



SENATE BILL No. 596

May 4, 1993, Introduced by Senator DE GROW and referred
to the Committee on Finance.

A bill to amend section 11 of Act No. 62 of the Public Acts
of 1933, entitled as amended
"Property tax limitation act,"
as amended by Act No. 24 of the Public Acts of 1980, being sec-
tion 211.211 of the Michigan Compiled Laws; and to add section
18.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 11 of Act No. 62 of the Public Acts of
2 1933, as amended by Act No. 24 of the Public Acts of 1980, being
3 section 211.211 of the Michigan Compiled Laws, is amended and
4 section 18 is added to read as follows:

5 Sec. 11. (a) The board shall examine the budgets and state-
6 ments of local units which are filed with it, and shall determine
7 the tax rates, exclusive of debt service tax rates, ~~which~~ THAT
8 are required pursuant to its proposed budget. The board may

1 request additional statements and examine financial records to
 2 verify the tax rate request of a local unit. For the purpose of
 3 determining its tax rate, a local unit shall submit a statement
 4 accounting for the amount of money contained in the budget stabi-
 5 lization fund. In submitting the budget to the board, the amount
 6 contained in the budget stabilization fund shall not be a factor
 7 by the board in determination of the tax rate, if that amount
 8 does not exceed the permitted level of funding for such a fund as
 9 provided by law.

10 (b) If the board finds that the total of all tax rates
 11 ~~which~~ THAT are required to be levied on property located within
 12 the area of a local unit does not exceed the net limitation tax
 13 rate, the board shall approve the tax rates as maximum tax rates,
 14 except ~~such~~ THOSE tax rates ~~as may be~~ required to be deter-
 15 mined under subsections (c) to (h).

16 (c) If the board finds that the total of all tax rates
 17 ~~which~~ THAT are required to be levied on property located within
 18 the area of a local unit exceeds the net limitation tax rate, the
 19 board shall proceed according to subsections (d), (e), and (f).

20 (d) The board shall approve minimum tax rates as follows:
 21 For the county if other than a charter county, 3 mills; ~~for~~
 22 ~~school districts, 4 mills;~~ for community college districts orga-
 23 nized after April 15, 1957, 1/4 of 1 mill; for intermediate
 24 school districts, 1/10 of 1 mill; for townships other than
 25 charter townships, 1 mill. If the community college district
 26 votes to increase the total tax limitation as provided in section
 27 6 of article ~~9~~ IX of the state constitution of 1963, the board,

1 during the period the increase is in effect, shall not allocate
2 the 1/4 of 1 mill minimum tax rate to the community college dis-
3 trict, but the community college district shall raise all of its
4 tax revenues from the amount of increase so voted. A local unit
5 shall not be allowed a tax rate in excess of what is required
6 pursuant to its proposed budget. ~~Of the millage allocated to a~~
7 A first-class school district ~~—~~ SHALL BE ALLOCATED .64 mills
8 WHICH shall be collected and paid by the school district to the
9 public library commission existing in the district for services
10 of an educational nature rendered by the library to the residents
11 of the school district.

12 (e) The board shall divide the balance of the net limitation
13 tax rate between all local units after due consideration of the
14 needs of the several local units, the importance to the public of
15 functions of local units ~~—which—~~ THAT may have to be curtailed,
16 the need of local units for construction or repair of public
17 works, the proposed or accomplished transfer of functions from 1
18 local unit to others, and other facts or matters concerning the
19 operations of local units ~~—which—~~ THAT the board ~~—may consider—~~
20 CONSIDERS relevant. A local unit shall not be allowed a tax rate
21 in excess of what is required pursuant to its proposed budget.
22 The board shall approve a maximum limitation tax rate to be
23 levied from the tax rate fixed by section 6 of article ~~—9—~~ IX of
24 the state constitution of 1963 without approval of the voters for
25 each local unit consisting of the minimum tax rate, if any, pro-
26 vided in subsection (d), added to the tax rate determined under
27 this subsection.

1 (f) The board shall approve a maximum tax rate for each
2 local unit ~~which~~ THAT votes to increase the total tax rate lim-
3 itation as provided in the last sentence of the first paragraph
4 of section 6 of article ~~9~~ IX of the state constitution of 1963,
5 and as provided for in this act. The maximum tax rate for each
6 local unit, with other maximum tax rates ~~which~~ THAT may be
7 levied within the area of the local unit, shall not exceed the
8 limitation voted. In approving a maximum limitation tax rate
9 under subsection (e) for the various local units, the board shall
10 not take into consideration any increase of the tax rate limita-
11 tion voted by a local unit.

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

14 (h) The approval by the board of a maximum tax rate for a
15 local unit, which will necessitate a reduction in the total pro-
16 posed expenditures as listed in the budget of the local unit,
17 shall not be construed as a reduction or elimination of any spe-
18 cific items in the list of proposed expenditures, and the board
19 may not reduce or eliminate those specific items. A local unit,
20 in the budget of which a reduction in the total proposed expendi-
21 ture is necessitated by the action of the board, or of the state
22 tax commission in case of appeal, may revise its budget and amend
23 and alter its tax levy to the extent made necessary by that
24 action. Budgets ~~heretofore~~ PREVIOUSLY prepared to be met from
25 taxes levied pursuant to this act may likewise be revised.

26 SEC. 18. MILLS SHALL NOT BE ALLOCATED TO LOCAL SCHOOL
27 DISTRICTS FOR SCHOOL OPERATING PURPOSES AFTER DECEMBER 31, 1992.

1 AS USED IN THIS SECTION, "SCHOOL OPERATING PURPOSES" MEANS THAT
2 TERM AS USED IN SECTION 1211 OF THE SCHOOL CODE OF 1976, ACT
3 NO. 451 OF THE PUBLIC ACTS OF 1976, BEING SECTION 380.1211 OF THE
4 MICHIGAN COMPILED LAWS.

5 Section 2. This amendatory act shall not take effect unless
6 House Joint Resolution G of the 87th Legislature becomes a part
7 of the constitution as provided in section 1 of article XII of
8 the state constitution of 1963.

9 Section 3. This amendatory act shall not take effect unless
10 all of the following bills of the 87th Legislature are enacted
11 into law:

12 (a) Senate Bill No. 1.

13 (b) Senate Bill No. 601.

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15 (c) Senate Bill No. 600.

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17 (d) Senate Bill No. 599.

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19 (e) Senate Bill No. 602.

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21 (f) Senate Bill No. _____ or House Bill No. _____ (request
22 no. 01371'93).

23 (g) Senate Bill No. 598.

24

25 (h) Senate Bill No. 597.

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1 (i) Senate Bill No. _____ or House Bill No. _____ (request
2 no. 03859'93).