discussing a levy of
19 an additional millage rate for its ensuing fiscal year. In addi-
20 tion to satisfying the requirements under THE OPEN MEETINGS ACT,
21 Act No. 267 of the Public Acts of 1976, as amended, being sec-
22 tions 15.261 to 15.275 of the Michigan Compiled Laws, the local
23 unit of government or taxing unit shall publish notice of this
24 public hearing in a newspaper of general circulation within the
25 local unit of government or taxing unit. This notice shall be
26 published not less than 6 days before the public hearing and may
27 be jointly published with the notice of the public hearing on the

1 taxing unit's proposed budget as required by section 2 of Act
2 No. 43 of the Public Acts of the Second Extra Session of 1963,
3 being section 141.412 of the Michigan Compiled Laws, if both
4 public hearings are held jointly. This notice shall specify the
5 time, date, and place of the public hearing and shall include, in
6 addition to other pertinent information the local unit of govern-
7 ment or taxing unit may elect to include, a statement indicating
8 the proposed additional millage rate and the percentage by which
9 this proposed additional millage rate would increase revenues for
10 operating purposes from ad valorem property tax levies permitted
11 by operation of subsection (2). This notice shall also provide a
12 statement that the taxing unit publishing the notice has complete
13 authority to establish the number of mills to be levied from
14 within its authorized millage rate. The notice shall be in not
15 less than 12-point type, shall be preceded by a headline stating
16 "notice of a public hearing on increasing property taxes" which
17 shall be in not less than 18-point type, shall be not less than 8
18 vertical column inches and 4 horizontal inches, and shall not be
19 placed in that portion of the newspaper reserved for legal notice
20 and classified advertisements.

21 (7) The proposed additional millage rate, which is required
22 by subsection (6) to be part of the notice of the public hearing,
23 shall be established by a resolution adopted by the governing
24 body of the taxing unit before conducting the public hearing.

25 (8) ~~Not less than 7 days after~~ AFTER a public hearing, a
26 taxing unit may approve the levy of an additional millage rate,
27 but shall not approve an additional millage rate which is greater

1 than a proposed additional millage rate that was published
2 pursuant to subsection (6) and on which a public hearing has been
3 held.

4 (9) Each local unit shall send timely written notice of the
5 time, date, and place of a public hearing to be held pursuant to
6 this section to all newspapers of general circulation within the
7 local unit.

8 (10) This section shall neither serve to extend or authorize
9 the levy of ad valorem property taxes at a tax rate in excess of
10 the maximum permitted by law, nor prevent the reduction of the
11 tax rate either by action of the governing body of the taxing
12 unit or pursuant to this act, including sections 34 and 34d.

13 Reductions in millage rates that may be required by the compound
14 operation of sections 34 and 34d shall be calculated indepen-
15 dently of the tax rate limitation determined by operation of this
16 section.

17 (11) If the sum of a county's operating property tax levy
18 for the ensuing fiscal year plus the county's distribution to be
19 received pursuant to section 10 of ~~the state convention facility~~
20 ~~development act~~ ACT NO. 106 OF THE PUBLIC ACTS OF 1985, exceeds
21 the product of the county's state equalized value for the ensuing
22 fiscal year times the greater of the county's base tax rate or
23 ~~prior~~ CONCLUDING FISCAL year's operating millage rate, then an
24 amount equal to the lesser of 50% of the excess or 50% of the
25 state convention facility development act distribution shall be
26 used for substance abuse treatment programs within the county.
27 The proceeds received by the taxing unit shall be distributed to

1 the coordinating agency designated for that county pursuant to
2 section 6226 of THE PUBLIC HEALTH CODE, Act No. 368 of the Public
3 Acts of 1978, being section 333.6226 of the Michigan Compiled
4 Laws, ~~to be~~ AND used only for substance abuse prevention and
5 treatment programs in the county from which the proceeds
6 originated.

7 (12) This section ~~shall apply~~ APPLIES to a fiscal year of
8 a taxing unit for which ad valorem property taxes are levied in
9 1982 or in any year ~~thereafter~~ AFTER 1982. This section
10 ~~shall~~ DOES not apply for the ensuing fiscal year of a local
11 unit of government that levied ad valorem property taxes for
12 operating purposes of 1 mill or less for its concluding fiscal
13 year.