



**House
Legislative
Analysis
Section**

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MILLAGE RENEWALS

**House Bill 6167 with committee
amendment
First Analysis (12-3-96)**

**Sponsor: Rep. Jan Dolan
Committee: Tax Policy**

THE APPARENT PROBLEM:

Under the Property Tax Limitation Act, a municipality seeking renewal of a millage must place that question on the ballot for voter approval. The language of the act allows the ballot proposal to be stated as a renewal or continuation of a previously approved millage that is about to expire only if the new request is for the identical amount of the millage that is expiring. If the local government wishes to ask for a lower amount of mills, the proposal must be stated on the ballot as a new millage, even if the request is meant to replace an existing authorization for a higher number of mills.

THE CONTENT OF THE BILL:

The bill would amend the Property Tax Limitation Act to allow a millage request for an amount that is less than the amount of an expiring millage to be presented on the ballot as a millage "renewal". In addition, it would amend the act to specify that provisions regarding placement of millage proposals on the ballot would use the term "taxable value" as that term is defined in the General Property Tax Act, rather than the term "state equalized valuation". (This change is due to the implementation of the property tax assessment cap, one of the features of Proposal A of 1994, the new school finance system.)

MCL 211.203

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would have no impact on state or local revenues. (12-2-96)

ARGUMENTS:

For:

The bill would simply allow a municipal request for continuing millage support to be presented as a "renewal" on the ballot in cases where the amount of mills needed is actually lower than the authorized millage that is expiring. Current law allows the use of the word "renewal" only where an identical amount of millage is

being requested. There may be cases where a local government has been able to levy less than the full number of mills authorized, but to renew at that lesser amount requires a ballot proposal for a "new" millage, which may be misunderstood by voters.

POSITIONS:

The Department of Treasury supports the bill. (11-26-96)

The Michigan Association of Counties has no position on the bill. (12-2-96)

The Michigan Townships Association does not oppose the bill. (11-26-96)

House Bill 6167 (12-3-96)

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.