

Act No. 474
Public Act of 1988
Approved by the Governor
December 27, 1988
Filed by the Secretary of State
December 28, 1988

**STATE OF MICHIGAN
84TH LEGISLATURE
REGULAR SESSION OF 1988**

Introduced by Senators Binsfeld, Irwin, Shinkle and Engler

ENROLLED SENATE BILL No. 1002

AN ACT to amend section 18 of Act No. 140 of the Public Acts of 1971, entitled as amended "An act to provide for the distribution of certain state revenues to cities, villages, townships, and counties; and to impose certain duties and confer certain powers on this state, political subdivisions of this state, and the officers of both," as amended by Act No. 317 of the Public Acts of 1982, being section 141.918 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 18 of Act No. 140 of the Public Acts of 1971, as amended by Act No. 317 of the Public Acts of 1982, being section 141.918 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 18. (1) Each city, village, or township shall report its local taxes and special assessments and cities and townships shall report their overlapping taxes to the department of treasury by March 1. A city, village, or township that levied less than 1 mill in the past calendar year, when it reports its local taxes, shall also report whether its levied millage rate would have been at least 1 mill except for the millage reductions pursuant to section 31 of article IX of the state constitution of 1963; except for a millage reduction pursuant to section 34 of the general property tax act, Act No. 206 of the Public Acts of 1893, as amended, being section 211.34 of the Michigan Compiled Laws; or except for the fact that the city, village, or township did not elect to increase the millage rate permitted by operation of section 24e(2) of Act No. 206 of the Public Acts of 1893, being section 211.24e of the Michigan Compiled Laws, or for any combination of these exceptions. If a city, village, or township fails to report as provided in this section, its local tax effort rate shall be entered as zero for the preceding calendar year. Not later than May 15, the department of treasury shall report to the department of management and budget the local taxes, special assessments, overlapping taxes, and state equalized valuation, and whether the levied millage rate would have been at least 1 mill if the required millage reductions or limitations had not been applied, for each city, village, and township for the preceding calendar year. In determining and reporting the overlapping taxes for a township and the villages within the township, the department of treasury shall prorate and allocate the overlapping taxes levied in the township to the township and each village in the same ratio that the state equalized value of the unincorporated area of the township and of each village bears to the total state equalized value of the township.

(2) Before December 2 of each year, each city, village, and township shall report to the department of treasury, on a form prepared by the department of treasury in consultation with the department of management and budget, all local revenues collected by the city, village, or township in the local unit's fiscal year which ends during the preceding July 1 to June 30 period. The department of treasury shall accumulate the reports and submit a summary to the department of management and budget by February 1. The department of management and budget shall analyze the reports and shall make recommendations to the legislature regarding other local general fund revenues that the department considers reflective of or equivalent to local tax effort. "Other local revenues" shall not include state or federal shared revenues, block grants, or categorical grants, or grants or gifts from other sources, but shall include fees or charges imposed by the city, village, or township for municipal purposes.

(3) The department of treasury shall report to the department of management and budget the tax collections available for distribution. The department of management and budget may make the distribution in a single warrant. A millage rate certified to be levied for a city, village, or township of 1 mill or more that is reduced below 1 mill pursuant to section 31 of article IX of the state constitution of 1963, pursuant to section 34 of Act No. 206 of the Public Acts of 1893, as amended, or because the city, village, or township did not elect to increase the millage rate permitted by operation of section 24e(2) of Act No. 206 of the Public Acts of 1893, as amended, or due to any combination of these factors, shall be considered by the department of management and budget to be 1 mill for all of the following purposes:

(a) Payments under sections 12(2) and 15, which payments shall be calculated using the actual local property taxes.

(b) Determining whether the city, village, or township is eligible under section 14 for payments based upon the tax burden formula, which formula shall be calculated using the actual local property taxes.

(c) Determining whether the city, village, or township is eligible under section 14a for payments based upon the special census formula, which formula shall be calculated using the actual local property taxes.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved.....

Governor.