



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 978 (as introduced 2-12-04)  
Sponsor: Senator Cameron S. Brown  
Committee: Finance

Date Completed: 9-29-04

### **CONTENT**

**The bill would amend the State Education Tax (SET) Act to require that cities, counties, and townships collecting the six-mill tax levy retain \$2.50 for each parcel of property upon which the tax is levied, before transmitting the remainder of the funds collected to the State Treasurer.**

Currently, those cities, counties, and townships collecting the six mills imposed by the SET Act on all nonexempt real and personal property subject to the general property tax must transmit the tax collected to the State Treasurer. The Treasurer then transmits to the city, township, or county \$2.50 for each parcel of property in that local unit on which the SET is levied. The levy is collected in the summer.

Under the bill, cities, counties, and townships collecting the six-mill levy would have to retain \$2.50 for each parcel of property in the city, county, or township on which the tax was levied before transmitting the remainder of the funds collected to the State Treasurer.

If a county, city or township does not collect the SET, the State Treasurer must collect the tax under the provisions of the General Property Tax Act. The tax is subject to a 1% administration fee.

Cities and townships had the opportunity to opt out of collecting the levy if their legislative body passed a resolution declining to collect the SET by November 1, 2002. Each January, the legislative body of a city or township that declined to collect the SET may pass a resolution rescinding the earlier decision. A copy of the original resolution and a subsequent resolution must be sent to the State and county treasurers.

A county that received a copy of a resolution declining to collect the SET must collect the tax, unless, before February 1, 2003, the county board of commissioners adopted a resolution declining to collect the tax and the county treasurer concurred with the decision and copies were sent to the State Treasurer. Each February, a county board of commissioners that declined to collect the SET may, by resolution, with the written concurrence of the county treasurer, rescind the earlier decision.

MCL 211.905b

Legislative Analyst: J.P. Finet

### **FISCAL IMPACT**

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

Fiscal Analyst: David Zin

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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.