

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1235

A bill to amend 1951 PA 33, entitled

"An act to provide police and fire protection for townships and for certain areas in townships, certain incorporated villages, and certain cities; to authorize contracting for fire and police protection; to authorize the purchase of fire and police equipment, and the maintenance and operation of the equipment; to provide for defraying the cost of the equipment; to authorize the creation of special assessment districts and the levying and collecting of special assessments; to authorize the issuance of special assessment bonds in anticipation of the collection of special assessments and the advancement of the amount necessary to pay such bonds, and to provide for reimbursement for such advances by reassessment if necessary; to authorize the collection of fees for certain emergency services in townships and other municipalities; to authorize the creation of administrative boards and to prescribe their powers and duties; to provide for the appointment of traffic officers and to prescribe their powers and duties; and to repeal acts and parts of acts,"

by amending section 1 (MCL 41.801), as amended by 2002 PA 501.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The township board of a township, or the township
2 boards of adjoining townships acting jointly, whether or not the

1 townships are located in the same county, may purchase police and
2 fire motor vehicles, apparatus, equipment, and housing and for that
3 purpose may provide by resolution for the appropriation of general
4 or contingent funds. Before January 1, 1999, the appropriation for
5 fire motor vehicles, apparatus, equipment, and housing in a 1-year
6 period ~~shall~~**MUST** not exceed 10 mills of the assessed valuation of
7 the area in their respective townships for which fire protection is
8 to be furnished. After December 31, 1998, the appropriation for
9 fire motor vehicles, apparatus, equipment, and housing in a 1-year
10 period ~~shall~~**MUST** not exceed 10 mills of the taxable value of the
11 area in their respective townships for which fire protection is to
12 be furnished. Before January 1, 1999, the appropriation for police
13 motor vehicles, apparatus, equipment, and housing in a 1-year
14 period ~~shall~~**MUST** not exceed 10 mills of the assessed valuation of
15 the area in their respective townships for which police protection
16 is to be furnished. After December 31, 1998, the appropriation for
17 police motor vehicles, apparatus, equipment, and housing in a 1-
18 year period ~~shall~~**MUST** not exceed 10 mills of the taxable value of
19 the area in their respective townships for which police protection
20 is to be furnished.

21 (2) The township board of a township, or the township boards
22 of adjoining townships acting jointly, whether or not the townships
23 are located in the same county, may provide annually by resolution
24 for the appropriation of general or contingent funds for
25 maintenance and operation of police and fire departments.

26 (3) The township board, or the township boards of adjoining
27 townships acting jointly, may provide that the sums prescribed in

1 subsection (2) for purchasing and housing equipment, for the
2 operation of the equipment, or both, may be defrayed by special
3 assessment on the lands and premises in the township or townships
4 to be benefited, except, beginning in 2002, lands and premises
5 exempt from the collection of taxes under the general property tax
6 act, 1893 PA 206, MCL 211.1 to ~~211.157~~, **211.155**, and may issue
7 bonds in anticipation of the collection of these special
8 assessments. The question of raising money by special assessment
9 may be submitted to the electors of the township or townships by
10 the township board, or township boards acting jointly, at a general
11 election or special election called for that purpose by the
12 township board or township boards. The question of raising money by
13 special assessment ~~shall~~ **MUST** be submitted by the township board,
14 or township boards acting jointly, if in the affected township, or
15 in each of the affected townships, the owners of 10% of the land to
16 be made into a special assessment district petition the township
17 board or boards.

18 (4) If a special assessment district is proposed under
19 subsection (3), the township board, or township boards acting
20 jointly, shall estimate the cost and expenses of the police and
21 fire motor vehicles, apparatus, equipment, and housing and police
22 and fire protection, and fix a day for a hearing on the estimate
23 and on the question of creating a special assessment district and
24 defraying the expenses of the special assessment district by
25 special assessment on the property to be especially benefited,
26 except, beginning in 2002, property exempt from the collection of
27 taxes under the general property tax act, 1893 PA 206, MCL 211.1 to

1 ~~211.157.~~**211.155.** The hearing ~~shall~~**MUST** be a public meeting held
2 in compliance with the open meetings act, 1976 PA 267, MCL 15.261
3 to 15.275. Public notice of the time, date, and place of the
4 meeting ~~shall~~**MUST** be given in the manner required by the open
5 meetings act, 1976 PA 267, MCL 15.261 to 15.275. In addition, the
6 township board, or township boards acting jointly, shall publish in
7 a newspaper of general circulation in the proposed district a
8 notice stating the time, place, and purpose of the meeting. If
9 there is not a newspaper of general circulation in the proposed
10 district, notices ~~shall~~**MUST** be posted in not less than 3 of the
11 most public places in the proposed district. This notice shall be
12 published or posted not less than 5 days before the hearing. On the
13 day appointed for the hearing, the township board, or township
14 boards acting jointly, shall be in session to hear objections that
15 may be offered against the estimate and the creation of the special
16 assessment district. Before January 1, 1999, if the township board,
17 or township boards acting jointly, determine to create a special
18 assessment district, they shall determine the boundaries by
19 resolution, determine the amount of the special assessment levy,
20 and direct the supervisor or supervisors to spread the assessment
21 levy on all of the lands and premises in the district that are to
22 be especially benefited by the police and fire protection,
23 according to benefits received, except, beginning in 2002, lands
24 and premises exempt from the collection of taxes under the general
25 property tax act, 1893 PA 206, MCL 211.1 to ~~211.157,~~**211.155,** to
26 defray the expenses of police and fire protection. After December
27 31, 1998, if the township board, or township boards acting jointly,

1 determine to create a special assessment district, they shall
2 determine the boundaries by resolution, determine the amount of the
3 special assessment levy, and direct the supervisor or supervisors
4 to spread the assessment levy on the taxable value of all of the
5 lands and premises in the district that are to be especially
6 benefited by the police and fire protection, according to benefits
7 received, except, beginning in 2002, lands and premises exempt from
8 the collection of taxes under the general property tax act, 1893 PA
9 206, MCL 211.1 to ~~211.157~~, **211.155**, to defray the expenses of
10 police and fire protection. The township board, or township boards
11 acting jointly, shall hold a hearing on objections to the
12 distribution of the special assessment levy. This hearing ~~shall~~
13 **MUST** be held in the same manner and with the same notice as
14 provided in this section. The township board, or township boards
15 acting jointly, shall annually determine the amount to be assessed
16 in the district for police and fire protection, shall direct the
17 supervisor or supervisors to distribute the special assessment
18 levy, and shall hold a hearing on the estimated costs and expenses
19 of police and fire protection and on the distribution of the levy.
20 The assessment may be made either in a special assessment roll or
21 in a column provided in the regular tax roll. The assessment ~~shall~~
22 **MUST** be distributed and ~~shall~~ **MUST** become due and be collected at
23 the same time as other township taxes are assessed, levied, and
24 collected, and ~~shall~~ **MUST** be returned in the same manner for
25 nonpayment. If a township has a July property tax levy, not more
26 than 2 mills of the assessment may be collected at the same time
27 and in the same manner as the July levy. If the collections

1 received from the special assessment levied to defray the cost or
2 portion intended to be defrayed for police and fire protection are,
3 at any time, insufficient to meet the obligations or expenses
4 incurred for the maintenance and operation of the police and fire
5 departments, the township board of the township, or township boards
6 acting jointly, may, by resolution, authorize the transfer or loan
7 of sufficient money from the general fund of the township or
8 townships, to the special assessment police and fire department
9 fund. This money ~~shall~~**MUST** be repaid to the general fund of the
10 township or townships out of special assessment funds when
11 collected.

12 (5) The powers granted by this act with respect to police and
13 fire protection may be exercised with respect to police protection
14 alone, fire protection alone, or police and fire protection in
15 combination.

16 (6) After December 31, 1998, an ad valorem special assessment
17 levied under this act ~~shall~~**MUST** be levied on the taxable value of
18 the property assessed. **AFTER DECEMBER 31, 2018, A SPECIAL**
19 **ASSESSMENT LEVIED UNDER THIS ACT MUST BE SPREAD ON THE TAXABLE**
20 **VALUE OF THE PROPERTY ASSESSED BASED ON THE SPECIAL BENEFIT**
21 **PROVIDED TO THE PROPERTY ASSESSED AND MAY NOT BE BASED ON POLICE**
22 **AND FIRE PROTECTION PROVIDED IN A PRIOR YEAR TO ASSESSED PROPERTY.**

23 (7) **A SPECIAL ASSESSMENT IMPOSED UNDER THIS ACT MUST BE LEVIED**
24 **ON ALL PROPERTIES WITHIN THE SPECIAL ASSESSMENT DISTRICT**
25 **ESTABLISHED PURSUANT TO THIS ACT OTHER THAN PROPERTIES EXEMPT FROM**
26 **THE COLLECTION OF TAXES UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA**
27 **206, MCL 211.1 TO 211.155.**

1 (8) ~~(7)~~—As used in this section, "taxable value" means that
2 value determined under section 27a of the general property tax act,
3 1893 PA 206, MCL 211.27a.

4 (9) ~~(8)~~—If the levy of an ad valorem special assessment on the
5 property's taxable value is found to be invalid by a court of
6 competent jurisdiction, the levy of the ad valorem special
7 assessment ~~shall~~ **MUST** be levied on the property's state equalized
8 value.

9 (10) ~~(9)~~—Bonds issued under this act are subject to the
10 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
11 141.2821.

12 Enacting section 1. This amendatory act takes effect January
13 1, 2019.