Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5504 (Substitute S-1 as reported)
Sponsor: Representative Lynn Owen
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 4-25-96

RATIONALE

In 1986 the Resort District Rehabilitation Act was enacted to allow townships to establish resort district authorities with the power to levy as many as three mills against resort property in order to finance rehabilitation projects, including roads, lighting, sewers, drains, flood controls, and garbage collection. Under the Act, the boundaries of a resort district and the millage to be levied had to be approved by the voters of the district before 1988; if approved, the taxes could be levied for five years, with five-year renewals allowed subject to voter approval. The Act was passed at the request of Frenchtown Township in Monroe County, in an attempt to facilitate the improvement of reportedly deteriorated infrastructure in certain resort areas of the township. Frenchtown Township was the only township to create a resort district authority under the Act. Reportedly, the resort district has been a success and the millage has been renewed twice, with over 90% of the voters casting affirmative votes the last time. It has been suggested that the voters of the township be allowed to renew the millage for a period greater than five years.

CONTENT

The bill would amend the Resort District Rehabilitation Act to provide that if a resort property tax had been levied and approved by the voters within a resort district on two previous occasions, the resort district authority could, with voter approval, extend the tax levy for up to 10 years. The extension could not be levied for more than three mills, and would have to be approved by a majority of the voters residing in the district who voted on the question.

MCL 125.2208

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill simply would allow the voters in a resort district to extend for up to 10 years, instead of for five years, a millage levied for infrastructure improvements that has been renewed twice previously.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.