

Senate Bill 970

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 24e (MCL 211.24e), as amended by 1995 PA 42.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 24e. (1) As used in this section:  
2       (a) "Additional millage rate" means a millage rate for oper-  
3       ating purposes in excess of the millage rate permitted by subsec-  
4       tion (2).  
5       (b) "Additions" means that term as defined in section 34d.  
6       (c) "Base tax rate" means a millage rate for a local unit of  
7       government equal to the dollar amount of taxes levied for operat-  
8       ing purposes for the concluding fiscal year from existing prop-  
9       erty divided by the taxable value of existing property for ad  
10       valorem property tax levies for the ensuing fiscal year.

1 (d) "Concluding fiscal year" means the fiscal year of the  
2 taxing unit immediately preceding the fiscal year for which a  
3 limitation under this section is applied or calculated.

4 (e) "Ensuing fiscal year" means the fiscal year of the  
5 taxing unit for which a limitation under this section is applied  
6 or calculated.

7 (f) "Existing property" means all property against which ad  
8 valorem property taxes were levied by a local unit for its con-  
9 cluding fiscal year, minus all property that is considered losses  
10 for purposes of ad valorem property tax levies of the local unit  
11 for the ensuing fiscal year.

12 (g) "Local unit of government" or "taxing unit" means a  
13 city, village, township, charter township, county, charter  
14 county, local school district, intermediate school district, com-  
15 munity college district, or authority.

16 (h) "Losses" means that term as defined in section 34d.

17 (i) "Operating purposes" means all purposes for which ad  
18 valorem property taxes are levied by the taxing unit other than  
19 the levy of ad valorem property taxes to provide local school  
20 districts revenue that is deposited in a building and site fund,  
21 or to pay principal and interest due on a bond or note if and to  
22 the extent the ad valorem taxes levied for this purpose are in  
23 addition to charter or statutory limitations, as authorized by  
24 ~~section 1a of chapter VII of the municipal finance act, Act~~  
25 ~~No. 202 of the Public Acts of 1943, being section 137.1a of the~~  
26 ~~Michigan Compiled Laws~~ THE REVISED MUNICIPAL FINANCE ACT, 2001  
27 PA 34, MCL 141.2101 TO 141.2821.

1       (2) Except as provided by subsection (3), unless the taxing  
2 unit complies with section 16 of the uniform budgeting and  
3 accounting act, ~~Act No. 2 of the Public Acts of 1968, being~~  
4 ~~section 141.436 of the Michigan Compiled Laws~~ 1968 PA 2,  
5 MCL 141.436, the governing body of a taxing unit shall not levy  
6 ad valorem property taxes for operating purposes for an ensuing  
7 fiscal year of the taxing unit that yield an amount more than the  
8 sum of the taxes levied at the base tax rate on additions within  
9 the taxing unit for the ensuing fiscal year plus an amount equal  
10 to the taxes levied for operating purposes for the concluding  
11 fiscal year on existing property. If the taxing unit is a  
12 county, for purposes of this calculation the resulting sum shall  
13 be reduced by an amount equal to the estimate of the distribution  
14 as certified by the state treasurer to be received by the county  
15 pursuant to section 10 of the state convention facility develop-  
16 ment act, ~~Act No. 106 of the Public Acts of 1985, being section~~  
17 ~~207.630 of the Michigan Compiled Laws~~ 1985 PA 106, MCL 207.630,  
18 to the extent that the distribution has been appropriated by the  
19 legislature and the estimate has been certified by the state  
20 treasurer before the final date on which a county millage rate  
21 can be certified for the ensuing year. For purposes of this sec-  
22 tion, the state treasurer shall certify an amount that is an  
23 estimate of the amount to be distributed to each county pursuant  
24 to section 10 of ~~Act No. 106 of the Public Acts of 1985~~ THE  
25 STATE CONVENTION FACILITY DEVELOPMENT ACT, 1985 PA 106,  
26 MCL 207.630.

1       (3) Unless the taxing unit complies with section 16 of ~~Act~~  
2 ~~No. 2 of the Public Acts of 1968~~ THE UNIFORM BUDGETING AND  
3 ACCOUNTING ACT, 1968 PA 2, MCL 141.436, a governing body of a  
4 taxing unit may approve a levy of an additional millage rate only  
5 after providing the notice required by subsections (6) and (9)  
6 and holding a public hearing of the governing body as prescribed  
7 by subsection (6). To approve the levy of the additional millage  
8 rate, the governing body shall adopt a separate resolution or  
9 ordinance.

10       (4) If, as a result of an appeal of county equalization or  
11 state equalization, the state equalized valuation of a unit of  
12 local government changes, and an incorrect amount of property  
13 taxes has been levied, the amount of additional tax revenue or  
14 the shortage of tax revenue shall be deducted from or added to  
15 the next regular tax levy for that unit of local government after  
16 the determination of the rate authorized pursuant to this  
17 section. If the legislature makes an appropriation to a county  
18 pursuant to section 10 of ~~Act No. 106 of the Public Acts of~~  
19 ~~1985~~ THE STATE CONVENTION FACILITY DEVELOPMENT ACT, 1985 PA 106,  
20 MCL 207.630, after the final date a county millage rate can be  
21 certified for the ensuing year, if an appropriation made pursuant  
22 to section 10 of ~~Act No. 106 of the Public Acts of 1985~~ THE  
23 STATE CONVENTION FACILITY DEVELOPMENT ACT, 1985 PA 106,  
24 MCL 207.630, is reduced by an executive order, or if the amount  
25 of a distribution pursuant to section 10 of ~~Act No. 106 of the~~  
26 ~~Public Acts of 1985~~ THE STATE CONVENTION FACILITY DEVELOPMENT  
27 ACT, 1985 PA 106, MCL 207.630, varies from the estimated amount

1 certified by the state treasurer pursuant to subsection (2), the  
2 amount of additional tax revenue or the shortage of tax revenue  
3 shall be deducted from or added to the next regularly estimated  
4 amount for purposes of the next required calculations under sub-  
5 sections (2) and (11).

6 (5) If, at any time, the taxing unit determines that the  
7 published, proposed additional millage rate or an adopted addi-  
8 tional millage rate is insufficient, the taxing unit shall read-  
9 vertise, hold another public hearing of the governing body, and,  
10 if necessary, revote.

11 (6) The public hearing of the governing body of a taxing  
12 unit required pursuant to subsections (3) and (5) shall be held  
13 for the purpose of receiving testimony and discussing a levy of  
14 an additional millage rate for its ensuing fiscal year. In addi-  
15 tion to satisfying the requirements under the open meetings act,  
16 ~~Act No. 267 of the Public Acts of 1976, being sections 15.261 to~~  
17 ~~15.275 of the Michigan Compiled Laws~~ 1976 PA 267, MCL 15.261 TO  
18 15.275, the local unit of government or taxing unit shall publish  
19 notice of this public hearing in a newspaper of general circula-  
20 tion within the local unit of government or taxing unit. This  
21 notice shall be published not less than 6 days before the public  
22 hearing and may be jointly published with the notice of the  
23 public hearing on the taxing unit's proposed budget as required  
24 by section 2 of ~~Act No. 43 of the Public Acts of the Second~~  
25 ~~Extra Session of 1963, being section 141.412 of the Michigan~~  
26 ~~Compiled Laws~~ 1963 (2ND EX SESS) PA 43, MCL 141.412, if both  
27 public hearings are held jointly. This notice shall specify the

1 time, date, and place of the public hearing and shall include, in  
2 addition to other pertinent information the local unit of govern-  
3 ment or taxing unit may elect to include, a statement indicating  
4 the proposed additional millage rate, the percentage by which  
5 this proposed additional millage rate would increase revenues for  
6 operating purposes from ad valorem property tax levies permitted  
7 by operation of subsection (2), the percentage of increased reve-  
8 nue from the immediately preceding year that the taxing unit  
9 would receive if the additional millage rate is not approved, and  
10 that the date and location the taxing unit plans to take action  
11 on the proposed resolution or ordinance will be announced at the  
12 public hearing. This notice shall also provide a statement that  
13 the taxing unit publishing the notice has complete authority to  
14 establish the number of mills to be levied from within its autho-  
15 rized millage rate. The notice shall be in not less than  
16 12-point type, shall be preceded by a headline stating "notice of  
17 a public hearing on increasing property taxes" which shall be in  
18 not less than 18-point type, shall be not less than 8 vertical  
19 column inches and 4 horizontal inches, and shall not be placed in  
20 that portion of the newspaper reserved for legal notice and clas-  
21 sified advertisements.

22       (7) The proposed additional millage rate, which is required  
23 by subsection (6) to be part of the notice of the public hearing,  
24 shall be established by a resolution adopted by the governing  
25 body of the taxing unit before conducting the public hearing.

26       (8) Not more than 10 days after a public hearing, a taxing  
27 unit may approve the levy of an additional millage rate, but

1 shall not approve an additional millage rate that is greater than  
2 a proposed additional millage rate that was published pursuant to  
3 subsection (6) and on which the public hearing has been held.

4 (9) Each local unit shall send timely written notice of the  
5 time, date, and place of a public hearing to be held pursuant to  
6 this section to all newspapers of general circulation within the  
7 local unit.

8 (10) This section shall not serve to extend or authorize the  
9 levy of ad valorem property taxes at a tax rate in excess of the  
10 maximum permitted by law, or to prevent the reduction of the tax  
11 rate either by action of the governing body of the taxing unit or  
12 pursuant to this act, including sections 34 and 34d. Reductions  
13 in millage rates that may be required by the compound operation  
14 of sections 34 and 34d shall be calculated independently of the  
15 tax rate limitation determined by operation of this section.

16 (11) If the sum of a county's operating property tax levy  
17 for the ensuing fiscal year plus the county's distribution to be  
18 received pursuant to section 10 of ~~Act No. 106 of the Public~~  
19 ~~Acts of 1985~~ THE STATE CONVENTION FACILITY DEVELOPMENT ACT, 1985  
20 PA 106, MCL 207.630, exceeds the product of the county's taxable  
21 value for the ensuing fiscal year times the greater of the  
22 county's base tax rate or concluding fiscal year's operating  
23 millage rate, then an amount equal to the lesser of 50% of the  
24 excess or 50% of the state convention facility development act  
25 distribution shall be used for substance abuse treatment programs  
26 within the county. The proceeds received by the taxing unit  
27 shall be distributed to the coordinating agency designated for

1 that county pursuant to section 6226 of the public health code,  
2 ~~Act No. 368 of the Public Acts of 1978, being section 333.6226~~  
3 ~~of the Michigan Compiled Laws~~ 1978 PA 368, MCL 333.6226, and  
4 used only for substance abuse prevention and treatment programs  
5 in the county from which the proceeds originated.

6 (12) Except as provided in subsection (13), this section  
7 applies to a fiscal year of a taxing unit for which ad valorem  
8 property taxes are levied in 1982 or in any year after 1982.  
9 This section does not apply for the ensuing fiscal year of a  
10 local unit of government that levied ad valorem property taxes  
11 for operating purposes of 1 mill or less for its concluding  
12 fiscal year.

13 (13) This section does not apply to local school districts  
14 in 1994.

15 (14) In 1995, the calculations made pursuant to this section  
16 by local school districts shall be made without regard to the  
17 exemption provided under section 1211 of the REVISED school code,  
18 ~~of 1976, Act No. 451 of the Public Acts of 1976, being~~  
19 ~~section 380.1211 of the Michigan Compiled Laws~~ 1976 PA 451,  
20 MCL 380.1211, and the taxable value of property exempt under  
21 section 1211 of ~~Act No. 451 of the Public Acts of 1976~~ THE  
22 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211, is not considered  
23 a loss.