



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5373 (Substitute S-8 as reported)
Sponsor: Representative Willis Bullard, Jr.
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend Public Act 188 of 1954 (which allows townships to make public improvements and levy special assessments to pay for the projects) to provide that if an ad valorem special assessment were levied after 1996, the amount assessed and levied against each parcel of land would be the proportionate amount of the whole sum to be levied against all parcels of land in the special assessment district, as the taxable value of the parcel bore to the total taxable value of all parcels in the special assessment district.

Under the Act, the township board of any township may create an improvement revolving fund. The township board may transfer to the revolving fund from its general fund in any one year an amount up to two mills of the State equalized valuation (SEV) of the real and personal property in the township, and in each subsequent year may transfer from the general fund to the revolving fund until that fund equals five mills of the SEV of the property in the township. Under the bill, this provision would apply before January 1, 1997. After 1996, the township board could transfer to the revolving fund from its general fund in any one year an amount up to two mills of the taxable value of the property in the township, and in each subsequent year could transfer money until that fund equaled five mills of the taxable value of the property in the township.

MCL 41.727 & 41.735b

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill specifies that special assessments would have to be based on the taxable value for 1997 and subsequent years. Local units that did not increase millage rates to correspond to the lower tax base would decrease special assessment collections.

Date Completed: 12-10-96

Fiscal Analyst: R. Ross