



# SENATE BILL No. 1153

May 12, 1994, Introduced by Senators SMITH and EMMONS and referred to the Committee on Finance

A bill 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

"Property tax limitation 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 51 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**

1 Section 1 The title and sections 2, 4, 4a, 5, 5b 5e, 5g,  
2 5i, 5k, 6, 11 11a, 14, 14a, and 17a of Act No 62 of the Public

1 Acts of 1933, section 4 as amended by Act No 24 of the Public  
 2 Acts of 1980, section 4a as added and section 11 as amended by  
 3 Act No 314 of the Public Acts of 1993, and section 51 as amended  
 4 by Act No 279 of the Public Acts of 1980, being  
 5 sections 211 202, 211 204, 211 204a, 211 205, 211 205b, 211 205e,  
 6 211 205g, 211 205i, 211 205k, 211 206, 211 211, 211 211a,  
 7 211 214, 211 214a, and 211 217a of the Michigan Compiled Laws,  
 8 are amended to read as follows

9 TITLE

10 An act to provide limits on the rate of taxation on proper-  
 11 ty, and to provide for a division of the rate of taxation between  
 12 counties, townships municipal corporations, INTERMEDIATE school  
 13 districts, and other local units and to earmark funds raised by  
 14 increasing the total tax limitation and to repeal all acts and  
 15 parts of acts and charters and parts of charters of municipal  
 16 corporations inconsistent with or contravening the provisions of  
 17 this act

18 Sec 2 ~~Words and phrases~~ AS used in this act ~~shall be~~  
 19 ~~defined as follows:~~

20 (a) "Local unit" ~~shall mean~~ MEANS counties townships  
 21 villages, cities, A FIRST-CLASS school ~~districts~~ DISTRICT, com-  
 22 munity college districts, intermediate school districts, and all  
 23 other divisions, districts, and organizations of government  
 24 ~~which~~ THAT ARE OR may ~~now or hereafter~~ be established by law  
 25 and ~~which~~ THAT have THE power to levy taxes against property  
 26 located within their respective areas, except ~~such~~ villages and  
 27 cities for which there are provisions in their charters or

1 general law fixing maximum limits on the power to levy taxes  
2 against property for ~~such~~ purposes as ~~may be~~ authorized by  
3 law to be supported under the municipal budget AND SCHOOL  
4 DISTRICTS

5 (b) "Municipal corporation" ~~shall mean~~ MEANS villages and  
6 cities

7 (c) "Board" ~~shall mean~~ MEANS the county tax allocation  
8 board created by section 5

9 Sec 4 (1) The tax rate in mills allocated for charter  
10 county purposes pursuant to subsection (3) plus the tax rate in  
11 mills ~~which~~ THAT is provided by law for state purposes and is  
12 in force and effect on the last day specified by this act for the  
13 filing of budgets and statements of local units with the board,  
14 except tax rates levied for the purpose of payment of interest  
15 and principal on state obligations incurred before December 8,  
16 1932, shall be deducted from the maximum tax rates determined  
17 pursuant to section 3(1) as the tax rates fixed by section 6 of  
18 article 9 of the state constitution of 1963 without approval of  
19 the voters The remainder of these maximum tax rates determined  
20 pursuant to section 3(1), after deducting the total tax rates  
21 levied for state purposes and a tax rate in mills allocated for  
22 charter county purposes pursuant to subsection (3) if any, shall  
23 be known and referred to as the net limitation tax rate

24 (2) If a state tax is levied for any year ~~pursuant to sub-~~  
25 ~~section (1)~~ OTHER THAN 1994, the ~~auditor general~~ STATE  
26 TREASURER shall notify by registered mail the county clerk of  
27 each county, on or before the day after the last day provided by

1 this act for the filing of budgets and statements of local units  
2 with the board stating the total amount of the state tax rates  
3 On or before September 1 of each year, the ~~auditor general~~  
4 STATE TREASURER shall notify by registered mail the county clerk  
5 of each county of any change in the amount of the tax rate for  
6 state purposes in that county ~~which~~ THAT is necessitated by  
7 state equalization of county assessed valuations If a state  
8 property tax is levied for the payment of interest and principal  
9 on state obligations incurred before December 8, 1932, it shall  
10 be provided by law before August 1 of each year and shall be

11 apportioned among each county in the manner now provided by law  
12 (3) Each county ~~which~~ THAT adopts a charter shall be allo-  
13 cated for charter county purposes, from the maximum tax rate  
14 ~~which~~ THAT is fixed pursuant to section 6 of article ~~9~~ IX of  
15 the state constitution of 1963 without approval of the voters, a  
16 tax rate in mills equal to the number of mills allocated to the  
17 county either by a county tax allocation board or a separate tax  
18 limitation under this act in the year immediately preceding the  
19 year in which the county adopts a charter

20 Sec 4a (1) THE NUMBER OF MILLS ALLOCATED TO A LOCAL  
21 SCHOOL DISTRICT UNDER A SEPARATE TAX LIMITATION APPROVED BEFORE  
22 1994 SHALL BE REDUCED BY THE NUMBER OF MILLS LEVIED BY THE STATE  
23 For a separate tax limitation vote held after 1993 the number of  
24 mills that may be allocated shall be reduced by the number of  
25 mills allocated to a local school district for school district  
26 operating purposes in 1993 OR THE NUMBER OF MILLS LEVIED BY THE

1 STATE, WHICHEVER IS GREATER and mills shall not be allocated to  
2 a local school district

3 (2) FOR A TOWNSHIP THAT IS LOCATED IN A COUNTY THAT ALLO-  
4 CATED UNDER A SEPARATE TAX LIMITATION LESS THAN 6 MILLS FOR  
5 SCHOOL DISTRICTS, THE AMOUNT OF ALLOCATED MILLS THAT TOWNSHIP MAY  
6 LEVY IN 1993 IS REDUCED BY THE DIFFERENCE BETWEEN 6 MILLS AND THE  
7 AMOUNT ALLOCATED TO SCHOOL DISTRICTS IN 1993 THIS SUBSECTION  
8 APPLIES ONLY IN A YEAR IN WHICH THE LEGISLATURE SPECIFICALLY  
9 APPROPRIATES THE AMOUNT OF REVENUE LOST TO THE TOWNSHIP DUE TO  
10 THE OPERATION OF THIS SUBSECTION THIS SUBSECTION DOES NOT APPLY  
11 AFTER 1996

12 (3) A FIXED ALLOCATION UNDER A SEPARATE TAX LIMITATION  
13 APPROVED BEFORE 1994 IN A COUNTY IN WHICH A SCHOOL DISTRICT WAS  
14 ALLOCATED LESS THAN 6 MILLS EXPIRES AFTER THE 1996 ALLOCATION

15 Sec 5 A county tax allocation board is created for each  
16 county and shall be composed of THE FOLLOWING

17 (a) The county treasurer

18 (b) The ~~chairman~~ CHAIRPERSON of the board of county audi-  
19 tors if there ~~be such~~ IS a board, and if not the ~~chairman~~  
20 CHAIRPERSON of the finance or ways and means committee of the  
21 county board of commissioners

22 (c) The intermediate school district superintendent or his  
23 OR HER representative

24 ~~(d) A member of a school board of a school district in the~~  
25 ~~county maintaining 12 grades of school, who shall be selected by~~  
26 ~~the judge or judges of probate of the county, except that in~~  
27 ~~counties containing 1 or more municipal corporations having a~~

~~1 population of 10,000 or more, the member shall be a resident of  
 2 the county and selected by the board of education of the constit-  
 3 uent school district, not an intermediate school district, at  
 4 least 1/2 of the area of which lies in the county and which has  
 5 the largest number of children in the whole district between the  
 6 ages of 5 and 20 according to the latest annual enrollment as  
 7 certified to the department of education—~~

8 (D) ~~(e)~~ A resident of a municipality within the county who  
 9 shall be selected by the judge or judges of probate of the  
 10 county, except that in counties containing 1 or more municipal  
 11 corporations having a population of 10,000 or more, the member  
 12 shall be a resident of ~~such a municipality except that~~ A  
 13 MUNICIPAL CORPORATION HAVING A POPULATION OF 10,000 OR MORE  
 14 HOWEVER, in counties in which are located municipalities subject  
 15 to this act, the member shall be an official of 1 of the munici-  
 16 palities ~~—~~ and if there ~~be but~~ IS ONLY 1 ~~such~~ municipality  
 17 within the county then the member shall be selected by the gov-  
 18 erning body of the municipality ~~—~~ either from its own members  
 19 or its municipal officers

20 (E) ~~(f)~~ A member not officially connected with or employed  
 21 by any local or county unit, who shall be selected by the board  
 22 of county commissioners

23 (F) ~~(g)~~ A member who shall be a township supervisor and  
 24 who shall be selected by A MAJORITY OF the township supervisors  
 25 in the county ~~or a majority thereof—~~

26 ~~(h) A member of a school board from 1 of the 3 smallest  
 27 K-12 school districts in the county in accordance with the most~~



~~1 School districts (a school district located~~  
~~2 entirely within a city or charter township~~  
~~3 shall receive in addition millage equal to~~  
~~4 the township millage, in addition, a school~~  
~~5 district located entirely outside a community~~  
~~6 college district provided for under section~~  
~~7 81 of Act No 331 of the Public Acts of 1966,~~  
~~8 being section 389 81 of the Michigan Compiled~~  
~~9 Laws, shall receive millage equal to the~~  
~~10 millage provided for that community college~~  
~~11 district under section 11 of Act No 62 of~~  
~~12 the Public Acts of 1933 as amended, being~~  
~~13 section 211 211 of the Michigan Compiled~~  
~~14 Laws~~


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15 Total

16 WARNING

~~17 Whoever~~ A PERSON WHO knowingly signs this petition more  
~~18 than once, signs a name other than his or her own NAME, signs~~  
~~19 when~~ IF not a qualified and registered elector, or places oppo-  
~~20 site his or her signature on a petition a date other than the~~  
~~21 actual date the signature was affixed, is in violation of the~~  
~~22 law "~~

23 (2) The circulator of the petition shall be a qualified and  
 24 registered elector of the county in which he or she circulates  
 25 the petition Petitions shall be signed and acknowledged by the





1 Intermediate school districts

2 ~~School districts (a school district located~~  
 3 ~~entirely within a city or charter township~~  
 4 ~~shall receive in addition millage equal to~~  
 5 ~~the township millage. in addition, a school~~  
 6 ~~district located entirely outside a community~~  
 7 ~~college district provided for under section~~  
 8 ~~81 of Act No 331 of the Public Acts of 1966,~~  
 9 ~~being section 389 81 of the Michigan Compiled~~  
 10 ~~Laws, shall receive millage equal to the~~  
 11 ~~millage provided for that community college~~  
 12 ~~district under section 11 of Act No 62 of~~  
 13 ~~the Public Acts of 1933, as amended, being~~  
 14 ~~section 211 211 of the Michigan Compiled~~  
 15 ~~Laws~~ \_\_\_\_\_

16 Total

17 Yes ( )

18 No ( )"

19 Sec 51 ~~On~~ UPON the filing in the offices of the secre-  
 20 tary of state and the county clerk of a copy of the initiatory  
 21 petition ~~,~~ the separate tax limitations recommended by the  
 22 county tax allocation board ~~,~~ and ~~of~~ all resolutions  
 23 ~~thereafter~~ OF THE BOARD and the certificate of the county  
 24 board of canvassers showing that a majority of the electors

1 voting on either the separate tax limitations proposed by  
2 petition of electors or of the county tax allocation board, or  
3 both, has approved ~~thereof,~~ THE SEPARATE TAX LIMITATIONS and  
4 stating the number of votes cast on the separate questions and  
5 the number cast for and against the ~~same~~ QUESTIONS, the sepa-  
6 rate tax limitations for the county and the townships ~~and school~~  
7 ~~districts therein~~ IN THE COUNTY shall be effective and shall  
8 ~~thereupon~~ apply to all subsequent tax levies until altered by  
9 another vote pursuant to the provisions of this act or expiration  
10 of the period for which the separate tax limitations were voted  
11 ~~, except that when~~ HOWEVER, IF the election is held after April  
12 1 in any year the adopted limitations shall be first effective in  
13 the ~~subsequent~~ NEXT SUCCEEDING calendar year ~~Separate tax~~  
14 ~~limitations adopted at the August primary or November general~~  
15 ~~election in 1980 in a county with a population of more than~~  
16 ~~1,000,000 shall be effective with respect to taxes levied during~~  
17 ~~1980 and shall supersede the maximum tax rates allocated by the~~  
18 ~~county tax allocation board for that year~~

19       Sec 5k   When an initiatory petition is received by the  
20 county board of commissioners to alter or extend within the 18  
21 mill limitation existing separate tax limitations of the county  
22 and the townships ~~and school districts~~ in the county or when  
23 the county board of commissioners resolves to alter or extend  
24 within an existing 18 mill limitation existing separate tax limi-  
25 tations of the county and the townships ~~and school districts~~ in  
26 the county, the county board of commissioners shall proceed in  
27 the same manner as provided in this act ~~in the case of~~ FOR an

1 original initiatory petition The county board of commissioners  
 2 shall notify the persons and bodies — having appointive powers  
 3 under section 5 — of the receipt of the petition or the resolu-  
 4 tion by the county board of commissioners Those persons and  
 5 bodies shall select the same persons —, provided by section 5  
 6 —, for a county tax allocation board —, to serve as members of  
 7 a county advisory tax limitation committee ~~hereby~~ THAT IS  
 8 created The committee shall meet within 10 days of its selec-  
 9 tion and shall prepare separate tax limitations for the county  
 10 —, and the townships ~~and school districts~~ in the county,  
 11 aggregating not more than 18 mills ~~as a~~ THAT THE majority of  
 12 the committee ~~deems best to~~ CONSIDERS WILL provide for the  
 13 financial needs of the county —, AND townships —, ~~and school~~  
 14 ~~districts~~ The separate tax limitations shall be promptly trans-  
 15 mitted to the county board of commissioners and the functions of  
 16 the committee shall then cease The question shall be submitted  
 17 to a vote of the registered and qualified electors of the county  
 18 at the same time as the separate tax limitations proposed by ini-  
 19 tiatory petitions The election, determination of results, and  
 20 procedure after the determination shall be the same as provided  
 21 in this act ~~in the case of~~ FOR an election held upon original  
 22 petitions

23 Sec 6 The members of the board selected by the judge or  
 24 judges of probate ~~and the board of education~~ shall be selected  
 25 on or before the second Monday of April in each year, and shall  
 26 hold office for a term of 1 year The board shall select 1 of  
 27 its members as ~~chairman and the~~ CHAIRPERSON THE county clerks

1 shall act as clerk of the board, and shall keep a full and  
2 accurate record of all its proceedings The board may employ  
3 ~~such~~ clerical and other assistance ~~as it deems~~ CONSIDERED  
4 necessary

5       Sec 11 (1) The board shall examine the budgets and state-  
6 ments of local units that are filed with it, and shall determine  
7 the tax rates, exclusive of debt service tax rates, that are  
8 required pursuant to its proposed budget The board may request  
9 additional statements and examine financial records to verify the  
10 tax rate request of a local unit For the purpose of determining  
11 its tax rate, a local unit shall submit a statement accounting  
12 for the amount of money contained in the budget stabilization  
13 fund In submitting the budget to the board, the amount con-  
14 tained in the budget stabilization fund shall not be a factor by  
15 the board in determination of the tax rate, if that amount does  
16 not exceed the permitted level of funding for that fund as pro-  
17 vided by law

18       (2) If the board finds that the total of all tax rates that  
19 are required to be levied on property located within the area of  
20 a local unit does not exceed the net limitation tax rate, the  
21 board shall approve the tax rates as maximum tax rates, except  
22 tax rates required to be determined under subsections (3) to  
23 (8)

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

1 (4) The board shall approve minimum tax rates for the county  
2 if other than a charter county, of 3 mills for community college  
3 districts organized after April 15, 1957, of 1/4 of 1 mill for  
4 intermediate school districts, 1/10 of 1 mill ~~and~~ for town-  
5 ships other than charter townships, of 1 mill AND TO A  
6 FIRST-CLASS SCHOOL DISTRICT TO BE COLLECTED AND PAID BY THE  
7 SCHOOL DISTRICT TO THE PUBLIC LIBRARY COMMISSION EXISTING IN THE  
8 DISTRICT FOR SERVICES OF AN EDUCATIONAL NATURE RENDERED BY THE  
9 LIBRARY TO THE RESIDENTS OF THAT SCHOOL DISTRICT, OF 64 MILLS  
10 If the community college district votes to increase the total tax  
11 limitation as provided in section 6 of article IX of the state  
12 constitution of 1963 the board, during the period the increase  
13 is in effect, shall not allocate the 1/4 of 1 mill minimum tax  
14 rate to the community college district, but the community college  
15 district shall raise all of its tax revenues from the amount of  
16 increase so voted A local unit shall not be allowed a tax rate  
17 in excess of what is required pursuant to its proposed budget  
18 ~~Of the millage allocated to a first class school district, 64~~  
19 ~~mills shall be collected and paid by the school district to the~~  
20 ~~public library commission existing in the district for services~~  
21 ~~of an educational nature rendered by the library to the residents~~  
22 ~~of the school district~~

23 (5) The board shall divide the balance of the net limitation  
24 tax rate between all local units after due consideration of the  
25 needs of the several local units the importance to the public of  
26 functions of local units that may have to be curtailed, the need  
27 of local units for construction or repair of public works the

1 proposed or accomplished transfer of functions from 1 local unit  
2 to others, and other facts or matters concerning the operations  
3 of local units that the board considers relevant A local unit  
4 shall not be allowed a tax rate in excess of what is required  
5 pursuant to its proposed budget The board shall approve a maxi-  
6 mum limitation tax rate to be levied from the tax rate fixed by  
7 section 6 of article IX of the state constitution of 1963 without  
8 approval of the voters for each local unit consisting of the min-  
9 imum tax rate, if any, provided in subsection (4), added to the  
10 tax rate determined under this subsection

11 (6) The board shall approve a maximum tax rate for each  
12 local unit that votes to increase the total tax rate limitation  
13 as provided in the last sentence of the first paragraph of sec-  
14 tion 6 of article IX of the state constitution of 1963, and as  
15 provided for in this act The maximum tax rate for each local  
16 unit, with other maximum tax rates that may be levied within the  
17 area of the local unit, shall not exceed the limitation voted  
18 In approving a maximum limitation tax rate under subsection (5)  
19 for the various local units the board shall not take into con-  
20 sideration any increase of the tax rate limitation voted by a  
21 local unit

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

24 (8) The approval by the board of a maximum tax rate for a  
25 local unit, which will necessitate a reduction in the total pro-  
26 posed expenditures as listed in the budget of the local unit,  
27 shall not be construed as a reduction or elimination of any

1 specific items in the list of proposed expenditures, and the  
2 board may not reduce or eliminate those specific items. A local  
3 unit, in the budget of which a reduction in the total proposed  
4 expenditure is necessitated by the action of the board, or of the  
5 state tax commission on an appeal, may revise its budget and  
6 amend and alter its tax levy to the extent made necessary by that  
7 action. Budgets previously prepared to be met from taxes levied  
8 pursuant to this act may likewise be revised.

9 (9) Beginning in 1994, the number of mills that may be allo-  
10 cated by the board under this section shall be reduced by the  
11 number of mills IN EXCESS OF THE MILLS LEVIED UNDER THE STATE  
12 EDUCATION TAX ACT, ACT NO 331 OF THE PUBLIC ACTS OF 1993, BEING  
13 SECTIONS 211 901 TO 211 906 OF THE MICHIGAN COMPILED LAWS, allo-  
14 cated to a local school district, other than to a first class  
15 school district for payment to the public library commission  
16 existing in the district, for school district operating purposes  
17 in 1993 and the board shall not allocate mills to a local school  
18 district for school district operating purposes.

19 Sec 11a Notwithstanding any other provision of this act,  
20 the county tax allocation board of a county containing other than  
21 the greatest part of the area of an intercounty ~~school district~~  
22 ~~or~~ intermediate school district ~~,~~ shall approve a maximum tax  
23 rate for ~~such~~ THAT district, determined in accordance with sec-  
24 tion 14a. The provisions of this section shall not result in a  
25 grant by an allocation board of a tax rate to the intercounty  
26 ~~school district or~~ intermediate school district in excess of  
27 the rate required according to its proposed budget.



1       Sec 14   ~~Whenever a school district, including~~ IF an  
 2 intermediate school district ~~—~~ is located in 2 or more coun-  
 3 ties, the ~~chairman~~ CHAIRPERSON of the allocation board of the  
 4 county in which the greatest part of the area of ~~such~~ THE  
 5 INTERMEDIATE school district is located, immediately upon the  
 6 making of the final order approving a maximum tax rate for each  
 7 local unit in the county, shall notify the ~~chairmen~~  
 8 CHAIRPERSONS of the allocation boards of the counties in which  
 9 other portions of the INTERMEDIATE school district are located  
 10 The notice shall set forth the maximum tax rate approved by the  
 11 allocation board for the purposes of the INTERMEDIATE school  
 12 district

13       Sec 14a   (1) The allocation board of a county in which  
 14 other than the greatest part of the area of an intercounty  
 15 ~~school district, including an~~ intermediate school district ~~—~~  
 16 is located ~~—~~ shall remain in session to receive ~~such~~ THE  
 17 notice   If the notice indicates that a higher rate was approved  
 18 for ~~such~~ THE INTERMEDIATE school district by the allocation  
 19 board of the county in which the greatest part of the  
 20 INTERMEDIATE school district is located, the allocation board of  
 21 any county ~~which~~ THAT has adopted a lower rate shall change it  
 22 to the rate approved by the allocation board of the county in  
 23 which the greatest part of the area of the INTERMEDIATE school  
 24 district is located

25       (2) The allocation board of a county containing other than  
 26 the greatest part of the area of an intercounty ~~school district~~  
 27 ~~or~~ intermediate school district shall adopt a maximum rate for

1 ~~such~~ THE INTERMEDIATE school district ~~which~~ THAT is not less  
2 than the separate tax rate for the INTERMEDIATE school district  
3 adopted by the qualified electors of the county containing the  
4 greatest part of the area of ~~such~~ THE INTERMEDIATE school dis-  
5 trict if there has been ~~such~~ a vote Notwithstanding any  
6 other provision of this act, ~~a~~ AN INTERMEDIATE school district  
7 shall not be allowed a tax rate in excess of the rate required  
8 according to its proposed budget

9       Sec 17a If the order of the state tax commission  
10 increases or decreases the maximum tax rate of an intercounty  
11 ~~school district including an~~ intermediate school district —  
12 and if the greatest part of the area of ~~such~~ THE district is  
13 affected by ~~such an~~ THE order, the commission shall promptly  
14 ~~take such proceedings as will~~ PROCEED TO assure that the tax  
15 rate available for ~~such~~ THE district's purposes in counties in  
16 which its other areas are located ~~shall be~~ IS likewise  
17 increased or decreased

18       Section 2 Section 5m of Act No 62 of the Public Acts of  
19 1933 being section 211 205m of the Michigan Compiled Laws, is  
20 repealed