



**House
Legislative
Analysis
Section**

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TAX CERTIFICATION DEADLINE

**Senate Bill 859 (Substitute H-3)
First Analysis (10-21-93)**

**Sponsor: Sen. Dick Posthumus
Senate Committee: Finance
House Committee: Taxation**

THE APPARENT PROBLEM:

Generally speaking, the General Property Tax Act requires that voters approve changes or renewals of millage rates by September 30 in order for local governments to collect revenues based on those rates in the same tax year. Routinely, there are requests each year for legislation extending the deadline in special cases.

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act to specify that the amount of taxes to be levied for any purpose by a taxing unit approved by voters at an election after September 30, 1993, and on or before November 30, 1993, would be certified for the 1993 calendar year.

MCL 211.36

HOUSE COMMITTEE ACTION:

As passed by the Senate, the bill would have applied to a millage levy for township police, fire, or library purposes, that was approved by the voters in an election held after September 30 but before November 3 of 1993. The substitute adopted by the House Taxation Committee provides a blanket late certification exemption for taxing units and allows until November 30 to hold an election.

FISCAL IMPLICATIONS:

As noted by the Senate Fiscal Agency (in an analysis dated 10-7-93), local governments with millages approved during the period covered by the bill would receive additional property tax revenue. The bill would have no fiscal impact on the state.

ARGUMENTS:

For:

It is common practice to allow the late certification of property taxes each year to cover special instances. This bill would provide blanket approval, on the grounds that the late passage of the State School Aid Act, and its negative effect on some schools, has put some school districts in a financial quandary. Further, there is general confusion over the current and future status of the property tax, with the recent abolition of school operating property taxes and the various proposals for replacing that revenue. (Reportedly, at least six school districts and two townships are seeking late millage certification.) The taxes in question in the bill would have to be approved by voters, it should be remembered.

POSITIONS:

The supervisor of Alpine Charter Township submitted a letter in support of its late millage certification request to the House Taxation Committee. (10-11-93)

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