

Legislative Analysis



BALLOT MEASURES TO ISSUE BONDS FINANCED BY AD VALOREM MILLAGE

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House Bill 5088

Sponsor: Rep. Tom McMillin

Committee: Tax Policy

Complete to 5-15-12

A SUMMARY OF HOUSE BILL 5088 AS INTRODUCED 10-18-11

The bill would require that when a ballot proposal is submitted to voters to authorize the issuance of bonds and those bonds are to be financed by an ad valorem millage, the ballot must contain a clear statement that if the aggregate taxable value of all property subject to the millage decreases, the millage rate may increase to cover the cost of the bonds. The bill is an amendment to the General Property Tax Act.

Currently, a ballot proposal to authorize the issuing of bonds must state (1) the principal amount to be borrowed; (2) the maximum number of years the bonds may be outstanding (exclusive of any refunding); and (3) a clear statement of the purpose for which bond proceeds will be used. Further, in general, a ballot that would authorize a millage rate to be levied must state (1) the millage rate to be authorized; (2) the estimated amount of revenue to be collected in the first year; (3) the duration of the millage in years; (4) a clear statement of the purpose of the millage; and (5) a clear statement whether the proposed millage is a renewal or a new millage. In addition, the ballot must fully disclose each local of government to which revenue from the proposed millage will be disbursed.

MCL211.24f

FISCAL IMPACT:

The bill would have no state fiscal impact.

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