

SENATE BILL No. 72

February 12, 1991, Introduced by Senators N. SMITH,
POSTHUMUS, HONIGMAN, DI NELLO and DUNASKISS and
referred to the Committee on Finance.

A bill to amend section 27a of Act No. 206 of the Public
Acts of 1893, entitled as amended
"The general property tax act,"
as added by Act No. 539 of the Public Acts of 1982, being section
211.27a of the Michigan Compiled Laws; and to add sections 27c
and 27d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 27a of Act No. 206 of the Public Acts of
2 1893, as added by Act No. 539 of the Public Acts of 1982, being
3 section 211.27a of the Michigan Compiled Laws, is amended and
4 sections 27c and 27d are added to read as follows:

5 Sec. 27a. (1) Except as otherwise provided in ~~subsection~~
6 ~~(2)~~ SUBSECTIONS (2) AND (3), property shall be assessed at 50%
7 of its true cash value pursuant to section 3 of article ~~9~~ IX of
8 the state constitution of 1963.

1 (2) Assessment of property, as required in this section and
2 section 27, shall be inapplicable to the assessment of property
3 subject to the levy of ad valorem taxes within voted tax limita-
4 tion increases to pay principal and interest on limited tax bonds
5 issued by any governmental unit, including a county, township,
6 community college district, or school district, before January 1,
7 1964, if the assessment required to be made under this act would
8 be less than the assessment as state equalized prevailing on the
9 property at the time of the issuance of the bonds. This inappli-
10 cability shall continue until levy of taxes to pay principal and
11 interest on the bonds is no longer required. The assessment of
12 property required by this act shall be applicable for all other
13 purposes.

14 (3) FOR PURPOSES OF MILLAGE LEVIED BY A SCHOOL DISTRICT FOR
15 SCHOOL OPERATING PURPOSES, PROPERTY SHALL BE ASSESSED AT 45% OF
16 ITS TRUE CASH VALUE IN 1991; 42.5% OF ITS TRUE CASH VALUE IN
17 1992; AND 40% OF ITS TRUE CASH VALUE IN 1993 AND EACH YEAR AFTER
18 1993. THE STATE TREASURER SHALL REIMBURSE EACH SCHOOL DISTRICT
19 FOR THE REDUCTION IN TAXES DUE TO THE REDUCTION IN THE PERCENTAGE
20 OF TRUE CASH VALUE AT WHICH PROPERTY IS ASSESSED UNDER THIS SUB-
21 SECTION AS PROVIDED IN THE STATE SCHOOL AID ACT OF 1979, ACT
22 NO. 94 OF THE PUBLIC ACTS OF 1979, BEING SECTIONS 388.1601 TO
23 388.1772 OF THE MICHIGAN COMPILED LAWS. EACH SCHOOL DISTRICT'S
24 ANNUAL MILLAGE REDUCTION FRACTION CALCULATED UNDER SECTION 34D(7)
25 SHALL NOT EXCEED 1.0 FOR 1991 AND 1993. AS USED IN THIS SUBSEC-
26 TION, "SCHOOL DISTRICT" MEANS THAT TERM AS DEFINED IN SECTION 6

1 OF THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE PUBLIC ACTS OF
2 1976, BEING SECTION 380.6 OF THE MICHIGAN COMPILED LAWS.

3 SEC. 27C. THE LEGISLATURE SHALL APPROPRIATE FUNDS TO LOCAL
4 GOVERNMENTAL UNITS OR AUTHORITIES NECESSARY TO INSURE THAT CON-
5 TRACTUAL OBLIGATIONS ENTERED INTO BEFORE MARCH 1, 1991 PURSUANT
6 TO A TAX INCREMENT FINANCING PLAN UNDER THE LOCAL DEVELOPMENT
7 FINANCING ACT, ACT NO. 281 OF THE PUBLIC ACTS OF 1986, BEING
8 SECTIONS 125.2151 TO 125.2174 OF THE MICHIGAN COMPILED LAWS, THE
9 TAX INCREMENT FINANCE AUTHORITY ACT, ACT NO. 450 OF THE PUBLIC
10 ACTS OF 1980, BEING SECTIONS 125.1801 TO 125.1830 OF THE MICHIGAN
11 COMPILED LAWS, OR ACT NO. 197 OF THE PUBLIC ACTS OF 1975, BEING
12 SECTIONS 125.1651 TO 125.1681 OF THE MICHIGAN COMPILED LAWS, ARE
13 NOT IMPAIRED BY THE REDUCTION IN THE PERCENTAGE OF TRUE CASH
14 VALUE AT WHICH PROPERTY IS ASSESSED UNDER SECTION 27A.

15 SEC. 27D. (1) IN A YEAR IN WHICH SECTION 27A(3) IS NOT IN
16 EFFECT, PROPERTY IS EXEMPT FROM A PART OF THE TAXES LEVIED BY A
17 SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES. THE FOLLOWING
18 AMOUNT OF TAXES LEVIED FOR SCHOOL OPERATING PURPOSES IS EXEMPT
19 AND SHALL BE REFLECTED ON THE TAXPAYER'S TAX BILL BY THE TREA-
20 SURER OF EACH LOCAL TAX COLLECTING UNIT:

21 (A) FOR THE 1991 TAX YEAR, 10%.

22 (B) FOR THE 1992 TAX YEAR, 15%.

23 (C) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER 1993,
24 20%.

25 (2) THE LOCAL TAX COLLECTING UNIT SHALL SEND A STATEMENT TO
26 THE DEPARTMENT OF TREASURY WITHIN 30 DAYS AFTER A TAX LEVY
27 INDICATING THE TOTAL AMOUNT OF TAXES EXEMPT UNDER THIS SECTION

1 FOR EACH SCHOOL DISTRICT IN THAT UNIT. THE STATE TREASURER SHALL
2 REIMBURSE EACH SCHOOL DISTRICT FOR TAXES EXEMPT UNDER THIS SEC-
3 TION AS PROVIDED IN THE STATE SCHOOL AID ACT OF 1979, ACT NO. 94
4 OF THE PUBLIC ACTS OF 1979, BEING SECTIONS 388.1601 TO 388.1772
5 OF THE MICHIGAN COMPILED LAWS.