



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4166 (Substitute H-1 as passed by the House)
Sponsor: Representative Rick Outman
House Committee: Local Government
Senate Committee: Local Government

Date Completed: 6-8-15

CONTENT

The bill would amend Public Act 88 of 1913, which allows a county board of commissioners to levy a special tax for certain promotional purposes, to do the following:

- Specify that a county board of commissioner's authority to levy a special tax to promote agriculture, industry, immigration, trade, and tourism in the county would apply only to a county levying the tax on the bill's effective date.**
- Specify that the authorization for a board of commissioners to levy such a tax would expire on January 1, 2020.**
- Allow a county to levy a similar special tax for up to five years, with voter approval.**

The bill would take effect 90 days after its enactment.

The Act authorizes a county board of commissioners to levy a special tax on taxable property within the county for purpose of creating a fund, or to appropriate an amount out of the county's general fund, for advertising agricultural or industrial advantages of the State or the county, or for collecting, preparing, or maintaining an exhibition of the county's products and industries at an exposition, for the purpose of encouraging immigration and increasing trade in Michigan products, or for advertising the State or any portion of it for tourists and resorters. The total tax levied in any one year may not exceed five cents on each \$100 of taxable property with the county and the funds must be used as directed by the board of commissioners. The board may appropriate money raised by the special tax, or appropriated out of the general fund, to the support, work, and maintenance of a nonprofit legal association, development bureau, or board organized under Michigan law that is engaged in the purpose of advertising the advantages of and encouraging immigration, and increasing the trade of the county and other adjoining counties.

Under the bill, the authority to levy a tax under the current provision would apply only to a county that was levying the tax on the bill's effective date, and that authority would expire on January 1, 2020.

The bill would allow a county board of commissioners to levy a special tax for the purposes described above for not more than five years, if a majority of the county's electors voting on the special tax at an election approved the tax levy. The proposal for a special tax would have to be submitted to a vote of the county's electors by resolution of the board. If a majority approved the proposal, the tax levy would be authorized. The total amount levied would be

subject to the same limit as the current special tax. Money raised from the voter-approved special tax would have to be used as required in the current tax levy authorization.

MCL 46.161

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The impact of the bill on county spending and revenue would depend on the decision of a county board of commissioners to seek approval of a special promotional millage, the costs of the election, and the decision of the voters on that question. A county that currently levies a special promotional millage under the Act could continue to levy the millage without voter approval until January 1, 2020, after which voter approval would be required for the millage levy to continue. If the county did not seek and obtain voter approval before that date, or if the measure failed at the polls, county revenue would be reduced. Washtenaw County currently levies a special millage under the Act of 0.070 mill to promote the county's agricultural, industrial, and tourist advantages. Washtenaw County estimated the revenue from that millage at just over \$1.0 million annually. The bill would have no fiscal impact on State government.

Fiscal Analyst: Elizabeth Pratt

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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.