

Act No. 190
Public Acts of 1994
Approved by the Governor
June 19, 1994
Filed with the Secretary of State
June 21, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Senators Smith and Emmons

ENROLLED SENATE BILL No. 1153

AN ACT to amend the title and sections 2 4 4a 5 5b 5e 5g 5i 5k 6 11 11a 14 14a and 17a of Act No 62 of the Public Acts of 1933 entitled as amended An act to provide limits on the rate of taxation on property and to provide for a division of the rate of taxation between counties townships municipal corporations school districts and other local units and to earmark funds raised by increasing the total tax limitation and to repeal all acts and parts of acts and charters and parts of charters of municipal corporations inconsistent with or contravening the provisions of this act section 4 as amended by Act No 24 of the Public Acts of 1980 section 4a as added and section 11 as amended by Act No 314 of the Public Acts of 1993 and section 5i as amended by Act No 279 of the Public Acts of 1980 being sections 211 202 211 204 211 204a 211 205 211 205b 211 205e 211 205g 211 205i 211 205k 211 206 211 211 211 211a 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

Section 1 The title and sections 2 4 4a 5 5b 5e 5g 5i 5k 6 11 11a 14 14a and 17a of Act No 62 of the Public Acts of 1933 section 4 as amended by Act No 24 of the Public Acts of 1980 section 4a as added and section 11 as amended by Act No 314 of the Public Acts of 1993 and section 5i as amended by Act No 279 of the Public Acts of 1980 being sections 211 202 211 204 211 204a 211 205 211 205b 211 205e 211 205g 211 205i 211 205k 211 206 211 211 211 211a 211 214 211 214a and 211 217a of the Michigan Compiled Laws are amended to read as follows

TITLE

An act to provide limits on the rate of taxation on property and to provide for a division of the rate of taxation between counties townships municipal corporations intermediate school districts and other local units and to earmark funds raised by increasing the total tax limitation and to repeal all acts and parts of acts and charters and parts of charters of municipal corporations inconsistent with or contravening the provisions of this act

Sec 2 As used in this act

(a) Local unit means counties townships villages cities a first class school district community college districts intermediate school districts and all other divisions districts and organizations of government that are or may be established by law and that have the power to levy taxes against property located within their respective areas except villages and cities for which there are provisions in their charters or general law fixing maximum limits on the power to levy taxes against property for purposes as authorized by law to be supported under the municipal budget and school districts

(b) Municipal corporation means villages and cities

(c) Board means the county tax allocation board created by section 5

Sec 4 (1) The tax rate in mills allocated for charter county purposes pursuant to subsection (3) plus the tax rate in mills that is provided by law for state purposes and is in force and effect on the last day specified by this act for the filing of budgets and statements of local units with the board except tax rates levied for the purpose of payment of interest and principal on state obligations incurred before December 8 1932 shall be deducted from the maximum tax rates determined pursuant to section 3(1) as the tax rates fixed by section 6 of article IX of the state constitution of 1963 without approval of the voters The remainder of these maximum tax rates determined pursuant to section 3(1) after deducting the total tax rates levied for state purposes and a tax rate in mills allocated for charter county purposes pursuant to subsection (3) if any shall be known and referred to as the net limitation tax rate

(2) If a state tax is levied for any year other than 1994 the state treasurer shall notify by registered mail the county clerk of each county on or before the day after the last day provided by this act for the filing of budgets and statements of local units with the board stating the total amount of the state tax rates On or before September 1 of each year the state treasurer shall notify by registered mail the county clerk of each county of any change in the amount of the tax rate for state purposes in that county that is necessitated by state equalization of county assessed valuations If a state property tax is levied for the payment of interest and principal on state obligations incurred before December 8 1932 it shall be provided by law before August 1 of each year and shall be apportioned among each county in the manner now provided by law

(3) Each county that adopts a charter shall be allocated for charter county purposes from the maximum tax rate that is fixed pursuant to section 6 of article IX of the state constitution of 1963 without approval of the voters a tax rate in mills equal to the number of mills allocated to the county either by a county tax allocation board or a separate tax limitation under this act in the year immediately preceding the year in which the county adopts a charter

Sec 4a (1) The number of mills allocated to a local school district under a separate tax limitation approved before 1994 shall be reduced by the number of mills levied by the state For a separate tax limitation vote held after 1993 the number of mills that may be allocated shall be reduced by the number of mills allocated to a local school district for school district operating purposes in 1993 or the number of mills levied by the state whichever is greater and mills shall not be allocated to a local school district

(2) For a township that is located in a county that allocated under a separate tax limitation less than 6 mills for school districts the amount of allocated mills that township may levy in 1994 is reduced by the difference between 6 mills and the amount allocated to school districts in 1993 This subsection applies only in a year in which the legislature specifically appropriates the amount of revenue lost to the township due to the operation of this subsection This subsection does not apply after 1996

(3) A fixed allocation under a separate tax limitation approved before 1994 in a county in which a school district was allocated less than 6 mills expires after the 1996 allocation

Sec 5 A county tax allocation board is created for each county and shall be composed of the following

(a) The county treasurer

(b) The chairperson of the board of county auditors if there is a board and if not the chairperson of the finance or ways and means committee of the county board of commissioners

(c) The intermediate school district superintendent or his or her representative

(d) A resident of a municipality within the county who shall be selected by the judge or judges of probate of the county except that in counties containing 1 or more municipal corporations having a population of 10 000 or more the member shall be a resident of a municipal corporation having a population of 10 000 or more However in counties in which are located municipalities subject to this act the member shall be an official of 1 of the municipalities and if there is only 1 municipality within the county then the member shall be selected by the governing body of the municipality either from its own members or its municipal officers

(e) A member not officially connected with or employed by any local or county unit who shall be selected by the board of county commissioners

(f) A member who shall be a township supervisor and who shall be selected by a majority of the township supervisors in the county

Sec 5b (1) The petition for the adoption of a separate tax limitation shall be in substantially the following form
Petition initiating procedures for the adoption of separate tax limitations to the county board of commissioners

We the undersigned qualified and registered electors and residents of the city or township of _____ in
the county of _____ and state of Michigan petition the county board of commissioners to place before the
voters of this county the question of establishing separate tax limitation millage rates for a period of _____ years or
for an indefinite period or until altered by the voters of the county for the county of _____ and the

townships and intermediate school districts within the county the aggregate of which shall not exceed mills as follows

Mills

County of

Townships

Intermediate school districts

Total

WARNING

A person who knowingly signs this petition more than once signs a name other than his or her own name signs if not a qualified and registered elector or places opposite his or her signature on a petition a date other than the actual date the signature was affixed is in violation of the law

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

Sec 5e Before adoption of a resolution submitting to a vote a question proposed by the initiatory petition of electors the county board of supervisors shall request the county tax allocation board to submit to the county board of supervisors the separate tax limitations for the county and the intermediate school districts and townships in the county aggregating not less than the same number of mills as in the electors petition that the majority of the members of the allocation board considers calculated to provide for the financial needs of the local units

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

Shall separate tax limitations be established for a period of years or for an indefinite period or until altered by the voters of the county for the county of and the townships and intermediate school districts within the county the aggregate of which shall not exceed mills as follows

Mills

County of

Townships

Intermediate school districts

Total

Yes ()

No ()

Sec 5i Upon the filing in the offices of the secretary of state and the county clerk of a copy of the initiatory petition the separate tax limitations recommended by the county tax allocation board all resolutions of the board and the certificate of the county board of canvassers showing that a majority of the electors voting on either the separate tax limitations proposed by petition of electors or of the county tax allocation board or both has approved the separate tax limitations and stating the number of votes cast on the separate questions and the number cast for and against the questions the separate tax limitations for the county and the townships and intermediate school districts in the county shall be effective and shall apply to all subsequent tax levies until altered by another vote pursuant to this act or expiration of the period for which the separate tax limitations were voted However if the election is held after April 1 in any year the adopted limitations shall be first effective in the next succeeding calendar year

Sec 5k When an initiatory petition is received by the county board of commissioners to alter or extend within the 18 mill limitation existing separate tax limitations of the county and the townships and intermediate school districts in the county or when the county board of commissioners resolves to alter or extend within an existing 18 mill limitation existing separate tax limitations of the county and the townships and intermediate school districts in the county the county board of commissioners shall proceed in the same manner as provided in this act for an original initiatory petition The county board of commissioners shall notify the persons and bodies having appointive powers under section 5 of the receipt of the petition or the resolution by the county board of commissioners Those persons and bodies shall select the same persons provided by section 5 for a county tax allocation board to serve as members of a county advisory tax limitation committee that is created The committee shall meet within 10 days of its selection and shall prepare separate tax limitations for the county and the townships and intermediate school districts in the county aggregating not more than 18 mills that the majority of the committee considers will provide for the financial needs of the county townships and intermediate school districts The separate tax limitations shall be promptly transmitted to the county

board of commissioners and the functions of the committee shall then cease. The question shall be submitted to a vote of the registered and qualified electors of the county at the same time as the separate tax limitations proposed by initiatory petitions. The election determination of results and procedure after the determination shall be the same as provided in this act for an election held upon original petitions.

Sec 6 The members of the board selected by the judge or judges of probate shall be selected on or before the second Monday of April in each year and shall hold office for a term of 1 year. The board shall select 1 of its members as chairperson. The county clerks shall act as clerk of the board and shall keep a full and accurate record of all its proceedings. The board may employ clerical and other assistance considered necessary.

Sec 11 (1) The board shall examine the budgets and statements of local units that are filed with it and shall determine the tax rates exclusive of debt service tax rates that are required pursuant to its proposed budget. The board may request additional statements and examine financial records to verify the tax rate request of a local unit. For the purpose of determining its tax rate a local unit shall submit a statement accounting for the amount of money contained in the budget stabilization fund. In submitting the budget to the board the amount contained in the budget stabilization fund shall not be a factor used by the board in determination of the tax rate if that amount does not exceed the permitted level of funding for that fund as provided by law.

(2) If the board finds that the total of all tax rates that are required to be levied on property located within the area of a local unit does not exceed the net limitation tax rate the board shall approve the tax rates as maximum tax rates except tax rates required to be determined under subsections (3) to (8).

(3) If the board finds that the total of all tax rates that are required to be levied on property located within the area of a local unit exceeds the net limitation tax rate the board shall proceed according to subsections (4) (5) and (6).

(4) The board shall approve minimum tax rates for the county if other than a charter county of 3 mills for community college districts organized after April 15 1957 of 1/4 of 1 mill for intermediate school districts 1/10 of 1 mill for townships other than charter townships of 1 mill and to a first class school district to be collected and paid by the school district to the public library commission existing in the district for services of an educational nature rendered by the library to the residents of that school district of 64 mills. If the community college district votes to increase the total tax limitation as provided in section 6 of article IX of the state constitution of 1963 the board during the period the increase is in effect shall not allocate the 1/4 of 1 mill minimum tax rate to the community college district but the community college district shall raise all of its tax revenues from the amount of increase so voted. A local unit shall not be allowed a tax rate in excess of what is required pursuant to its proposed budget.

(5) The board shall divide the balance of the net limitation tax rate between all local units after due consideration of the needs of the several local units the importance to the public of functions of local units that may have to be curtailed the need of local units for construction or repair of public works the proposed or accomplished transfer of functions from 1 local unit to others and other facts or matters concerning the operations of local units that the board considers relevant. A local unit shall not be allowed a tax rate in excess of what is required pursuant to its proposed budget. The board shall approve a maximum limitation tax rate to be levied from the tax rate fixed by section 6 of article IX of the state constitution of 1963 without approval of the voters for each local unit consisting of the minimum tax rate if any provided in subsection (4) added to the tax rate determined under this subsection.

(6) The board shall approve a maximum tax rate for each local unit that votes to increase the total tax rate limitation as provided in the last sentence of the first paragraph of section 6 of article IX of the state constitution of 1963 and as provided for in this act. The maximum tax rate for each local unit with other maximum tax rates that may be levied within the area of the local unit shall not exceed the limitation voted. In approving a maximum limitation tax rate under subsection (5) for the various local units the board shall not take into consideration any increase of the tax rate limitation voted by a local unit.

(7) The board shall not approve a tax rate for a local unit that does not submit a budget or statements as required.

(8) The approval by the board of a maximum tax rate for a local unit which will necessitate a reduction in the total proposed expenditures as listed in the budget of the local unit shall not be construed as a reduction or elimination of any specific items in the list of proposed expenditures and the board may not reduce or eliminate those specific items. A local unit in the budget of which a reduction in the total proposed expenditure is necessitated by the action of the board or of the state tax commission on an appeal may revise its budget and amend and alter its tax levy to the extent made necessary by that action. Budgets previously prepared to be met from taxes levied pursuant to this act may likewise be revised.

(9) Beginning in 1994 the number of mills that may be allocated by the board under this section shall be reduced by the number of mills in excess of the mills levied under the state education tax act Act No 331 of the Public Acts of 1993 being sections 211 901 to 211 906 of the Michigan Compiled Laws allocated to a local school district other than to a first class school district for payment to the public library commission existing in the district for school district operating purposes in 1993 and the board shall not allocate mills to a local school district for school district operating purposes.

Sec 11a Notwithstanding any other provision of this act the county tax allocation board of a county containing other than the greatest part of the area of an intercounty intermediate school district shall approve a maximum tax rate for that district determined in accordance with section 14a The provisions of this section shall not result in a grant by an allocation board of a tax rate to the intercounty intermediate school district in excess of the rate required according to its proposed budget

Sec 14 If an intermediate school district is located in 2 or more counties the chairperson of the allocation board of the county in which the greatest part of the area of the intermediate school district is located immediately upon the making of the final order approving a maximum tax rate for each local unit in the county shall notify the chairpersons of the allocation boards of the counties in which other portions of the intermediate school district are located The notice shall set forth the maximum tax rate approved by the allocation board for the purposes of the intermediate school district

Sec 14a (1) The allocation board of a county in which other than the greatest part of the area of an intercounty intermediate school district is located shall remain in session to receive the notice If the notice indicates that a higher rate was approved for the intermediate school district by the allocation board of the county in which the greatest part of the intermediate school district is located the allocation board of any county that has adopted a lower rate shall change it to the rate approved by the allocation board of the county in which the greatest part of the area of the intermediate school district is located

(2) The allocation board of a county containing other than the greatest part of the area of an intercounty intermediate school district shall adopt a maximum rate for the intermediate school district that is not less than the separate tax rate for the intermediate school district adopted by the qualified electors of the county containing the greatest part of the area of the intermediate school district if there has been a vote Notwithstanding any other provision of this act an intermediate school district shall not be allowed a tax rate in excess of the rate required according to its proposed budget

Sec 17a If the order of the state tax commission increases or decreases the maximum tax rate of an intercounty intermediate school district and if the greatest part of the area of the district is affected by the order the commission shall promptly proceed to assure that the tax rate available for the district's purposes in counties in which its other areas are located is likewise increased or decreased

Section 2 Section 5m of Act No 62 of the Public Acts of 1933 being section 211 205m of the Michigan Compiled Laws is repealed

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor