

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

EQUALIZATION BY COUNTIES.

211.34 Determination of county equalized value; conducting business at public meeting; notice of meeting; advising local taxing units of increased equalized value; reduction of maximum authorized millage rate; examination of assessment rolls to ascertain equal and uniform assessment of real and personal property; equalization procedure; establishment of department to survey assessments and assist board of commissioners; appeal to state tax tribunal; authority of agent to file and sign petition for appeal.

Sec. 34. (1) The county board of commissioners in each county shall meet in April each year to determine county equalized value which equalization shall be completed and submitted along with the tabular statement required by section 5 of Act No. 44 of the Public Acts of 1911, being section 209.5 of the Michigan Compiled Laws, to the state tax commission before the first Monday in May. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended. Each year the county board of commissioners shall advise the local taxing units when the state tax commission increases the equalized value of the county as established by the board of county commissioners and each taxing unit other than a city, township, school district, intermediate school district, or community college district, shall immediately reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that subsequent to the increase ordered by the state tax commission pursuant to Act No. 44 of the Public Acts of 1911, as amended, being sections 209.1 to 209.8 of the Michigan Compiled Laws, total property taxes levied for that unit shall not exceed that which would have been levied for that unit at its maximum authorized millage rate, as determined after any reduction caused by section 34d, if there had not been an increase in valuation by the state. If its state equalized valuation exceeds its assessed valuation by 5.0% or more in 1982 or by any amount in 1983 or any year thereafter, a city or township shall reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that total property taxes levied for that unit do not exceed that which would have been levied based on its assessed valuation.

(2) The county board of commissioners shall examine the assessment rolls of the townships or cities and ascertain whether the real and personal property in the respective townships or cities has been equally and uniformly assessed at true cash value. If, on the examination, the county board of commissioners considers the assessments to be relatively unequal, it shall equalize the assessments by adding to or deducting from the valuation of the taxable property in a township or city an amount which in the judgment of the county board of commissioners will produce a sum which represents the true cash value of that property, and the amount added to or deducted from the valuations in a township or city shall be entered upon the records. The county board of commissioners and the state tax commission shall equalize real and personal property separately by adding to or deducting from the valuation of taxable real property, and by adding to or deducting from the valuation of taxable personal property in a township, city, or county, an amount which will produce a sum which represents the proportion of true cash value established by the legislature. Beginning December 31, 1980, the county board of commissioners and the state tax commission shall equalize separately the following classes of real property by adding to or deducting from the valuation of agricultural, developmental, residential, commercial, industrial, and timber cutover taxable real property, and by adding to or deducting from the valuation of taxable personal property in a township, city, or county, an amount as will produce a sum which represents the proportion of true cash value established by the legislature. The tax roll and the tax statement shall clearly set forth the latest state equalized valuation for each item or property which shall be determined by using a separate factor for personal property and a separate factor for real property as equalized. Beginning December 31, 1980, the tax roll and the tax statement shall clearly set forth the latest state equalized valuation for each item or property which shall be determined by using a separate factor for personal property and a separate factor for each classification for real property as equalized. Factors used in determining the state equalized valuation for real and personal property on the tax roll shall be rounded up to not less than 4 decimal places. Equalized values for both real and personal property shall be equalized uniformly at the same proportion of true cash value in the county. The county board of commissioners shall also cause to be entered upon its records the aggregate valuation of the taxable real and personal property of each township or city in its county as determined by the county board. The county board of commissioners shall also make alterations in the description of any land on the rolls as is necessary to render the descriptions

conformable to the requirements of this act. After the rolls are equalized, each shall be certified to by the chairperson and the clerk of the board and be delivered to the supervisor of the proper township or city, who shall file and keep the roll in his or her office.

(3) The county board of commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments, and may employ in that department technical and clerical personnel which in its judgment are considered necessary. The personnel of the department shall be under the direct supervision and control of a director of the tax or equalization department who may designate an employee of the department as his or her deputy. The director of the county tax or equalization department shall be appointed by the county board of commissioners. The county board of commissioners, through the department, may furnish assistance to local assessing officers in the performance of duties imposed upon those officers by this act, including the development and maintenance of accurate property descriptions, the discovery, listing, and valuation of properties for tax purposes, and the development and use of uniform valuation standards and techniques for the assessment of property.

(4) The supervisor of a township or, with the approval of the governing body, the certified assessor of a township or city, or the intermediate district board of education, or the board of education of an incorporated city or village aggrieved by the action of the county board of commissioners, in equalizing the valuations of the townships or cities of the county, may appeal from the determination to the state tax tribunal in the manner provided by law. An appeal from the determination by the county board of commissioners shall be filed with the clerk of the tribunal by a written or printed petition which shall set forth in detail the reasons for taking the appeal. The petition shall be signed and sworn to by the supervisor, the certified assessor, or a majority of the members of the board of education taking the appeal, shall show that a certain township, city, or school district has been discriminated against in the equalization, and shall pray that the state tax tribunal proceed at its earliest convenience to review the action from which the appeal is taken. The state tax tribunal shall, upon hearing, determine if in its judgment there is a showing that the equalization complained of is unfair, unjust, inequitable, or discriminatory. The state tax tribunal shall have the same authority to consider and pass upon the action and determination of the county board of commissioners in equalizing valuations as it has to consider complaints relative to the assessment and taxation of property. The state tax tribunal may order the county board of commissioners to reconvene and to cause the assessment rolls of the county to be brought before it, may summon the commissioners of the county to give evidence in relation to the equalization, and may take further action and may make further investigation in the premises as it considers necessary. The state tax tribunal shall fix a valuation on all property of the county. If the state tax tribunal decides that the determination and equalization made by the county board of commissioners is correct, further action shall not be taken. If the state tax tribunal, after the hearing, decides that the valuations of the county were improperly equalized, it shall proceed to make deductions from, or additions to, the valuations of the respective townships, cities, or school districts as may be considered proper, and in so doing the tribunal shall have the same powers as the county board of commissioners had in the first instance. The deductions or additions shall decrease or increase the state equalized valuation of the local unit affected but shall not increase or decrease the total state equalized valuation of the county in the case of an appeal under this section to the state tax tribunal. If the tax tribunal finds that the valuations of a class of property in a county were improperly equalized by that county and determines that the total value of that class of property in the county may not be at the level required by law, prior to entry of a final order, the tax tribunal shall forward its findings and determination to the state tax commission. Within 90 days after receiving the findings and determination of the tax tribunal, the state tax commission shall determine whether the state equalized valuation of that class of property in the county was set at the level prescribed by law or should be revised to provide uniformity among the counties and shall enter an order consistent with the state tax commission's findings. The tax tribunal shall enter a final order based upon the revised state equalized valuation, if any, which is adopted by the state tax commission. The state tax tribunal immediately after completing its revision of the equalization of the valuation of the several assessment districts shall report its action to the county board of commissioners and board of education if the board has instituted the appeal by filing its report with the clerk of the county board of commissioners. The action of the state tax tribunal in the premises shall constitute the equalization of the county for the tax year.

(5) For purposes of appeals pursuant to subsection (4) in 1981 only, an agent of a supervisor, including an assessor, shall be considered to have the authority to file and sign a petition for an appeal, and any otherwise timely submitted petition in 1981 by an agent of a supervisor shall be reviewed by the tribunal as if submitted by the supervisor.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3857;—Am. 1909, Act 292, Eff. Sept. 1, 1909;—Am. 1913, Act 201, Eff.

Aug. 14, 1913;—CL 1915, 4028;—Am. 1921, Act 380, Eff. Aug. 18, 1921;—Am. 1925, Act 85, Eff. Aug. 27, 1925;—CL 1929, 3422;—CL 1948, 211.34;—Am. 1952, Act 264, Eff. Sept. 18, 1952;—Am. 1954, Act 200, Eff. Aug. 13, 1954;—Am. 1956, Act 30, Imd. Eff. Mar. 28, 1956;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1968, Act 206, Eff. Nov. 15, 1968;—Am. 1970, Act 152, Imd. Eff. Aug. 1, 1970;—Am. 1971, Act 189, Imd. Eff. Dec. 20, 1971;—Am. 1975, Act 243, Imd. Eff. Sept. 4, 1975;—Am. 1976, Act 233, Imd. Eff. Aug. 4, 1976;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978;—Am. 1979, Act 114, Eff. Mar. 27, 1980;—Am. 1980, Act 152, Imd. Eff. June 11, 1980;—Am. 1981, Act 6, Imd. Eff. Apr. 16, 1981;—Am. 1981, Act 213, Imd. Eff. Dec. 30, 1981;—Am. 1986, Act 105, Imd. Eff. May 19, 1986.

Popular name: Act 206

211.34a Tabular statement of tentative equalization ratios and estimated multipliers; preparation; publication; copies, notices; effect on equalization procedures; appeal.

Sec. 34a. (1) The equalization director of each county shall prepare a tabular statement each year, by the several cities and townships of the county, showing the tentative recommended equalization ratios and estimated multipliers necessary to compute individual state equalized valuation of real property and of personal property. The county shall publish the tabulation in a newspaper of general circulation within the county on or before the third Monday in February each year and furnish a copy to each assessor and to each of the boards of review in the county and to the state tax commission. All notices of meetings of the boards of review shall give the tentative ratios and estimated multipliers pertaining to their jurisdiction. The tentative recommended equalization ratios and multiplying figures shall not prejudice the equalization procedures of the county board of commissioners or the state tax commission.

(2) If the final equalization multiplier for only the 1986 tax year exceeds the tentative multiplier used in preparing the assessment notice and as a result of action of the state board of equalization or county board of commissioners a taxpayer's assessment as equalized is in excess of 50% of true cash value, that person may appeal directly to the tax tribunal. The appeal shall be filed under this subsection during 1986 on or before the third Monday in August and shall be heard in the same manner as other appeals of the tribunal. An appeal pursuant to this subsection shall not result in an equalized value less than the assessed value multiplied by the tentative equalization multiplier used in preparing the assessment notice.

History: Add. 1971, Act 165, Imd. Eff. Nov. 24, 1971;—Am. 1975, Act 188, Imd. Eff. Aug. 2, 1975;—Am. 1986, Act 138, Imd. Eff. June 30, 1986.

Compiler's note: In the last sentence of subsection (2), the word "assessed" evidently should read "assessed".

Popular name: Act 206

211.34b Joint equalization department; establishment; duties.

Sec. 34b. Two or more counties may jointly establish an equalization department as provided by section 34. The joint equalization department shall assist the boards of commissioners in each participating county in surveying and equalizing assessments and meeting the requirements of section 34.

History: Add. 1972, Act 356, Eff. Mar. 30, 1973.

Popular name: Act 206

211.34c Classification of assessable property; tabulation of assessed valuations; transmittal of tabulation and other statistical information; description; buildings on leased land as improvements; total usage of parcel which includes more than 1 classification; notice to assessor and protest of assigned classification; decision; petition; arbitration; determination final and binding; appeal by department; construction of section; separate assessment roll for certain property.

Sec. 34c. (1) Not later than the first Monday in March in each year, the assessor shall classify every item of assessable property according to the definitions contained in this section. Following the March board of review, the assessor shall tabulate the total number of items and the valuations as approved by the board of review for each classification and for the totals of real and personal property in the local tax collecting unit. The assessor shall transmit to the county equalization department and to the state tax commission the tabulation of assessed valuations and other statistical information the state tax commission considers necessary to meet the requirements of this act and 1911 PA 44, MCL 209.1 to 209.8.

(2) The classifications of assessable real property are described as follows:

(a) Agricultural real property includes parcels used partially or wholly for agricultural operations, with or without buildings. For taxes levied after December 31, 2002, agricultural real property includes buildings on leased land used for agricultural operations. If a parcel of real property is classified as agricultural real property and is engaged in agricultural operations, any contiguous parcel owned by the same taxpayer, that is a vacant parcel, a wooded parcel, or a parcel on which is located 1 or more agricultural outbuildings that

comprise more than 50% of the taxable value of all buildings on that parcel as indicated by the assessment records for the local tax collecting unit in which that parcel is located, shall be classified as agricultural real property. Contiguity is not broken by a boundary between local tax collecting units, a section boundary, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. For purposes of this subsection, contiguity requires that the parcel classified as agricultural real property by reason of its agriculture use and the vacant parcel, wooded parcel, or parcel on which is located 1 or more agricultural outbuildings must be immediately adjacent to each other, without intervening parcels that do not qualify for classification as agricultural real property based on their actual agricultural use. It is the intent of the legislature that if a parcel of real property is classified as agricultural real property and is engaged in agricultural operations, any contiguous parcel owned by the same taxpayer, that is a vacant parcel, a wooded parcel, or a parcel on which is located 1 or more agricultural outbuildings that comprise more than 50% of the taxable value of all buildings on that parcel as indicated by the assessment records for the local tax collecting unit in which that parcel is located, shall be classified as agricultural real property even if the contiguous parcels are located in different local tax collecting units. Property shall not lose its classification as agricultural real property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan. As used in this subdivision:

(i) "Agricultural outbuilding" means a building or other structure primarily used for agricultural operations.

(ii) "Agricultural operations" means the following:

(A) Farming in all its branches, including cultivating soil.

(B) Growing and harvesting any agricultural, horticultural, or floricultural commodity.

(C) Dairying.

(D) Raising livestock, bees, fish, fur-bearing animals, or poultry, including operating a game bird hunting preserve licensed under part 417 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.41701 to 324.41712, and also including farming operations that harvest cervidae on site where not less than 60% of the cervidae were born as part of the farming operation. As used in this subparagraph, "livestock" includes, but is not limited to, cattle, sheep, new world camelids, goats, bison, privately owned cervids, ratites, swine, equine, poultry, aquaculture, and rabbits. Livestock does not include dogs and cats.

(E) Raising, breeding, training, leasing, or boarding horses.

(F) Turf and tree farming.

(G) Performing any practices on a farm incident to, or in conjunction with, farming operations. A commercial storage, processing, distribution, marketing, or shipping operation is not part of agricultural operations.

(iii) "Project" means certain risk mitigating measures, which may include, but are not limited to, the following:

(A) Making it difficult for wildlife to access feed by storing livestock feed securely, restricting wildlife access to feeding and watering areas, and deterring or reducing wildlife presence around livestock feed by storing feed in an enclosed barn, wrapping bales or covering stacks with tarps, closing ends of bags, storing grains in animal-proof containers or bins, maintaining fences, practicing small mammal and rodent control, or feeding away from wildlife cover.

(B) Minimizing wildlife access to livestock feed and water by feeding livestock in an enclosed area, feeding in open areas near buildings and human activity, removing extra or waste feed when livestock are moved, using hay feeders to reduce waste, using artificial water systems to help keep livestock from sharing water sources with wildlife, fencing off stagnant ponds, wetlands, or areas of wildlife habitats that pose a disease risk, and keeping mineral feeders near buildings and human activity or using devices that restrict wildlife usage.

(iv) "Wildlife risk mitigation action plan" means a written plan consisting of 1 or more projects to help reduce the risks of a communicable disease spreading between wildlife and livestock that is approved by the department of agriculture and rural development under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

(b) Commercial real property includes the following:

(i) Platted or unplatted parcels used for commercial purposes, whether wholesale, retail, or service, with or without buildings.

(ii) Parcels used by fraternal societies.

(iii) Parcels used as golf courses, boat clubs, ski areas, or apartment buildings with more than 4 units.

(iv) For taxes levied after December 31, 2002, buildings on leased land used for commercial purposes.

(c) Developmental real property includes parcels containing more than 5 acres without buildings, or more than 15 acres with a market value in excess of its value in use. Developmental real property may include farm

land or open space land adjacent to a population center, or farm land subject to several competing valuation influences.

(d) Industrial real property includes the following:

(i) Platted or unplatted parcels used for manufacturing and processing purposes, with or without buildings.

(ii) Parcels used for utilities sites for generating plants, pumping stations, switches, substations, compressing stations, warehouses, rights-of-way, flowage land, and storage areas.

(iii) Parcels used for removal or processing of gravel, stone, or mineral ores.

(iv) For taxes levied after December 31, 2002, buildings on leased land used for industrial purposes.

(v) For taxes levied after December 31, 2002, buildings on leased land for utility purposes.

(e) Residential real property includes the following:

(i) Platted or unplatted parcels, with or without buildings, and condominium apartments located within or outside a village or city, which are used for, or probably will be used for, residential purposes.

(ii) Parcels that are used for, or probably will be used for, recreational purposes, such as lake lots and hunting lands, located in an area used predominantly for recreational purposes.

(iii) For taxes levied after December 31, 2002, a home, cottage, or cabin on leased land, and a mobile home that would be assessable as real property under section 2a except that the land on which it is located is not assessable because the land is exempt.

(f) Timber-cutover real property includes parcels that are stocked with forest products of merchantable type and size, cutover forest land with little or no merchantable products, and marsh lands or other barren land. However, when a typical purchase of this type of land is for residential or recreational uses, the classification shall be changed to residential.

(3) The classifications of assessable personal property are described as follows:

(a) Agricultural personal property includes any agricultural equipment and produce not exempt by law.

(b) Commercial personal property includes the following:

(i) All equipment, furniture, and fixtures on commercial parcels, and inventories not exempt by law.

(ii) All outdoor advertising signs and billboards.

(iii) Well drilling rigs and other equipment attached to a transporting vehicle but not designed for operation while the vehicle is moving on the highway.

(iv) Unlicensed commercial vehicles or commercial vehicles licensed as special mobile equipment or by temporary permits.

(c) Industrial personal property includes the following:

(i) All machinery and equipment, furniture and fixtures, and dies on industrial parcels, and inventories not exempt by law.

(ii) Personal property of mining companies.

(d) For taxes levied before January 1, 2003, residential personal property includes a home, cottage, or cabin on leased land, and a mobile home that would be assessable as real property under section 2a except that the land on which it is located is not assessable because the land is exempt.

(e) Utility personal property includes the following:

(i) Electric transmission and distribution systems, substation equipment, spare parts, gas distribution systems, and water transmission and distribution systems.

(ii) Oil wells and allied equipment such as tanks, gathering lines, field pump units, and buildings.

(iii) Inventories not exempt by law.

(iv) Gas wells with allied equipment and gathering lines.

(v) Oil or gas field equipment stored in the open or in warehouses such as drilling rigs, motors, pipes, and parts.

(vi) Gas storage equipment.

(vii) Transmission lines of gas or oil transporting companies.

(4) For taxes levied before January 1, 2003, buildings on leased land of any classification are improvements where the owner of the improvement is not the owner of the land or fee, the value of the land is not assessed to the owner of the building, and the improvement has been assessed as personal property pursuant to section 14(6).

(5) If the total usage of a parcel includes more than 1 classification, the assessor shall determine the classification that most significantly influences the total valuation of the parcel.

(6) An owner of any assessable property who disputes the classification of that parcel shall notify the assessor and may protest the assigned classification to the March board of review. An owner or assessor may appeal the decision of the March board of review by filing a petition with the state tax commission not later than June 30 in that tax year. The state tax commission shall arbitrate the petition based on the written petition and the written recommendations of the assessor and the state tax commission staff. An appeal may not be

taken from the decision of the state tax commission regarding classification complaint petitions and the state tax commission's determination is final and binding for the year of the petition.

(7) The department of treasury may appeal the classification of any assessable property to the residential and small claims division of the Michigan tax tribunal not later than December 31 in the tax year for which the classification is appealed.

(8) This section shall not be construed to encourage the assessment of property at other than the uniform percentage of true cash value prescribed by this act.

(9) The assessor of each city or township in which is located property that is subject to payment in lieu of taxes under subpart 14 of part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2152 to 324.2154, shall place that property on an assessment roll that is separate from the assessment roll prepared under section 24. For purposes of calculating the debt limitation imposed by section 11 of article VII of the state constitution of 1963, the separate assessment roll for property that is subject to payment in lieu of taxes under subpart 14 of part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2152 to 324.2154, required by this subsection shall be combined with the assessment roll prepared under section 24.

History: Add. 1978, Act 381, Imd. Eff. July 27, 1978;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2000, Act 415, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2006, Act 214, Imd. Eff. June 21, 2006;—Am. 2006, Act 278, Imd. Eff. July 7, 2006;—Am. 2006, Act 376, Imd. Eff. Sept. 22, 2006;—Am. 2006, Act 646, Imd. Eff. Jan. 5, 2007;—Am. 2011, Act 320, Imd. Eff. Dec. 27, 2011;—Am. 2012, Act 368, Imd. Eff. Dec. 14, 2012;—Am. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Compiler's note: Enacting section 1 of Act 646 of 2006 provides:

"Enacting section 1. It is the intent of the legislature that this amendatory act shall not change the status of property subject to payment in lieu of taxes under subpart 14 of part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2152 to 324.2154, in regard to school operating mills levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211."

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Popular name: Act 206

211.34d Definitions; tabulation of tentative taxable value; computation of amounts; calculation of millage reduction fraction; transmittal of computations; delivery of signed statement; 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 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 does 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, must 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 must 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 (q). 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. Except as otherwise provided in this subparagraph, 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. However, after December 31, 2011, for purposes of determining the taxable value of property under section 27a, if the property's replacement construction is of substantially the same materials as determined by the state tax commission, if the square footage is not more than 5% greater than the property that was damaged or destroyed, and if the replacement construction is completed not later than December 31 in the year 3 years after the accident or act of God occurred, the replacement construction's taxable value is equal to the taxable value of the property in the year immediately preceding the year in which the property was damaged or destroyed, adjusted annually as provided in section 27a(2). Any construction materials required to bring the property into compliance with any applicable health, sanitary, zoning, safety, fire, or construction codes or ordinances must be considered to be substantially the same materials by the state tax commission for the sake of replacement construction under this section.

(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 environment, Great Lakes, and energy shall determine the degree of remediation based on information available in existing department of environment, Great Lakes, and energy records or information made available to the department of environment, Great Lakes, and energy 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) 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 must 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) Before December 31, 2013, 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 environment, Great Lakes, and energy shall determine the degree to which environmental contamination limits the use of property based on information available in existing department of environment, Great Lakes, and energy records or information made available to the department of environment, Great Lakes, and energy if the appropriate assessing officer for a local tax collecting unit requests that determination. The department of environment, Great Lakes, and energy's determination of the degree to which environmental contamination limits the use of property must 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 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 must 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, or, for a county or local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, before a special meeting held before the annual levy on July 1, 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 must 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 is the total state equalized valuation for the immediately preceding year multiplied by the inflation rate and the denominator of the fraction is 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 is 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 is 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 is 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 is the total taxable value for the current year minus additions. For each year after 1993, a millage reduction fraction must not exceed 1.

(8) The compounded millage reduction fraction must be calculated by multiplying the local unit's previous year's compounded millage reduction fraction by the current year's millage reduction fraction. The compounded millage reduction fraction for the year must 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 must not exceed 1.

(9) The millage reduction must 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 must be calculated beginning with the millage reduction fraction for that year. Millage authorized by the voters after April 30 is not subject to a millage reduction until the year following the voter authorization which must be calculated beginning with the millage reduction fraction for the year following the authorization. The first millage reduction fraction used in calculating the limitation on millage approved by the voters after January 1, 1979 must not exceed 1.

(10) A millage reduction fraction must 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 must 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 must 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 must be based on that year's millage reduction applicable to that millage had it not expired.

(12) A reduction or limitation under this section must 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 after 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 must 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 must 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 must be rounded to 4 decimal places, except that the inflation rate must be computed by the state tax commission and must 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 permanently reduces the maximum rate or rates authorized by law or charter. The reduced maximum authorized rate or rates for 1994 must 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 must 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 must 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;—Am. 2007, Act 31, Imd. Eff. June 29, 2007;—Am. 2012, Act 185, Imd. Eff. June 20, 2012;—Am. 2014, Act 18, Imd. Eff. Feb. 25, 2014;—Am. 2014, Act 164, Imd. Eff. June 12, 2014;—Am. 2019, Act 117, Imd. Eff. Nov. 15, 2019;—Am. 2022, Act 240, Imd. Eff. Dec. 14, 2022.

Constitutionality: MCL 211.34d(i)(b)(vii) is unconstitutional because it purports to define the term “additions” for purposes of Const 1963, art IX, § 3 in a way that violates the proper meaning of that term, WPW Acquisition Co v City of Troy, 466 Mich 117; 643 NW2d 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 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 reinstatement 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 for determining the current year's and all following year's compounded tax reduction fractions. Upon reinstatement 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, 1981, that Proposal A had been rejected by the voters.

Enacting section 1 of Act 164 of 2014 provides:

“Enacting section 1. This amendatory act, which removes an increase in value attributable to an increase in a parcel of property's occupancy rate from the definition of "additions" by striking section 34d(1)(b)(vii) of the general property tax act, 1893 PA 206, MCL 211.34d, reflects the decision of the Michigan supreme court in WPW Acquisition Company v City of Troy, 466 Mich 117 (2002) (Docket No. 118750).”

Popular name: Act 206

211.34e Millage reduction fraction; calculation; application to local school district millage.

Sec. 34e. (1) Notwithstanding section 34d, the limitation under section 34d on millage authorized by voters after March 30, 1994 for local school district operating purposes shall be calculated beginning with the millage reduction fraction for 1995.

(2) In 1994, the millage reduction fraction shall be applied to the local school district's millage authorized by the voters before April 1, 1994. In 1995, the millage reduction fraction shall be applied to the local school district's millage authorized by voters before June 1, 1995. In 1994, the reduction fraction shall be calculated

using the local school district's state equalized valuation without regard to the exemption provided under section 1211 of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws, and the state equalized valuation of property exempt under section 1211 of Act No. 451 of the Public Acts of 1976 is not considered a loss. In 1995, the reduction fraction shall be calculated using the local school district's taxable value without regard to the exemption provided under section 1211 of Act No. 451 of the Public Acts of 1976, and the taxable value of property exempt under section 1211 of Act No. 451 of the Public Acts of 1976 is not considered a loss.

History: Add. 1994, Act 253, Imd. Eff. July 5, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1995, Act 74, Eff. Dec. 31, 1994.

Compiler's note: Section 2 of Act 74 of 1995 provides:

“This amendatory act is retroactive and shall take effect December 31, 1994.”

Popular name: Act 206