

Legislative Analysis



LIMITING MOST MILLAGE QUESTIONS TO AUGUST OR NOVEMBER ELECTIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4814 (proposed substitute H-2)
Sponsor: Rep. Thomas A. Albert

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4815 (proposed substitute H-1)
Sponsor: Rep. Jim Lilly

House Bill 5242 (proposed substitute H-1)
Sponsor: Rep. Michael Webber

Committee: Elections and Ethics
Complete to 1-24-18

SUMMARY:

House Bill 4814 would amend the General Property Tax Act to provide that millage questions could only be submitted to voters at an August or November election, with the exception of nonhomestead school operating millage questions.

Currently, a taxing unit may hold only two elections in a calendar year regarding millage rates of a certain level. The bill would provide that, beginning January 1, 2019, a local taxing unit may submit a proposal on a question of imposing a new millage or increasing or renewing an existing millage only at an August or November general election. However, this limitation would not apply to questions imposing or increasing nonhomestead school operating millages. (MCL 211.24f)

House Bill 4815 would amend the Michigan Election Law to incorporate this change into four sections of the Law that deal with the scheduling of elections. (MCL 168.312 et al.)

House Bill 5242 would amend provisions in the General Property Tax Act that pertain to election scheduling. Under the bill, those provisions would be subject to the change proposed in HB 4814, meaning that, beginning January 1, 2019, millage elections would be limited to an August or November election. (MCL 211.36)

House Bills 4815 and 5242 are tie-barred to HB 4814, meaning that they could not take effect unless HB 4814 were also enacted. Additionally, HB 5242 is tie-barred to HB 4815.

The bills would take effect 90 days after enactment.

BACKGROUND:

Under Proposal A, which amended the school funding formula in 1993, school districts levy 18 mills (or the number of mills levied in 1993, whichever is less) on nonhomestead property. A “mill” is 1/1000 of a dollar; nonhomestead property includes industrial, commercial, business, rental, and agricultural property and residential property that is not

a primary residence. The nonhomestead millage is the local component of the per-pupil foundation allowance disbursed to districts based on the number of pupils enrolled.

The bills are understood to ensure that millage questions are considered at elections with the highest participation levels.

FISCAL IMPACT:

House Bills 4814, 4815, and 5242 would have no fiscal impact on the state.

The bills could result in minor cost savings to local units of government, including school districts and intermediate school districts, if the bills' restriction of millages to only August and November elections prevents an election from being held that, but for the millage question, would not have been held otherwise. The Department of State reports that the cost range of an average election is \$2,000 to \$2,700 per precinct.

Limiting elections to two dates could affect the interest rates available for bonds, for which slight rate changes could have a significant cost effect over the life of the bond. The cost of the bond would affect the millage rate in question.

Legislative Analyst: Jenny McInerney
Fiscal Analysts: Bethany Wicksall
Samuel Christensen
Michael Cnossen

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.