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Senate Fiscal Agency  
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Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

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House Bill 4020 (Substitute H-1 as reported by the Committee of the Whole)  
Sponsor: Representative Sue Rocca  
House Committee: Tax Policy  
Senate Committee: Finance

**CONTENT**

The bill would amend the General Property Tax Act to eliminate a provision that allows local assessors to round up tax rates to avoid fractions in computations, and would require instead that an assessor round down a tax rate to four decimal places. Further, the bill would require that the taxes (for the tax bills) of each local unit be rounded down to the nearest 1 cent.

Currently, under the Act, local assessors, for the purpose of avoiding fractions in computations, may add up to one-half of 1% to the amount to be taxed. The excess generated by the rounding up of the amount taxed is placed in the contingent fund of the local taxing unit. The bill would eliminate these provisions.

The bill would take effect August 1, 1999.

MCL 211.39

Legislative Analyst: G. Towne

**FISCAL IMPACT**

The bill would have no fiscal impact on State government. Property tax collections would be minimally reduced for local units that do not currently round down.

Date Completed: 5-11-99

Fiscal Analyst: R. Ross