

**CITY INCOME TAX ACT (EXCERPT)**  
**Act 284 of 1964**

**141.503a Specific rates to be levied by city; establishment; limitations; increase in tax rate; approval; resolution; financial management consultant; duties; monitoring and reporting; termination of consultant services; recommendations of local emergency financial assistance loan board.**

Sec. 3a. (1) The specific rates to be levied by a city on corporations, resident individuals, and nonresident individuals shall be established within the applicable limitations allowed under this section and section 3 of this chapter in the ordinance which otherwise incorporates by reference the uniform city income tax ordinance set forth in chapter 2.

(2) The governing body of a city with a population of less than 1,000,000 persons may levy, assess, and collect an excise tax on income earned and received at a rate of not more than 2% on corporations, not more than 2% on resident individuals, and not more than 50% of the rate imposed on resident individuals on nonresident individuals if approved by a majority of the qualified electors of the city voting thereon before November 15, 1988, and if all of the following occurred in the calendar year immediately preceding the calendar year in which the increased rates allowed by this subsection initially would apply:

(a) The city levied more than 22 mills for city purposes and for payment of judgments ordered by a court of competent jurisdiction.

(b) More than 65 mills were levied in the city for all purposes.

(c) The city levied a tax pursuant to this act.

(3) Any increase in the tax rate permitted by this section shall not become effective until the governing body of the city, by resolution, provides for securing the services of a financial management consultant. The financial management consultant shall be selected by the mayor with the approval of the local emergency financial assistance loan board created under Act No. 243 of the Public Acts of 1980, as amended, being sections 141.931 to 141.942 of the Michigan Compiled Laws. The resolution shall further provide that the financial management consultant shall be paid from city funds. The duties of the financial management consultant shall be to monitor the fiscal condition of the city, to report the findings of this monitoring to the local governing body, the mayor, and the local emergency financial assistance loan board, and to provide financial management technical assistance to the city. The local emergency financial assistance loan board shall determine the form of monitoring and the frequency of reporting. The financial management consultant shall have full access to all fiscal and other records of the city. The services of a financial management consultant may be terminated subject to the approval of the local emergency financial assistance loan board at such time as improvement in the financial condition of the city warrants this action. The local emergency financial assistance loan board may make recommendations to the legislature that will assist in the attainment of further fiscal improvement for the city.

**History:** Add. 1982, Act 124, Imd. Eff. Apr. 19, 1982;—Am. 1984, Act 137, Imd. Eff. June 1, 1984;—Am. 1987, Act 223, Imd. Eff. Dec. 28, 1987.