Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 395 (as introduced 5-24-11)
Sponsor: Senator Dave Robertson
Committee: Local Government and Elections

Date Completed: 7-12-11

CONTENT

The bill would repeal Public Act 88 of 1913, which authorizes a county board of supervisors to levy a special tax to create a fund, or appropriate money from the general fund, for advertising the State's or county's agricultural or industrial advantages.

The tax revenue also may be used to collect, prepare, or maintain an exhibition of the county's products and industries at any domestic or foreign exposition; to encourage immigration and increase trade in Michigan products; or to advertise all or part of the State for tourists and resorters.

The total annual tax may not exceed five cents on each $100 of taxable property within the county according to the assessment rolls. The revenue must be used as directed by the board of supervisors. The board may appropriate the money for the support, work, and maintenance of a nonprofit legal association, development bureau, or board engaged in the purpose of advertising the advantages of and encouraging immigration, and increasing the trade of the county and other adjoining counties.

MCL 46.161 Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would reduce local unit revenue by eliminating the ability of counties to levy a property tax of up to 0.5 mill. The bill would minimally increase individual income tax revenue to the General Fund, but only to the extent that it reduced property taxes and thus lowered homestead property tax claims. The Senate Fiscal Agency is continuing to research the number of counties affected by the bill in order to estimate the magnitude of any reduction in local unit revenue. Assuming counties levy the millage on the winter tax bill and the bill were enacted before the December levy, the bill would reduce local unit revenue beginning in December 2011.

It is unknown whether the millage affected by the bill is included when local units calculate their constitutional limit on unvoted millage. To the extent that the millage is counted toward that limit, the bill could enable a local unit to increase the millage rates levied for other purposes. In that case, the bill would have no fiscal impact on the State and would only alter the distribution of revenue and expenditures in affected local units.

Fiscal Analyst: David Zin

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