

HOUSE BILL No. 5157

November 18, 1987, Introduced by Reps. Munsell, Nye, Wartner, Oxender, Emmons, Gilmer, Krause, Law, Middaugh, Van Regenmorter, Dunaskiss, Hoffman, Ouwinga, Martin, Stacey, Van Singel, Bender, Walberg, Miller, Gnodtke, Hillegonds, Giese, Hoekman, Randall, Bandstra, Fitzgerald and Sikkema and referred to the Committee on Taxation.

A bill to amend the title and sections 2, 5, 5b, 5e, 5g, 5i, 5k, 6, 11, 11a, 12, 14, 14a, and 17a of Act No. 62 of the Public Acts of 1933, entitled as amended

"Property tax limitation act,"

section 5i as amended by Act No. 279 of the Public Acts of 1980 and section 11 as amended by Act No. 24 of the Public Acts of 1980, being sections 211.202, 211.205, 211.205b, 211.205e, 211.205g, 211.205i, 211.205k, 211.206, 211.211, 211.211a, 211.212, 211.214, 211.214a, and 211.217a of the Michigan Compiled Laws; and to repeal certain parts of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 2, 5, 5b, 5e, 5g, 5i, 5k,
2 6, 11, 11a, 12, 14, 14a, and 17a of Act No. 62 of the Public Acts
3 of 1933, section 5i as amended by Act No. 279 of the Public Acts
4 of 1980 and section 11 as amended by Act No. 24 of the Public

1 Acts of 1980, being sections 211.202, 211.205, 211.205b,
2 211.205e, 211.205g, 211.205i, 211.205k, 211.206, 211.211,
3 211.211a, 211.212, 211.214, 211.214a, and 211.217a of the
4 Michigan Compiled Laws, are amended to read as follows:

5 TITLE

6 An act to provide limits on the rate of taxation on proper-
7 ty, and to provide for a division of the rate of taxation between
8 counties, townships, municipal corporations, ~~school districts~~
9 and other local units and to earmark funds raised by increasing
10 the total tax limitation; and to repeal all acts and parts of
11 acts and charters and parts of charters of municipal corporations
12 inconsistent with or contravening the provisions of this act.

13 Sec. 2. Words and phrases used in this act shall be defined
14 as follows:

15 (a) "Local unit" shall mean counties, townships, villages,
16 cities, ~~school districts~~, community college districts, interme-
17 diate school districts and all other divisions, districts and
18 organizations of government which may now or hereafter be estab-
19 lished by law and which have power to levy taxes against property
20 located within their respective areas, except such villages and
21 cities for which there are provisions in their charters or gen-
22 eral law fixing maximum limits on the power to levy taxes against
23 property for such purposes as may be authorized by law to be sup-
24 ported under the municipal budget.

25 (b) "Municipal corporation" shall mean villages and cities.

26 (c) "Board" shall mean the county tax allocation board
27 created by section 5.

1 Sec. 5. A county tax allocation board is created for each
2 county and shall be composed of:

3 (a) The county treasurer.

4 (b) The chairman of the board of county auditors if there be
5 such a board, and if not, the chairman of the finance or ways and
6 means committee of the county board of commissioners.

7 (c) The intermediate school district superintendent or his
8 OR HER representative.

9 ~~(d) A member of a school board of a school district in the~~
10 ~~county maintaining 12 grades of school, who shall be selected by~~
11 ~~the judge or judges of probate of the county, except that in~~
12 ~~counties containing 1 or more municipal corporations having a~~
13 ~~population of 10,000 or more, the member shall be a resident of~~
14 ~~the county and selected by the board of education of the consti-~~
15 ~~uent school district, not an intermediate school district, at~~
16 ~~least 1/2 of the area of which lies in the county, and which has~~
17 ~~the largest number of children in the whole district between the~~
18 ~~ages of 5 and 20 according to the latest annual enrollment as~~
19 ~~certified to the department of education.~~

20 (D) ~~(e)~~ A resident of a municipality within the county who
21 shall be selected by the judge or judges of probate of the
22 county, except ~~that in counties containing~~ AS PROVIDED IN THIS
23 SUBDIVISION. IF A COUNTY CONTAINS 1 or more municipal corpora-
24 tions having a population of 10,000 or more, the member shall be
25 a resident of ~~such a municipality, except that~~ 1 OF THOSE
26 MUNICIPALITIES. ADDITIONALLY, in counties in which are located
27 municipalities subject to this act, the member shall be an

1 official of 1 of the municipalities, and if there be but 1 such
2 municipality within the county, then the member shall be selected
3 by the governing body of the municipality, either from its own
4 members or its municipal officers.

5 (E) ~~(f)~~ A member not officially connected with or employed
6 by any local or county unit, who shall be selected by the board
7 of county commissioners.

8 (F) ~~(g)~~ A member who shall be a township supervisor and
9 who shall be selected by the township supervisors in the county
10 or a majority thereof.

11 ~~(h) A member of a school board from 1 of the 3 smallest~~
12 ~~K-12 school districts in the county in accordance with the most~~
13 ~~recent official school district enrollment count, who shall be~~
14 ~~selected by the intermediate board of education of the county.~~
15 ~~In counties with less than 3 K-12 school districts, the interme-~~
16 ~~diate board of education shall select 1 additional school board~~
17 ~~member from said district(s).~~

18 Sec. 5b. (1) The petition shall be in substantially the
19 following form: "Petition initiating procedures for the adoption
20 of separate tax limitations to the county board of
21 commissioners:

22 We, the undersigned qualified and registered electors and
23 residents of the city or township of, in the county
24 of, and state of Michigan, petition the county
25 board of commissioners to place before the voters of this county
26 the question of establishing separate tax limitation millage
27 rates for a period of years or for an indefinite period,

1 or until altered by the voters of the county, for the county of
 2 and the townships ~~and school districts~~ within
 3 the county, the aggregate of which shall not exceed
 4 mills, as follows:

	Mills
5 County of
6 Townships
7 Intermediate school districts
8 School districts (a school district located	
9 entirely within a city or charter township	
10 shall receive in addition millage equal to	
11 the township millage; in addition, a school	
12 district located entirely outside a community	
13 college district provided for under section	
14 81 of Act No. 331 of the Public Acts of 1966,	
15 being section 389.81 of the Michigan Compiled	
16 Laws, shall receive millage equal to the	
17 millage provided for that community college	
18 district under section 11 of Act No. 62 of	
19 the Public Acts of 1933, as amended, being	
20 section 211.211 of the Michigan Compiled	
21 Laws.	
22 Total

1 2

3 WARNING

4 Whoever knowingly signs this petition more than once, signs
5 a name other than his or her own, signs when not a qualified and
6 registered elector, or places opposite his or her signature on a
7 petition a date other than the actual date the signature was
8 affixed, is in violation of the law."

9 (2) The circulator of the petition shall be a qualified and
10 registered elector of the county in which he or she circulates
11 the petition. Petitions shall be signed and acknowledged by the
12 circulator before a person authorized by law to take
13 acknowledgments.

14 Sec. 5e. Prior to adoption of a resolution submitting to a
15 vote a question proposed by the initiatory petition of electors,
16 the county board of supervisors shall request the county tax
17 allocation board to submit to the county board of supervisors
18 such separate tax limitations for the county ~~and the school~~
19 ~~districts~~ and townships ~~therein~~ WITHIN THE COUNTY, aggregating
20 not less than the same number of mills as is in the electors'
21 petition, as a majority of the members of the allocation board
22 ~~deems~~ CONSIDERS are best calculated to provide for the finan-
23 cial needs of ~~such~~ THOSE local units.

24 Sec. 5g. The question of adopting separate tax limitations
25 shall be submitted to the registered and qualified electors of
26 the county in substantially the following form:

27 "Shall separate tax limitations be established for a period
of years or for an indefinite period, or until altered by

1 the voters of the county, for the county of and
 2 the townships ~~and school districts~~ within the county, the
 3 aggregate of which shall not exceed mills as follows:

	Mills
4 County of
5 Townships
6 Intermediate school districts
7 School districts (a school district located	
8 entirely within a city or charter township	
9 shall receive in addition millage equal to	
10 the township millage, in addition, a school	
11 district located entirely outside a community	
12 college district provided for under section	
13 8+ of Act No. 33+ of the Public Acts of 1966,	
14 being section 389.8+ of the Michigan Compiled	
15 Laws, shall receive millage equal to the	
16 millage provided for that community college	
17 district under section ++ of Act No. 62 of	
18 the Public Acts of 1933, as amended, being	
19 section 2++.2++ of the Michigan Compiled	
20 Laws.	
21 Total
22
23	

1 Yes ()

2 No ()"

3 Sec. 5i. On the filing in the offices of the secretary of
4 state and the county clerk of a copy of the initiatory petition,
5 the separate tax limitations recommended by the county tax allo-
6 cation board, and of all resolutions thereafter, ~~and~~ ALONG WITH
7 the certificate of the county board of canvassers showing that a
8 majority of the electors voting on either the separate tax limi-
9 tations proposed by petition of electors or of the county tax
10 allocation board, or both, has approved ~~thereof~~ THE SEPARATE
11 TAX LIMITATION, and stating the number of votes cast on the sepa-
12 rate questions and the number cast for and against the same, the
13 separate tax limitations for the county and the townships ~~and~~
14 ~~school districts therein~~ WITHIN THE COUNTY shall be effective
15 and shall ~~thereupon~~ apply to all subsequent tax levies until
16 altered by another vote pursuant to the provisions of this act or
17 expiration of the period for which the separate tax limitations
18 were voted. ~~, except that~~ HOWEVER, when the election is held
19 after April 1 in any year, the adopted limitations shall be first
20 effective in the subsequent calendar year. Separate tax limita-
21 tions adopted at the August primary or November general election
22 in 1980 in a county with a population of more than 1,000,000
23 shall be effective with respect to taxes levied during 1980 and
24 shall supersede the maximum tax rates allocated by the county tax
25 allocation board for that year.

1 Sec. 5k. When an initiatory petition is received by the
2 county board of commissioners to alter or extend within the 18
3 mill limitation existing separate tax limitations of the county
4 and the townships ~~and school districts~~ in the county, or when
5 the county board of commissioners resolves to alter or extend
6 within an existing 18 mill limitation existing separate tax limi-
7 tations of the county and the townships ~~and school districts~~ in
8 the county, the county board of commissioners shall proceed in
9 the same manner as provided in this act in the case of an origi-
10 nal initiatory petition. The county board of commissioners shall
11 notify the persons and bodies, having appointive powers under
12 section 5, of the receipt of the petition or the resolution by
13 the county board of commissioners. Those persons and bodies
14 shall select the same persons, provided by section 5, for a
15 county tax allocation board, to serve as members of a county
16 advisory tax limitation committee hereby created. The committee
17 shall meet within 10 days of its selection and shall prepare sep-
18 arate tax limitations for the county ~~,~~ and the townships ~~and~~
19 ~~school districts~~ in the county, aggregating not more than 18
20 mills as a majority of the committee ~~deems~~ CONSIDERS best to
21 provide for the financial needs of the county ~~,~~ AND townships.
22 ~~, and school districts.~~ The separate tax limitations shall be
23 promptly transmitted to the county board of commissioners and the
24 functions of the committee shall then cease. The question shall
25 be submitted to a vote of the registered and qualified electors
26 of the county at the same time as the separate tax limitations
27 proposed by initiatory petitions. The election, determination of

1 results, and procedure after the determination shall be the same
2 as provided in this act in the case of an election held upon
3 original petitions.

4 Sec. 6. The members of the board selected by the judge or
5 judges of probate ~~and the board of education~~ shall be selected
6 on or before the second Monday of April in each year, and shall
7 hold office for a term of 1 year. The board shall select 1 of
8 its members as ~~chairman~~ CHAIRPERSON and the county clerks shall
9 act as clerk of the board, and shall keep a full and accurate
10 record of all its proceedings. The board may employ ~~such~~ cler-
11 ical and other assistance ~~as it deems~~ THAT IT CONSIDERS
12 necessary.

13 Sec. 11. (a) The board shall examine the budgets and state-
14 ments of local units ~~which~~ THAT are filed with ~~it~~ THE BOARD,
15 and shall determine the tax rates, exclusive of debt service tax
16 rates, ~~which~~ THAT are required pursuant to its proposed
17 budget. The board may request additional statements and examine
18 financial records to verify the tax rate request of a local
19 unit. For the purpose of determining its tax rate, a local unit
20 shall submit a statement accounting for the amount of money con-
21 tained in the budget stabilization fund. In submitting the
22 budget to the board, the amount contained in the budget stabili-
23 zation fund shall not be a factor by the board in determination
24 of the tax rate, if that amount does not exceed the permitted
25 level of funding for such a fund as provided by law.

26 (b) If the board finds that the total of all tax rates
27 ~~which~~ THAT are required to be levied on property located within

1 the area of a local unit does not exceed the net limitation tax
2 rate, the board shall approve the tax rates as maximum tax rates,
3 except ~~such~~ THOSE tax rates as may be required to be determined
4 under subsections (c) to (h).

5 (c) If the board finds that the total of all tax rates
6 ~~which~~ THAT are required to be levied on property located within
7 the area of a local unit exceeds the net limitation tax rate, the
8 board shall proceed according to subsections (d), (e), and (f).

9 (d) The board shall approve minimum tax rates as follows:
10 For the county if other than a charter county, 3 mills; ~~for~~
11 ~~school districts, 4 mills;~~ for community college districts orga-
12 nized after April 15, 1957, 1/4 of 1 mill; for intermediate
13 school districts, 1/10 of 1 mill; for townships other than
14 charter townships, 1 mill. If the community college district
15 votes to increase the total tax limitation as provided in section
16 6 of article ~~9~~ IX of the state constitution of 1963, the board,
17 during the period the increase is in effect, shall not allocate
18 the 1/4 of 1 mill minimum tax rate to the community college dis-
19 trict, but the community college district shall raise all of its
20 tax revenues from the amount of increase so voted. A local unit
21 shall not be allowed a tax rate in excess of what is required
22 pursuant to its proposed budget. ~~Of the millage allocated to~~
23 IN a first-class school district, .64 mills shall be collected
24 and paid by the school district to the public library commission
25 existing in the district for services of an educational nature
26 rendered by the library to the residents of the school district.

1 (e) The board shall divide the balance of the net limitation
2 tax rate between all local units after due consideration of the
3 needs of the several local units, the importance to the public of
4 functions of local units ~~which~~ THAT may have to be curtailed,
5 the need of local units for construction or repair of public
6 works, the proposed or accomplished transfer of functions from 1
7 local unit to others, and other facts or matters concerning the
8 operations of local units which the board may consider relevant.
9 A local unit shall not be allowed a tax rate in excess of what is
10 required pursuant to its proposed budget. The board shall
11 approve a maximum limitation tax rate to be levied from the tax
12 rate fixed by section 6 of article ~~9~~ IX of the state constitu-
13 tion of 1963 without approval of the voters for each local unit
14 consisting of the minimum tax rate, if any, provided in subsec-
15 tion (d), added to the tax rate determined under this
16 subsection.

17 (f) The board shall approve a maximum tax rate for each
18 local unit ~~which~~ THAT votes to increase the total tax rate lim-
19 itation as provided in the last sentence of the first paragraph
20 of section 6 of article ~~9~~ IX of the state constitution of 1963,
21 and as provided for in this act. The maximum tax rate for each
22 local unit, with other maximum tax rates ~~which~~ THAT may be
23 levied within the area of the local unit, shall not exceed the
24 limitation voted. In approving a maximum limitation tax rate
25 under subsection (e) for the various local units, the board shall
26 not take into consideration any increase of the tax rate
27 limitation voted by a local unit.

1 (g) The board shall not approve a tax rate for a local unit
2 ~~which~~ THAT does not submit a budget or statements as required.

3 (h) The approval by the board of a maximum tax rate for a
4 local unit, which will necessitate a reduction in the total pro-
5 posed expenditures as listed in the budget of the local unit,
6 shall not be construed as a reduction or elimination of any spe-
7 cific items in the list of proposed expenditures, and the board
8 may not reduce or eliminate those specific items. A local unit,
9 in the budget of which a reduction in the total proposed expendi-
10 ture is necessitated by the action of the board, or of the state
11 tax commission in case of appeal, may revise its budget and amend
12 and alter its tax levy to the extent made necessary by that
13 action. Budgets ~~heretofore~~ PREVIOUSLY prepared to be met from
14 taxes levied pursuant to this act may likewise be revised.

15 Sec. 11a. Notwithstanding any other provision of this act,
16 the county tax allocation board of a county containing other than
17 the greatest part of the area of an intercounty ~~school district~~
18 ~~or~~ intermediate school district, shall approve a maximum tax
19 rate for ~~such~~ THAT district, determined in accordance with sec-
20 tion 14a. The provisions of this section shall not result in a
21 grant by an allocation board of a tax rate to the intercounty
22 ~~school district or~~ intermediate school district in excess of
23 the rate required according to its proposed budget.

24 Sec. 12. Tax levies ~~to~~ SHALL be in rates. In order that
25 the maximum tax rates ordered by the board and tax levies pursu-
26 ant thereto may not be invalidated by any process of
27 determination or review of assessments subsequent to the

1 allocation of the net limitation tax rate, all tax levies shall
2 ~~hereafter~~ be made by prescribing the rate of taxes and the sums
3 of money to be raised ~~thereby~~, BY THE TAXES which shall be
4 imposed upon property. ~~No such~~ A levy shall NOT be a rate in
5 excess of the maximum tax rate ordered by the board or by the
6 state tax commission in case of appeal. ~~Provided, That~~
7 HOWEVER, nothing in this act shall be construed to limit or
8 restrict the power of the state or local units to make tax levies
9 separately in excess of ~~such~~ THE maximum tax rates for the pur-
10 pose of payment of interest and principal on obligations incurred
11 prior to December ~~eight~~ 8, 1932.

12 Sec. 14. ~~Whenever a school district, including~~ IF an
13 intermediate school district ~~is~~ is located in 2 or more coun-
14 ties, the ~~chairman~~ CHAIRPERSON of the allocation board of the
15 county in which the greatest part of the area of ~~such~~ THE
16 INTERMEDIATE school district is located, immediately upon the
17 making of the final order approving a maximum tax rate for each
18 local unit in the county, shall notify the ~~chairmen~~
19 CHAIRPERSONS of the allocation boards of the counties in which
20 other portions of the INTERMEDIATE school district are located.
21 The notice shall set forth the maximum tax rate approved by the
22 allocation board for the purposes of the INTERMEDIATE school
23 district.

24 Sec. 14a. (1) The allocation board of a county in which
25 other than the greatest part of the area of an intercounty
26 ~~school district, including an~~ intermediate school district ~~is~~
27 is located ~~is~~ shall remain in session to receive ~~such~~ THE

1 notice UNDER SECTION 14. If the notice indicates that a higher
2 rate was approved for ~~such~~ THE INTERMEDIATE school district by
3 the allocation board of the county in which the greatest part of
4 the INTERMEDIATE school district is located, the allocation board
5 of ~~any~~ A county ~~which~~ THAT has adopted a lower rate shall
6 change it to the rate approved by the allocation board of the
7 county in which the greatest part of the area of the INTERMEDIATE
8 school district is located.

9 (2) The allocation board of a county containing other than
10 the greatest part of the area of an intercounty ~~school district~~
11 ~~or~~ intermediate school district shall adopt a maximum rate for
12 ~~such~~ THE INTERMEDIATE school district ~~which~~ THAT is not less
13 than the separate tax rate for the INTERMEDIATE school district
14 adopted by the qualified electors of the county containing the
15 greatest part of the area of ~~such~~ THE INTERMEDIATE school dis-
16 trict, if there has been ~~such~~ a vote. Notwithstanding any
17 other provision of this act, ~~a~~ AN INTERMEDIATE school district
18 shall not be allowed a tax rate in excess of the rate required
19 according to its proposed budget.

20 Sec. 17a. If the order of the state tax commission
21 increases or decreases the maximum tax rate of an intercounty
22 ~~school district, including an~~ intermediate school district, and
23 if the greatest part of the area of ~~such~~ THE district is
24 affected by ~~such an~~ THE order, the commission shall promptly
25 take such proceedings as will assure that the tax rate available
26 for ~~such~~ THE district's purposes in counties in which its other
27 areas are located shall be likewise increased or decreased.

1 Section 2. Section 5m of Act No. 62 of the Public Acts of
2 1933, being section 211.205m of the Michigan Compiled Laws, is
3 repealed.

4 Section 3. This amendatory act shall not take effect unless
5 Senate Joint Resolution ____ or House Joint Resolution L
6 (request no. 03182'87) of the 84th Legislature becomes a part of
7 the state constitution of 1963 as provided in section 1 of arti-
8 cle XII of the state constitution of 1963.