THE CHARTER TOWNSHIP ACT (EXCERPT)
Act 359 of 1947

42.34 Exemption of charter township from annexation to contiguous city or village; exceptions.

Sec. 34. (1) A charter township existing on June 15, 1978, or a township incorporated after June 15, 1978 as a charter township that complies with the following standards, is exempt from annexation to any contiguous city or village except as provided in subsections (2) to (8):

(a) Has a state equalized valuation of not less than $25,000,000.00.

(b) Has a minimum population density of 150 persons per square mile to be determined by the secretary of state by dividing the most recent regular or special census of population by the number of square miles then under the jurisdiction of the charter township not to include the population or territory within the jurisdiction of an incorporated village.

(c) Provides fire protection service by contract or otherwise.

(d) Is governed by a comprehensive zoning ordinance or master plan.

(e) Provides solid waste disposal services to township residents, within or without the township, by contract, license, or municipal ownership.

(f) Provides water or sewer services, or both, by contract or otherwise.

(g) Provides police protection through contract with the sheriff in addition to normal sheriff patrol, through an intergovernmental contract, or through its own police department.

(2) Notwithstanding subsection (1), the state boundary commission may, under procedures initiated and conducted under section 9 of the home rule city act, 1909 PA 279, MCL 117.9, order a portion or portions of a charter township to be annexed as necessary to eliminate free standing islands of the township completely surrounded by an annexing city, or to straighten or align the exterior boundaries of the city or village in a manner that the charter township and city or village contain uniform straight boundaries wherever possible.

(3) Notwithstanding subsection (1), a portion of a charter township, which charter township is contiguous on all sides with a city or village, may be annexed by that city or village with the approval of a majority of the electors in that portion of a charter township.

(4) Notwithstanding subsection (1), if a qualified elector does not reside in the territory proposed to be annexed that is contiguous to the city or village, other than the 1 or more persons petitioning, or if a petition signed by 1 or more persons, firms, corporations, the United States government, or the state or any of its subdivisions that collectively hold the equitable title as vendee under a recorded land contract or memorandum of land contract, or recorded legal title to more than 1/2 of the area of the land in the territory to be annexed is filed with the city or village and with the township board of the charter township in which the territory is situated, the annexation may be accomplished by the affirmative majority vote of the city council or village board of the city or village and the approval of the charter township board of the township.

(5) Notwithstanding subsections (1) and (3), a portion of a charter township contiguous to a city or village may be annexed to that city or village upon the filing of a petition with the county clerk which petition is signed by 20% of the registered electors in the area to be annexed and approval by a majority of the qualified and registered electors voting on the question in the city or village to which the portion is to be annexed, and the portion of the township which is to be annexed, with the vote in each unit to be counted separately.

(6) If a petition is filed as provided in subsection (5), the county clerk, after determining the validity of the petition, shall order a referendum on the question of annexation. This referendum shall occur within 1 year after the validation of the petitions. The referendum shall be held at the first primary or general election held in that county not less than 60 days after the validation of the petition, or in compliance with the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(7) A village having a population of 4,200 or more shall not be annexed to a contiguous unit of government unless a majority of the qualified and registered electors residing within the village vote in favor of the annexation at an election held under the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(8) The common boundary of a charter township and a city or village may be adjusted by resolution approved by a majority of each of the respective governing bodies after the governing bodies give 90 days' notice to property owners in the area proposed for the boundary adjustment, and the governing bodies conduct a public hearing on the proposed boundary adjustment.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.34;—Am. 1978, Act 242, Imd. Eff. June 15, 1978;—Am. 1978, Act 591, Imd. Eff. Jan. 4, 1979;—Am. 1983, Act 136, Imd. Eff. July 18, 1983;—Am. 1984, Act 353, Eff. Mar. 29, 1985;—Am. 2003, Act 300, Eff. Jan. 1, 2005.

THE HOME RULE CITY ACT (EXCERPT)
Act 279 of 1909

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117.4i Permissible charter provisions.

Sec. 4i. Each city may provide in its charter for 1 or more of the following:

(a) Laying and collecting rents, tolls, and excises.

(b) Regulating and restricting the locations of oil and gasoline stations.

(c) The establishment of districts or zones within which the use of land and structures, the height, area, size, and location of buildings, the required open spaces for light and ventilation of buildings, and the density of population may be regulated by ordinance. The zoning ordinance provisions applicable to 1 or more districts may differ from those applicable to other districts. If a city is incorporated, or if territory is annexed to a city incorporated under this act, the zoning ordinance provisions applicable to the territory within the newly incorporated city or the annexed territory shall remain in effect for 2 years after the incorporation or annexation unless the legislative body of the city lawfully adopts other zoning ordinance provisions.

(d) The regulation of trades, occupations, and amusements within city boundaries, if the regulations are not inconsistent with state or federal law, and the prohibition of trades, occupations, and amusements that are detrimental to the health, morals, or welfare of the inhabitants of that city.

(e) The regulation or prohibition of public nudity within city boundaries. As used in this subdivision, “public nudity” means knowingly or intentionally displaying in a public place, or for payment or promise of payment by any person including, but not limited to, payment or promise of payment of an admission fee, any individual's genitals or anus with less than a fully opaque covering or a female individual's breast with less than a fully opaque covering of the nipple and areola. Public nudity does not include any of the following:

(*i*) A woman's breastfeeding of a baby whether or not the nipple or areola is exposed during or incidental to the feeding.

(*ii*) Material as defined in section 2 of 1984 PA 343, MCL 752.362.

(*iii*) Sexually explicit visual material as defined in section 3 of 1978 PA 33, MCL 722.673.

(f) Licensing, regulating, restricting, and limiting the number and locations of billboards within the city.

(g) The initiative and referendum on all matters within the scope of the powers of that city and the recall of city officials.

(h) A system of civil service for city employees, including employees of that city's board of health, and employees of any jail operated or maintained by the city. Charter provisions providing for a system of civil service for employees of a local health board are valid and effective.

(i) A system of compensation for city employees and the dependents of city employees in the case of disability, injury, or death of city employees.

(j) The enforcement of police, sanitary, and other ordinances that are not in conflict with the general laws.

(k) The punishment of persons who violate city ordinances other than ordinances described in section 4*l*. The penalty for a violation of such a city ordinance shall not exceed a fine of $500.00 or imprisonment for 90 days, or both. However, unless otherwise provided by law, the ordinance may provide that a violation of the ordinance is punishable by imprisonment for not more than 93 days or a fine of not more than $500.00, or both, if the violation substantially corresponds to a violation of state law that is a misdemeanor for which the maximum period of imprisonment is 93 days.

History: Add. 1929, Act 126, Eff. Aug. 28, 1929;—CL 1929, 2239;—Am. 1937, Act 309, Eff. Oct. 29, 1937;—Am. 1939, Act 175, Eff. Sept. 29, 1939;—Am. 1941, Act 10, Imd. Eff. Mar. 5, 1941;—Am. 1941, Act 283, Imd. Eff. June 17, 1941;—CL 1948, 117.4i;—Am. 1957, Act 131, Imd. Eff. May 25, 1957;—Am. 1963, Act 166, Eff. Sept. 6, 1963;—Am. 1991, Act 175, Eff. Mar. 30, 1992;—Am. 1994, Act 17, Eff. May 1, 1994;—Am. 1994, Act 313, Imd. Eff. July 21, 1994;—Am. 1996, Act 179, Imd. Eff. Apr. 19, 1996;—Am. 1999, Act 55, Eff. Oct. 1, 1999.

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.34d Definitions; tabulation of taxable values; computation of amounts; calculation of millage reduction fractions and compounded millage reduction fractions; transmittal of computations; certification; tax levy; limitation on number of mills; application of millage reduction fraction or limitation; voter approval of tax levy; incorrect millage reduction fraction; recalculation and rounding of fractions; publication of inflation rate; permanent reduction in maximum rates.

Sec. 34d. (1) As used in this section or section 27a, or section 3 or 31 of article IX of the state constitution of 1963:

(a) For taxes levied before 1995, "additions" means all increases in value caused by new construction or a physical addition of equipment or furnishings, and the value of property that was exempt from taxes or not included on the assessment unit's immediately preceding year's assessment roll.

(b) For taxes levied after 1994, "additions" means, except as provided in subdivision (c), all of the

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following:

(*i*) Omitted real property. As used in this subparagraph, "omitted real property" means previously existing tangible real property not included in the assessment. Omitted real property shall not increase taxable value as an addition unless the assessing jurisdiction has a property record card or other documentation showing that the omitted real property was not previously included in the assessment. The assessing jurisdiction has the burden of proof in establishing whether the omitted real property is included in the assessment. Omitted real property for the current and the 2 immediately preceding years, discovered after the assessment roll has been completed, shall be added to the tax roll pursuant to the procedures established in section 154. For purposes of determining the taxable value of real property under section 27a, the value of omitted real property is based on the value and the ratio of taxable value to true cash value the omitted real property would have had if the property had not been omitted.

(*ii*) Omitted personal property. As used in this subparagraph, "omitted personal property" means previously existing tangible personal property not included in the assessment. Omitted personal property shall be added to the tax roll pursuant to section 154.

(*iii*) New construction. As used in this subparagraph, "new construction" means property not in existence on the immediately preceding tax day and not replacement construction. New construction includes the physical addition of equipment or furnishings, subject to the provisions set forth in section 27(2)(a) to (o). For purposes of determining the taxable value of property under section 27a, the value of new construction is the true cash value of the new construction multiplied by 0.50.

(*iv*) Previously exempt property. As used in this subparagraph, "previously exempt property" means property that was exempt from ad valorem taxation under this act on the immediately preceding tax day but is subject to ad valorem taxation on the current tax day under this act. For purposes of determining the taxable value of real property under section 27a:

(A) The value of property previously exempt under section 7u is the taxable value the entire parcel of property would have had if that property had not been exempt, minus the product of the entire parcel's taxable value in the immediately preceding year and the lesser of 1.05 or the inflation rate.

(B) The taxable value of property that is a facility as that term is defined in section 2 of 1974 PA 198, MCL 207.552, that was previously exempt under section 7k is the taxable value that property would have had under this act if it had not been exempt.

(C) The value of property previously exempt under any other section of law is the true cash value of the previously exempt property multiplied by 0.50.

(*v*) Replacement construction. As used in this subparagraph, "replacement construction" means construction that replaced property damaged or destroyed by accident or act of God and that occurred after the immediately preceding tax day to the extent the construction's true cash value does not exceed the true cash value of property that was damaged or destroyed by accident or act of God in the immediately preceding 3 years. For purposes of determining the taxable value of property under section 27a, the value of the replacement construction is the true cash value of the replacement construction multiplied by a fraction the numerator of which is the taxable value of the property to which the construction was added in the immediately preceding year and the denominator of which is the true cash value of the property to which the construction was added in the immediately preceding year, and then multiplied by the lesser of 1.05 or the inflation rate.

(*vi*) An increase in taxable value attributable to the complete or partial remediation of environmental contamination existing on the immediately preceding tax day. The department of environmental quality shall determine the degree of remediation based on information available in existing department of environmental quality records or information made available to the department of environmental quality if the appropriate assessing officer for a local tax collecting unit requests that determination. The increase in taxable value attributable to the remediation is the increase in true cash value attributable to the remediation multiplied by a fraction the numerator of which is the taxable value of the property had it not been contaminated and the denominator of which is the true cash value of the property had it not been contaminated.

(*vii*) An increase in the value attributable to the property's occupancy rate if either a loss, as that term is defined in this section, had been previously allowed because of a decrease in the property's occupancy rate or if the value of new construction was reduced because of a below-market occupancy rate. For purposes of determining the taxable value of property under section 27a, the value of an addition for the increased occupancy rate is the product of the increase in the true cash value of the property attributable to the increased occupancy rate multiplied by a fraction the numerator of which is the taxable value of the property in the immediately preceding year and the denominator of which is the true cash value of the property in the immediately preceding year, and then multiplied by the lesser of 1.05 or the inflation rate.

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(*viii*) Public services. As used in this subparagraph, "public services" means water service, sewer service, a primary access road, natural gas service, electrical service, telephone service, sidewalks, or street lighting. For purposes of determining the taxable value of real property under section 27a, the value of public services is the amount of increase in true cash value of the property attributable to the available public services multiplied by 0.50 and shall be added in the calendar year following the calendar year when those public services are initially available.

(c) For taxes levied after 1994, additions do not include increased value attributable to any of the following:

(*i*) Platting, splits, or combinations of property.

(*ii*) A change in the zoning of property.

(*iii*) For the purposes of the calculation of the millage reduction fraction under subsection (7) only, increased taxable value under section 27a(3) after a transfer of ownership of property.

(d) "Assessed valuation of property as finally equalized" means taxable value under section 27a.

(e) "Financial officer" means the officer responsible for preparing the budget of a unit of local government.

(f) "General price level" means the annual average of the 12 monthly values for the United States consumer price index for all urban consumers as defined and officially reported by the United States department of labor, bureau of labor statistics.

(g) For taxes levied before 1995, "losses" means a decrease in value caused by the removal or destruction of real or personal property and the value of property taxed in the immediately preceding year that has been exempted or removed from the assessment unit's assessment roll.

(h) For taxes levied after 1994, "losses" means, except as provided in subdivision (i), all of the following:

(*i*) Property that has been destroyed or removed. For purposes of determining the taxable value of property under section 27a, the value of property destroyed or removed is the product of the true cash value of that property multiplied by a fraction the numerator of which is the taxable value of that property in the immediately preceding year and the denominator of which is the true cash value of that property in the immediately preceding year.

(*ii*) Property that was subject to ad valorem taxation under this act in the immediately preceding year that is now exempt from ad valorem taxation under this act. For purposes of determining the taxable value of property under section 27a, the value of property exempted from ad valorem taxation under this act is the amount exempted.

(*iii*) An adjustment in value, if any, because of a decrease in the property's occupancy rate, to the extent provided by law. For purposes of determining the taxable value of real property under section 27a, the value of a loss for a decrease in the property's occupancy rate is the product of the decrease in the true cash value of the property attributable to the decreased occupancy rate multiplied by a fraction the numerator of which is the taxable value of the property in the immediately preceding year and the denominator of which is the true cash value of the property in the immediately preceding year.

(*iv*) A decrease in taxable value attributable to environmental contamination existing on the immediately preceding tax day. The department of environmental quality shall determine the degree to which environmental contamination limits the use of property based on information available in existing department of environmental quality records or information made available to the department of environmental quality if the appropriate assessing officer for a local tax collecting unit requests that determination. The department of environmental quality's determination of the degree to which environmental contamination limits the use of property shall be based on the criteria established for the categories set forth in section 20120a(1) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20120a. The decrease in taxable value attributable to the contamination is the decrease in true cash value attributable to the contamination multiplied by a fraction the numerator of which is the taxable value of the property had it not been contaminated and the denominator of which is the true cash value of the property had it not been contaminated.

(i) For taxes levied after 1994, losses do not include decreased value attributable to either of the following:

(*i*) Platting, splits, or combinations of property.

(*ii*) A change in the zoning of property.

(j) "New construction and improvements" means additions less losses.

(k) "Current year" means the year for which the millage limitation is being calculated.

(*l*) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.

(2) On or before the first Monday in May of each year, the assessing officer of each township or city shall tabulate the tentative taxable value as approved by the local board of review and as modified by county

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equalization for each classification of property that is separately equalized for each unit of local government and provide the tabulated tentative taxable values to the county equalization director. The tabulation by the assessing officer shall contain additions and losses for each classification of property that is separately equalized for each unit of local government or part of a unit of local government in the township or city. If as a result of state equalization the taxable value of property changes, the assessing officer of each township or city shall revise the calculations required by this subsection on or before the Friday following the fourth Monday in May. The county equalization director shall compute these amounts and the current and immediately preceding year's taxable values for each classification of property that is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county. The county equalization director shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the millage reduction fraction for each unit of local government in the county for the current year. The financial officer for each taxing jurisdiction shall calculate the compounded millage reduction fractions beginning in 1980 resulting from the multiplication of successive millage reduction fractions and shall recognize a local voter action to increase the compounded millage reduction fraction to a maximum of 1 as a new beginning fraction. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the taxable values to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the taxable values to the presidents of community colleges within the county.

(3) On or before the first Monday in June of each year, the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.

(4) On or before the second Monday in June of each year, the treasurer of each county shall certify the immediately preceding year's taxable values, the current year's taxable values, the amount of additions and losses for the current year, and the current year's millage reduction fraction for each unit of local government that levies a property tax in the county.

(5) The financial officer of each unit of local government shall make the computation of the tax rate using the data certified by the county treasurer and the state tax commission. At the annual session in October, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested millage has been reduced, if necessary, in compliance with section 31 of article IX of the state constitution of 1963.

(6) The number of mills permitted to be levied in a tax year is limited as provided in this section pursuant to section 31 of article IX of the state constitution of 1963. A unit of local government shall not levy a tax rate greater than the rate determined by reducing its maximum rate or rates authorized by law or charter by a millage reduction fraction as provided in this section without voter approval.

(7) A millage reduction fraction shall be determined for each year for each local unit of government. For ad valorem property taxes that became a lien before January 1, 1983, the numerator of the fraction shall be the total state equalized valuation for the immediately preceding year multiplied by the inflation rate and the denominator of the fraction shall be the total state equalized valuation for the current year minus new construction and improvements. For ad valorem property taxes that become a lien after December 31, 1982 and through December 31, 1994, the numerator of the fraction shall be the product of the difference between the total state equalized valuation for the immediately preceding year minus losses multiplied by the inflation rate and the denominator of the fraction shall be the total state equalized valuation for the current year minus additions. For ad valorem property taxes that are levied after December 31, 1994, the numerator of the fraction shall be the product of the difference between the total taxable value for the immediately preceding year minus losses multiplied by the inflation rate and the denominator of the fraction shall be the total taxable value for the current year minus additions. For each year after 1993, a millage reduction fraction shall not exceed 1.

(8) The compounded millage reduction fraction for each year after 1980 shall be calculated by multiplying the local unit's previous year's compounded millage reduction fraction by the current year's millage reduction fraction. Beginning with 1980 tax levies, the compounded millage reduction fraction for the year shall be multiplied by the maximum millage rate authorized by law or charter for the unit of local government for the year, except as provided by subsection (9). A compounded millage reduction fraction shall not exceed 1.

(9) The millage reduction shall be determined separately for authorized millage approved by the voters. The limitation on millage authorized by the voters on or before April 30 of a year shall be calculated beginning with the millage reduction fraction for that year. Millage authorized by the voters after April 30 shall not be subject to a millage reduction until the year following the voter authorization which shall be calculated beginning with the millage reduction fraction for the year following the authorization. The first

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millage reduction fraction used in calculating the limitation on millage approved by the voters after January 1, 1979 shall not exceed 1.

(10) A millage reduction fraction shall be applied separately to the aggregate maximum millage rate authorized by a charter and to each maximum millage rate authorized by state law for a specific purpose.

(11) A unit of local government may submit to the voters for their approval the levy in that year of a tax rate in excess of the limit set by this section. The ballot question shall ask the voters to approve the levy of a specific number of mills in excess of the limit. The provisions of this section do not allow the levy of a millage rate in excess of the maximum rate authorized by law or charter. If the authorization to levy millage expires after 1993 and a local governmental unit is asking voters to renew the authorization to levy the millage, the ballot question shall ask for renewed authorization for the number of expiring mills as reduced by the millage reduction required by this section. If the election occurs before June 1 of a year, the millage reduction is based on the immediately preceding year's millage reduction applicable to that millage. If the election occurs after May 31 of a year, the millage reduction shall be based on that year's millage reduction applicable to that millage had it not expired.

(12) A reduction or limitation under this section shall not be applied to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued that were authorized before December 23, 1978, as provided by section 4 of chapter I of former 1943 PA 202, or to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued that are approved by the voters after December 22, 1978.

(13) If it is determined subsequent to the levy of a tax that an incorrect millage reduction fraction has been applied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the authorized rate pursuant to this section.

(14) If as a result of an appeal of county equalization or state equalization the taxable value of a unit of local government changes, the millage reduction fraction for the year shall be recalculated. The financial officer shall effectuate an addition or reduction of tax revenue in the same manner as prescribed in subsection (13).

(15) The fractions calculated pursuant to this section shall be rounded to 4 decimal places, except that the inflation rate shall be computed by the state tax commission and shall be rounded to 3 decimal places. The state tax commission shall publish the inflation rate before March 1 of each year.

(16) Beginning with taxes levied in 1994, the millage reduction required by section 31 of article IX of the state constitution of 1963 shall permanently reduce the maximum rate or rates authorized by law or charter. The reduced maximum authorized rate or rates for 1994 shall equal the product of the maximum rate or rates authorized by law or charter before application of this section multiplied by the compounded millage reduction applicable to that millage in 1994 pursuant to subsections (8) to (12). The reduced maximum authorized rate or rates for 1995 and each year after 1995 shall equal the product of the immediately preceding year's reduced maximum authorized rate or rates multiplied by the current year's millage reduction fraction and shall be adjusted for millage for which authorization has expired and new authorized millage approved by the voters pursuant to subsections (8) to (12).

History: Add. 1978, Act 532, Imd. Eff. Dec. 21, 1978;—Am. 1979, Act 35, Imd. Eff. June 20, 1979;—Am. 1981, Act 6, Imd. Eff. Apr. 16, 1981;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1991, Act 38, Imd. Eff. June 10, 1991;—Am. 1993, Act 145, Imd. Eff. Aug. 19, 1993;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2005, Act 12, Imd. Eff. Apr. 28, 2005.

Constitutionality: MCL 211.34d(i)(b)(*vii*) is unconstitutional because it purports to define the term “additions” for purposes of Mich. Const. 1963, Art. 9, § 3 in a way that violates the proper meaning of that term, WPW Acquisition Co. v. City of Troy, 466 Mich. 117, 643 N.W. 2d 564 (2002).

Compiler's note: Sec. 34d, as amended by Act 6 of 1981, was amended by Act 41 of 1981 to read as follows:

“Sec. 34d. (1) As used in this section or section 31 of article 9 of the state constitution of 1963, or both:

“(a) “Additions” means all increases in value caused by new construction in the classification, a physical addition of equipment or furnishings in the classification, and the value of property which was exempt from taxes or not included on the assessment unit's previous year's assessment roll for the classification, and, for property in a classification which was classified as part of a different class in the previous year, the value assigned to that property in the previous year.

“(b) “Financial officer” means the officer responsible for preparing the budget of a unit of local government.

“(c) “Losses” means a decrease in value caused by the removal or destruction of property in the classification, and the value of property taxed in the prior year which has been exempted or removed from the assessment unit's assessment roll for the classification, and the value of property which has been reclassified out of the class of property.

“(d) “New construction and improvements” means additions less losses.

“(e) “Current year” means the year for which the tax limitation is being calculated.

“(2) On or before the first Monday in May of each year the assessing officer of each township or city shall tabulate the assessed valuation as approved by the local board of review for each classification of property which is separately equalized for each unit of local

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government and provide the tabulated assessed valuations to the county equalization director. The tabulation by the assessing officer shall contain additions and losses for each classification of property which is separately equalized for each unit of local government or part of a unit of local government in the township or city. The county equalization director shall compute these amounts and the current and prior year's state equalized valuation for each classification of property which is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county and shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the tax reduction fractions for each unit of local government in the county for the current year. The financial officer for each taxing jurisdiction shall calculate the compounded tax reduction fractions beginning in 1982 resulting from the multiplication of successive tax reduction fractions and shall recognize a local voter action which may increase the compounded tax reduction fractions to a maximum of 1 as the new beginning fractions. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the assessed valuations to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the assessed valuation to the presidents of community colleges within the county.

"(3) On or before the fourth Tuesday in May of each year the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.

"(4) On or before June 1 of each year the treasurer of each county shall certify the prior year's state equalized valuation of property, the current year's state equalized valuation of property, the amount of additions and losses for the current year, and the current year's tax reduction fractions for each classification of property which is separately equalized for each unit of local government which levies a property tax in the county.

"(5) The financial officer of each unit of local government shall make the computation of the tax collection using the data certified by the county treasurer and the state tax commission. At the annual session in October, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested levy's collection has been reduced, if necessary, in compliance with section 31 of article 9 of the state constitution of 1963 and has attached a completed tax reduction calculation form prescribed by the state tax commission.

"(6) The amount of taxes permitted to be collected from tax levies after December 31, 1980, is limited as provided in this section pursuant to section 31 of article 9 of the state constitution of 1963. Without voter approval, a unit of local government shall not collect an amount of taxes on each property classification which is separately equalized greater than the amount determined by multiplying the tax levy on each class by a tax reduction fraction for that classification of property as provided in this section.

"(7) Beginning in 1981, a tax reduction fraction shall be determined for each year for each classification of property which is separately equalized for each local unit of government. For ad valorem property taxes levied after December 31, 1980, the numerator of the fractions shall be the product of the difference of total state equalized valuation of the class of property for the preceding year less losses, multiplied by 1.06 and the denominator of the fraction shall be the total state equalized valuation of the class of property for the current year minus additions. The annual tax reduction fractions for ad valorem property tax levies shall not exceed 1. For 1981 ad valorem property tax levies, the 1981 annual tax reduction fractions shall be multiplied by the ad valorem property tax levy for operating purposes from the respective property classification by the unit of local government for 1981, except as provided by subsection (9).

"(8) The tax reduction fractions for the 1981 tax year shall be the first fractions in the series of annual reduction fractions which shall be multiplied together to produce the compounded tax reduction fractions for the year. The compounded tax reduction fractions for 1982 shall be calculated by multiplying the 1981 tax reduction fractions for a class by the 1982 tax reduction fraction for the class. The compounded tax reduction fraction for 1983 and each year thereafter for a class shall be calculated by multiplying the local unit's previous year's compounded tax reduction fraction for the class by the current year's tax reduction fraction for the class. Beginning with 1982 ad valorem property tax levies, the compounded tax reduction fractions for the year shall be multiplied by the ad valorem property tax levy for operating purposes from the respective property classification by the unit of local government for the year, except as provided by subsection (9). A compounded tax reduction fraction shall not exceed 1.

"(9) After January 1, 1981 and upon voter approval of the increased number of mills as required by subsection (11), the tax reduction shall be determined separately for taxes levied from a number of mills in excess of the number of mills levied in 1980. An increase in the number of mills over the number of mills levied in the previous year that is approved by the voters after January 1, 1981 shall not be subject to a tax reduction until the year following the first levy of these mills which shall be calculated beginning with the tax reduction fractions for the year following the first levy of these mills. The annual tax reduction fractions used in calculating the limitation on taxes from these increased number of mills approved by the voters after January 1, 1981 shall not exceed 1.

"(10) A unit of local government may submit to the voters for their approval a ballot question to allow the collection of taxes in excess of the limit set by this section or to reimpose the limit set by this section that had previously been increased or waived. The ballot question to allow the collection of taxes in excess of the limit set by this section may ask the voters to increase the 6% limit on increased tax collections in each class to a higher specified percentage in 1 or more specified years, to waive the application of the annual tax reduction fractions in that year by utilizing annual tax reduction fractions of 1 in determining the compound tax reduction fractions for the year, or to approve the collection in 1 or more specified years of its tax levy without regard to the tax reduction required by section 31 of article 9 of the state constitution of 1963 by approving an increase in that year's compounded tax reduction fractions to 1. If a collection of a tax levy with a limitation of over 6% or without regard to the tax reduction required by subsection (6) and section 31 of article 9 of the state constitution of 1963 is approved for more than 1 year, the voters in the unit of local government may require not more than 1 time in each 12-month period, upon filing a petition signed by not less than 10% of the qualified electors in the unit of local government which signatures have been collected within not more than 90 days after the petition was first circulated, that the question of reinstitution of the 6% limit be submitted to the electors of the unit of local government at either the next regularly scheduled election of the unit of local government or a special election called by the governing board of the unit of local government if the next regularly scheduled election is more than 180 days after the date the petitions are submitted. If, at an election held before the date certification is required of the unit of local government under section 36, the electors approve a question submitted pursuant to this subsection either by the unit of local government or by referendum, the approval shall be effective with ad valorem property tax levies for the year the question was approved. If necessary, any consequential adjustment required of the annual and compound tax reduction fractions and of the summer or winter tax levies of any unit of local government in the year the election is held shall be made by adding or deducting the appropriate amounts to or from the next ad valorem property tax levy of the unit of local government. If the question submitted pursuant to this subsection either by the unit of local government or by referendum is approved by the electors at an election held after the date certification is required of the unit of local government under section 36, approval shall be effective with ad valorem property tax levies for the year immediately following the year in which the question was approved. If a limit in excess of 6% is approved before the date certification is required of the unit of local government under section 36, the year's annual tax reduction fractions shall be recalculated

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for determining the current year's and all following year's compounded tax reduction fractions. Upon reinstitution of the 6% limit after 1 or more years in which taxes were levied without regard to the required reduction, the compound tax reduction fraction calculation shall utilize 1 as the annual tax reduction fraction for each classification of property for each year in which the limitation was not effective. The provisions of this section shall not allow the levy of a millage rate in excess of the maximum rate authorized by law or charter or for the increase or waiver of the 6% limitation for less than all classifications of property. A vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved, without approving an increase or establishment of an authorized millage rate, either the levy of a specified number of mills for operating purposes in excess of the limit imposed for 1981 tax levies pursuant to this section as effective January 1, 1981 or the levy of a certain number of mills for operating purposes after application of this section as effective January 1, 1981, shall be considered sufficient to increase the 6% limitation in 1981 to a percentage which would allow the unit of local government to collect full revenues from the levy of these mills in 1981. A vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved, pursuant to this section as effective January 1, 1981, either a compound millage reduction fraction of 1 for 1981 tax levies or the levy of its authorized millage without regard to this section as then effective, shall be considered sufficient to waive the 6% limitation in 1981 for ad valorem property tax levies for that unit of local government.

"(11) A millage rate shall not be levied in excess of the rate levied in the previous year without approval of a majority of the qualified electors of the unit of local government voting thereon. A unit of local government, which submits a question seeking the approval of a majority of the qualified electors voting thereon for increasing or establishing an authorized millage rate for operating purposes, shall identify in the question the number of mills for operating purposes that the local unit could levy upon approval of the question in excess of the number of mills levied for operating purposes by the local unit in the previous year. If none of the mills authorized to be levied for operating purposes in 1980 have expired, a vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved an increase in the maximum authorized millage rate for operating purposes effective in 1980, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government over the millage rate levied for operating purposes by the unit of local government in 1980 by the number of mills by which the maximum authorized millage rate for operating purposes in 1980 is increased. A vote at an election held between January 1, 1981 and May 19, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved the establishment of a maximum authorized millage rate for operating purposes after a certain number of mills authorized to be levied for operating purposes in 1980 have expired, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government in 1980 by the difference, if any, between the total number of mills this vote would actually allow to be levied for operating purposes under this section as effective January 1, 1981, based on the actual 1980 compounded millage reduction fraction and a 1981 annual millage reduction fraction of 1.0, less the millage rate for operating purposes levied for operating purposes under this section as effective January 1, 1981, based on the actual 1980 compounded millage reduction fraction and 1981 annual millage reduction fraction of 1.0, less the millage rate for operating purposes levied by the unit of local government in 1980. A vote at an election held between May 20, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved the establishment of a maximum authorized millage rate for operating purposes after a certain number of mills authorized to be levied for operating purposes in 1980 have expired, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government in 1980 by the difference, if any, between subdivision (a) less subdivision (b):

"(a) The sum of the difference between the maximum authorized millage rate for operating purposes in 1980 less the number of authorized mills in 1980 for operating purposes which have expired, plus the number of mills for operating purposes voted upon or renewed over the 1981 maximum authorized millage rate for operating purposes before this approval.

"(b) The millage rate for operating purposes levied by the unit of local government in 1980.

"(12) A reduction or limitation under this section shall be applied only to taxes imposed for operating purposes, as defined by section 7a.

"(13) Notwithstanding any charter provision or law to the contrary, a city, village, township, or county that prepares and mails summer tax bills shall delay the preparation and mailing of the 1981 summer tax bills, and a taxing unit shall not levy ad valorem property taxes in 1981, until between July 6, 1981 and a later date determined by the city, village, township, or county that prepares and mails summer tax bills in 1981. In addition, the final date on which the summer taxes are payable without penalty or interest shall be delayed by the same number of days that the mailing of the tax bills is delayed and the date on which a unit of local government must adopt its budget for a local fiscal year commencing in 1981 may be delayed until after May 19, 1981.

"(14) If it is determined subsequent to the levy of a tax that an incorrect tax reduction fraction has been applied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the reduction of tax collections pursuant to this section.

"(15) If, as a result of an appeal of county equalization or state equalization, the state equalized valuation of a separately equalized class of property of a unit of local government changes, the tax reduction fractions for the year shall be recalculated. The financial officer shall effectuate an addition or reduction of tax revenue in the same manner as prescribed in subsection (14).

"(16) The fractions calculated pursuant to this section shall be rounded to 4 decimal places.

"(17) Beginning in 1981, the determination, tabulation, calculation, and certification of assessed values, state equalized values, additions, and losses required by this section shall be done separately for each class of property which is separately equalized.

"(18) A question authorized to be submitted by subsection (10) shall not be submitted as part of a question seeking to increase or establish a millage rate for the unit of local government, but may be submitted as a separate question on the same ballot."

Section 2 of Act 41 of 1981 provides: "(1) Except as provided by subsections (2) and (3), this amendatory act shall not take effect unless House Joint Resolution G of the 81st Legislature becomes a part of the constitution as provided in section 1 of article 12 of the state constitution of 1963.

"(2) Section 7a(8), (9), (12), and (14) of this amendatory act shall take immediate effect, but shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters.

"(3) Sections 7a(11) and 34d(3), (4), (7), (9), (10), (11), (17), and (18) of this amendatory act shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been approved by the voters."

Section 3 of Act 41 of 1981 provides: "Section 34d(13) of this amendatory act shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters."

Proposal A, referred to in Sections 2 and 3 of Act 41 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27,

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1981, that Proposal A had been rejected by the voters.

Popular name: Act 206

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