

SENATE BILL No. 1002

September 22, 1988, Introduced by Senators BINSFELD, IRWIN, SHINKLE
and ENGLER and referred to the Committee on Finance.

A bill to amend section 18 of Act No. 140 of the Public Acts
of 1971, entitled as amended

"State revenue sharing act of 1971,"

as amended by Act No. 317 of the Public Acts of 1982, being sec-
tion 141.918 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 18 of Act No. 140 of the Public Acts of
2 1971, as amended by Act No. 317 of the Public Acts of 1982, being
3 section 141.918 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 18. (1) Each city, village, or township shall report
6 its local taxes and special assessments and cities and townships
7 shall report their overlapping taxes to the department of
8 treasury by March 1. A city, village, or township ~~which~~ THAT
9 levied less than 1 mill in the past calendar year, when it

1 reports its local taxes, shall also report whether its levied
2 millage rate would have been at least 1 mill except for the mill-
3 age reductions pursuant to section 31 of article ~~9~~ IX of the
4 state constitution of 1963; ~~—~~ EXCEPT for a millage reduction
5 pursuant to section 34 of THE GENERAL PROPERTY TAX ACT, Act
6 No. 206 of the Public Acts of 1893, as amended, being section
7 211.34 of the Michigan Compiled Laws; ~~—~~ or ~~if it~~ EXCEPT FOR
8 THE FACT THAT THE CITY, VILLAGE, OR TOWNSHIP did not elect to
9 increase the millage rate permitted by operation of section
10 24e(2) of Act No. 206 of the Public Acts of 1893, being section
11 211.24e of the Michigan Compiled Laws, or for any combination of
12 these exceptions. If a city, village, or township fails to
13 report as provided in this section, its local tax effort rate
14 shall be entered as zero for the preceding calendar year. ~~The~~
15 NOT LATER THAN MAY 15, THE department of treasury shall report to
16 the department of management and budget ~~not later than May 15~~
17 the local taxes, special assessments, overlapping taxes, AND
18 state equalized valuation, and whether the levied millage rate
19 would have been at least 1 mill if the required millage reduc-
20 tions or limitations had not been applied, for ~~or by~~ each city,
21 village, and township for the preceding calendar year. In deter-
22 mining and reporting the overlapping taxes for a township and the
23 villages within the township, the department of treasury shall
24 prorate and allocate the overlapping taxes levied in the township
25 to the township and each village in the same ratio that the state
26 equalized value of the unincorporated area of the township and of

1 each village bears to the total state equalized value of the
2 township.

3 (2) Before December 2 of each year, ~~a~~ EACH city, village,
4 and township shall report to the department of treasury, on a
5 form prepared by the department of treasury in consultation with
6 the department of management and budget, all local revenues col-
7 lected by the city, village, or township in the local unit's
8 fiscal year which ends during the preceding July 1 to June 30
9 period. The department of treasury shall accumulate the reports
10 and submit a summary to the department of management and budget
11 by February 1. The department of management and budget shall
12 analyze the reports and shall make recommendations to the legis-
13 lature regarding other local general fund revenues ~~which~~ THAT
14 the department considers reflective of or equivalent to local tax
15 effort. "Other local revenues" shall not include state or fed-
16 eral shared revenues, block grants, OR categorical grants, or
17 grants or gifts from other sources, but shall include fees or
18 charges imposed by the city, village, or township for municipal
19 purposes.

20 (3) The department of treasury shall report to the depart-
21 ment of management and budget the tax collections available for
22 distribution. The department of management and budget may make
23 the distribution in a single warrant. A millage rate certified
24 to be levied for a city, village, or township of 1 mill or more
25 ~~which had been or~~ THAT is reduced below 1 mill pursuant to sec-
26 tion 31 of article ~~9~~ IX of the state constitution of 1963,
27 pursuant to section 34 of Act No. 206 of the Public Acts of

1 1893, as amended, or because ~~it~~ THE CITY, VILLAGE, OR TOWNSHIP
2 did not elect to increase the millage rate permitted by operation
3 of section 24e(2) of Act No. 206 of the Public Acts of 1893, as
4 amended, or due to any combination of these factors, shall be
5 considered by the department of management and budget to be 1
6 mill for ~~the purpose of~~ ALL OF THE FOLLOWING PURPOSES:

7 (A) PAYMENTS UNDER sections 12(2) and 15, ~~and for purposes~~
8 ~~of determining~~ WHICH PAYMENTS SHALL BE CALCULATED USING THE
9 ACTUAL LOCAL PROPERTY TAXES.

10 (B) DETERMINING whether the city, village, or township is
11 eligible under section 14 for payments based upon the tax burden
12 formula, which formula shall be calculated using the actual local
13 property taxes.

14 (C) DETERMINING WHETHER THE CITY, VILLAGE, OR TOWNSHIP IS
15 ELIGIBLE UNDER SECTION 14A FOR PAYMENTS BASED UPON THE SPECIAL
16 CENSUS FORMULA, WHICH FORMULA SHALL BE CALCULATED USING THE
17 ACTUAL LOCAL PROPERTY TAXES.