



**House
Legislative
Analysis
Section**

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GENESEE AIRPORT AUTHORITY

Senate Bill 443 (as passed by the Senate)
First Analysis (10-14-87)

RECEIVED

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Sponsor: Senator Joe Conroy

Senate Committee: Finance

House Committee: Towns and Counties

Mich. State Law Library

THE APPARENT PROBLEM:

The Community Airport Authority Act allows any combination of two or more counties, cities, villages, or townships to form an airport authority and to levy, with the approval of voters in each local unit, up to one mill property tax for the acquisition and operation of an airport. If approved, the property tax for an authority is levied and collected by the local units comprising the authority, and is then appropriated to the authority by the local units.

One airport authority formed under the act consists of Genesee County and the City of Flint, and is the only authority in the state where one local unit lies entirely within the boundaries of another. This situation has caused a potential problem with the act. Because the act requires an appropriation from each local unit to the authority, the possibility exists that Flint taxpayers could be taxed twice for the authority: up to one mill from the county and up to one mill from the city.

In addition, it has been pointed out that the act may not clearly address millage limitation provisions in the state constitution. The constitution, Article IX, Section 6, provides that no more than 50 mills can be levied on property, except for certain purposes such as the payment of bonds or special assessments, or taxes imposed for a specific purpose by a local unit or an authority. The act states that an airport authority, "shall be deemed to be a charter authority within the meaning of section 6, article 9 of the state constitution." Under the act, however, the airport authority millage is collected by the local units and appropriated to the authority, rather than collected by the authority, thus leaving open to question of whether the millage would apply toward the 50-mill limitation placed on local units.

It has been suggested that the airport authority itself be allowed to impose and collect, with the approval of voters, a county-wide millage.

THE CONTENT OF THE BILL:

The bill would amend the Community Airport Authority Act to add a new section that would apply only to an authority composed of one county and another local unit or units located wholly within the county's boundaries. The bill would allow such an authority to levy, with the approval of the voters in the county, up to one mill property tax for the acquisition and operation of an airport. Member units of the authority, other than the county, would not be allowed to levy a millage for the authority, nor would they be required to appropriate funds for the authority. A local unit could, however, voluntarily make an appropriation to the authority.

The authority's board could, by resolution, call for an election on the question of approving the property tax levy. The resolution would have to be filed at least 45 days before the date of an election. The election would have to be conducted in accordance with the Michigan Election Law, and the question would have to appear on the ballot in a form prescribed in the bill.

The authority could not call more than one election within a calendar year, without the approval of the legislative bodies of a majority of the member units. If the authority called for an election according to the provisions of the bill, but prior to the effective date of the bill, the election would be considered ratified.

If no race for a state, county, district, or local office, ballot proposal, or question were on the ballot in a given political subdivision within the county on the day of the election for the airport millage question, the authority would be required to pay for the election costs of the political subdivision, as determined by the county clerk.

If approved, the tax would be levied and collected in the same manner as other property taxes. The authority would have to certify to the proper tax assessing or collecting officers of each city and township in the county the amount to be collected for the authority. If a city or township had more than one tax collection per year, the authority would determine under which collection its millage would appear; however, the levy could not appear on a July tax roll if not certified before June 15, and could not appear on a December tax roll unless certified by October 1. However, the bill specifies that a millage approved at an election held on November 3, 1987, could be levied on the December 1987 tax roll.

Local tax collectors would have to pay the authority's taxes to the county treasurer in the same manner as provided under the General Property Tax Act for all property taxes. The county treasurer would have to deliver the collections to the authority within 10 business days after receiving the funds.

The bill would require that the budget of the authority, other than its first budget, would have to be adopted before commencement of the fiscal year to which the budget applied.

MCL 259.627a

FISCAL IMPLICATIONS:

The Senate Fiscal Agency has reported that the bill would have no fiscal impact on state or local government. (10-1-87)

ARGUMENTS:

For:

The bill would clarify the provisions of the Community Airport Authority Act in a specific instance where an authority is comprised of a county and a local unit of government that lies wholly within the county, in this case Genesee County and the City of Flint. The bill would authorize, with voter approval in a county-wide election, the levy and collection of a one mill property tax for the airport authority. Currently, an authority formed under the act receives revenue for its property tax levy after local units comprising the authority collect the tax and

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appropriate funds to the authority. Because the act requires a local unit to appropriate money to the authority, in a situation such as that found in Genesee County where one unit lies entirely within a county, it is possible the taxpayers of the local unit could end up being assessed for the millage by both the local unit and the county. The bill would avoid this predicament by allowing a county-wide millage to be paid directly to an authority.

Furthermore, by allowing the Genesee County Airport Authority to tax directly, the bill would make it clear that the authority's levy was not part of the local unit's property tax, and did not count toward the local unit's 50-mill limitation.

POSITIONS:

The Michigan Municipal League supports the bill.
(10-13-87)

The Michigan Association of Counties supports the bill.
(10-13-87)

The Michigan Association of Townships has no position on the bill. (10-13-87)

The Department of Treasury has no position on the bill.
(10-13-87)

The Department of Commerce has no position on the bill.
(10-13-87)