

Legislative Analysis



POLICE AND FIRE SPECIAL ASSESSMENT: EITHER PER-PARCEL OR AD VALOREM

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House Bill 5718

Sponsor: Rep. Joel Sheltroun

Committee: Intergovernmental and Regional Affairs

Complete to 4-19-10

A SUMMARY OF HOUSE BILL 5718 AS INTRODUCED 12-17-09

House Bill 5718 would special assessments for police and fire protection to be calculated on either a specific-amount-per-parcel basis or on an ad valorem basis (that is, based on the taxable value of the property).

The bill would amend Public Act 33 of 1951, an act to provide police and fire protection for certain townships, villages, cities.

Now under the law, a township board or the township boards of adjoining townships acting jointly may assess up to 10 mills of the assessed valuation of the area in their respective townships for fire protection, and up to 10 mills of the assessed valuation of the area for police protection. Further, the township boards may defray the amounts by special assessment on the lands and premises in the townships to be benefited, and may issue bonds in anticipation of the collection of these special assessments. If the township boards create a special assessment district, they must determine the boundaries by resolution, as well as determine the amount of the special assessment levy, and then direct the supervisor or supervisors to spread the assessment levy on the taxable value of all of the lands and premises in the district that are to benefit by the police and fire protection.

House Bill 5718 would amend the law to remove the requirement that supervisors spread the assessment levy on the taxable value of all the lands and premises of the district. Instead, under the bill, a special assessment could be calculated on a specific amount per parcel basis, or on an *ad valorem* basis. As is now the case, the bill also requires that after December 31, 1998, a special assessment levied on an *ad valorem* basis be levied on the taxable value of the property assessed.

Currently, township boards must hold a public hearing to hear objections to the distribution of the special assessment levy, and also an annual hearing on the estimated costs and expenses of police and fire protection, and on the distribution of the levy. House Bill 5718 would retain these provisions.

MCL 41.801

FISCAL IMPACT:

As written, the bill does not appear to have a significant local fiscal impact, although the distribution of the tax burden could change depending on if the tax base is on a per-parcel basis or ad valorem basis. There would be no state fiscal impact.

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