



HOUSE BILL No. 5029

September 21, 1993, Introduced by Reps. Llewellyn, McBryde and Bobier and referred to the Committee on Taxation.

A bill to amend sections 2 and 11 of Act No. 62 of the Public Acts of 1933, entitled as amended "Property tax limitation act," section 11 as amended by Act No. 24 of the Public Acts of 1980, being sections 211.202 and 211.211 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Section 1. Sections 2 and 11 of Act No. 62 of the Public Acts of 1933, section 11 as amended by Act No. 24 of the Public Acts of 1980, being sections 211.202 and 211.211 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 2. ~~Words and phrases used in this act shall be defined as follows~~ AS USED IN THIS ACT:

(a) "Local unit" ~~shall mean~~ MEANS counties, townships, villages, cities, ~~school districts,~~ community college

1 districts, ~~intermediate school districts~~ and all other
 2 divisions, districts, and organizations of government ~~which may~~
 3 ~~now or hereafter be~~ established by law ~~and which~~ THAT have THE
 4 power to levy taxes against property located within their respec-
 5 tive areas, except ~~such~~ villages and cities for which there are
 6 provisions in their charters or general law fixing maximum limits
 7 on the power to levy taxes against property for ~~such~~ purposes
 8 ~~as may be~~ authorized by law to be supported under the municipal
 9 budget.

10 (b) "Municipal corporation" ~~shall mean~~ MEANS villages and
 11 cities.

12 (c) "Board" ~~shall mean~~ MEANS the county tax allocation
 13 board created by section 5.

14 Sec. 11. (1) ~~(a)~~ The board shall examine the budgets and
 15 statements of local units ~~which~~ THAT are filed with it, and
 16 shall determine the tax rates, exclusive of debt service tax
 17 rates, ~~which~~ THAT are required pursuant to ~~its~~ THE LOCAL
 18 UNIT'S proposed budget. The board may request additional state-
 19 ments and examine financial records to verify the tax rate
 20 request of a local unit. For the purpose of determining its tax
 21 rate, a local unit shall submit a statement accounting for the
 22 amount of money contained in the budget stabilization fund. ~~In~~
 23 ~~submitting the budget to the board, the~~ THE amount contained in
 24 the budget stabilization fund shall not be a factor USED by the
 25 board in determination of the tax rate, if that amount does not
 26 exceed the permitted level of funding for ~~such a~~ THAT fund as
 27 provided by law.

1 (2) ~~(b)~~ If the board finds that the total of all tax rates
 2 ~~which~~ THAT are required to be levied on property located within
 3 the area of a local unit does not exceed the net limitation tax
 4 rate, the board shall approve the tax rates as maximum tax rates,
 5 except ~~such~~ tax rates ~~as may be~~ THAT ARE required to be
 6 determined under subsections ~~(c)~~ (3) to ~~(h)~~ (8).

7 (3) ~~(c)~~ If the board finds that the total of all tax rates
 8 ~~which~~ THAT are required to be levied on property located within
 9 the area of a local unit exceeds the net limitation tax rate, the
 10 board shall proceed according to subsections ~~(d)~~ (4), ~~(e)~~
 11 (5), and ~~(f)~~ (6).

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

~~1 public library commission existing in the district for services~~
~~2 of an educational nature rendered by the library to the residents~~
~~3 of the school district.~~

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

20 (6) ~~(f)~~ The board shall approve a maximum tax rate for
21 each local unit ~~which~~ THAT votes to increase the total tax rate
22 limitation as provided in the last sentence of the first para-
23 graph of section 6 of article ~~9~~ IX of the state constitution of
24 1963, and as provided for in this act. The maximum tax rate for
25 each local unit, with other maximum tax rates ~~which~~ THAT may be
26 levied within the area of the local unit, shall not exceed the
27 limitation voted. In approving a maximum limitation tax rate

1 under subsection ~~(e)~~ (5) for the various local units, the board
2 shall not take into consideration any increase of the tax rate
3 limitation voted by a local unit.

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

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