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MILLAGES: BALLOT INFORMATION

House Bill 4177 as enrolled
Public Act 248 of 1999
Second Analysis (1-5-00)

Sponsor: Rep. Robert Gosselin
House Committee: Constitutional Law and
Ethics
Senate Committee: Finance

THE APPARENT PROBLEM:

When voters go to the polls to make decisions about operating millage rates and debt millage, the ballot should clearly explain what they are voting on. The General Property Tax Act already requires that the ballot must state the amount of any millage increase and the amount of revenue the increase will bring in during the first year of the increase. Legislation has been introduced to require certain additional information be disclosed whenever any millage proposal is put before voters, including the proposed millage rate, the first-year revenue estimate, the duration of the millage, the purpose of the millage, and a clear statement indicating whether the proposed millage is a renewal or is a new additional millage. Additional information about bond proposals would also be required.

THE CONTENT OF THE BILL:

Currently, the General Property Tax Act requires that when a millage proposal is submitted to voters, the ballot must state the amount of the proposed millage increase and an estimate of the revenue increase during the first calendar year that the taxing unit would collect if the increase were approved and levied.

The bill would amend the act to expand the information on ballots proposing a millage increase and to rewrite the current requirements. Under the bill, a ballot proposing a millage increase would have to include all of the following information:

- (1) the millage rate to be authorized;
- (2) the estimated amount of revenue that would be collected in the first year that the millage was authorized and levied;

- (3) the duration of the millage in years;
- (4) a clear statement of the purpose of the millage; and
- (5) a clear statement indicating whether the proposed millage was a renewal of a previously authorized millage or the authorization of a new, additional millage.

When submitting a proposal to authorize the issuance of bonds, the ballot would have to state:

- (1) the principal amount to be borrowed;
- (2) the maximum number of years the bonds could be outstanding, exclusive of any refunding;
- (3) a clear statement of the purpose for which the bond proceeds would be used;
- (4) for bonds other than those intended to be paid from a separate source or from taxes levied in less than an entire taxing unit, the estimated millage that would be levied for the proposed bonds in the first year that the levy was authorized and the estimated simple average annual millage that would be required to retire the debt; and
- (5) for bonds intended to be paid from a separate revenue source or from taxes levied in less than an entire taxing unit, the primary source of the revenue that was intended to be used to retire the bonds.

Inaccuracies in the millage estimates provided regarding bond issues would not affect the validity of the bonds, the general obligation unlimited tax status requiring the levy of taxes sufficient to pay the bonds, or the results of an election.

MCL 211.24f

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FISCAL IMPLICATIONS:

The bill would have not fiscal impact on state or local government, according to the Senate Fiscal Agency. (Floor Analysis dated 12-1-99)

ARGUMENTS:***For:***

The aim of the bill is to provide voters with more and better information when they go to the polls to vote on millage issues and on bond issues. Since the ballot language is typically printed by newspapers in advance of an election, improving the quality of information on the ballot will also provide voters with improved information before they go to the polls. It is good public policy for local governments to offer voters clear and useful information so that they can better evaluate the consequences of their votes; for example, whether they are voting to reaffirm a previously approved millage or a new additional millage, for how many years, and for what specific purpose.

Analyst: C. Couch

■ 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.