

**THE GENERAL PROPERTY TAX ACT (EXCERPT)**  
**Act 206 of 1893**

**211.24e Definitions; levying ad valorem property taxes for operating purposes; limitation; reduction; approving levy of additional millage rate; change in state equalized valuation of local governmental unit resulting from appeal; insufficiency of additional millage rate; public hearing; notice; establishing proposed additional millage rate before public hearing; calculating reductions in millage rates; amount used for substance abuse treatment programs; distribution to coordinating agency; applicability of section; effect of MCL 380.1211.**

Sec. 24e. (1) As used in this section:

(a) "Additional millage rate" means a millage rate for operating purposes in excess of the millage rate permitted by subsection (2).

(b) "Additions" means that term as defined in section 34d.

(c) "Base tax rate" means a millage rate for a local unit of government equal to the dollar amount of taxes levied for operating purposes for the concluding fiscal year from existing property divided by the taxable value of existing property for ad valorem property tax levies for the ensuing fiscal year.

(d) "Concluding fiscal year" means the fiscal year of the taxing unit immediately preceding the fiscal year for which a limitation under this section is applied or calculated.

(e) "Ensuing fiscal year" means the fiscal year of the taxing unit for which a limitation under this section is applied or calculated.

(f) "Existing property" means all property against which ad valorem property taxes were levied by a local unit for its concluding fiscal year, minus all property that is considered losses for purposes of ad valorem property tax levies of the local unit for the ensuing fiscal year.

(g) "Local unit of government" or "taxing unit" means a city, village, township, charter township, county, charter county, local school district, intermediate school district, community college district, or authority.

(h) "Losses" means that term as defined in section 34d.

(i) "Operating purposes" means all purposes for which ad valorem property taxes are levied by the taxing unit other than the levy of ad valorem property taxes to provide local school districts revenue that is deposited in a building and site fund, or to pay principal and interest due on a bond or note if and to the extent the ad valorem taxes levied for this purpose are in addition to charter or statutory limitations, as authorized by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) Except as provided by subsection (3), unless the taxing unit complies with section 16 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.436, the governing body of a taxing unit shall not levy ad valorem property taxes for operating purposes for an ensuing fiscal year of the taxing unit that yield an amount more than the sum of the taxes levied at the base tax rate on additions within the taxing unit for the ensuing fiscal year plus an amount equal to the taxes levied for operating purposes for the concluding fiscal year on existing property. If the taxing unit is a county, for purposes of this calculation the resulting sum shall be reduced by an amount equal to the estimate of the distribution as certified by the state treasurer to be received by the county pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, to the extent that the distribution has been appropriated by the legislature and the estimate has been certified by the state treasurer before the final date on which a county millage rate can be certified for the ensuing year. For purposes of this section, the state treasurer shall certify an amount that is an estimate of the amount to be distributed to each county pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630.

(3) Unless the taxing unit complies with section 16 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.436, a governing body of a taxing unit may approve a levy of an additional millage rate only after providing the notice required by subsections (6) and (9) and holding a public hearing of the governing body as prescribed by subsection (6). To approve the levy of the additional millage rate, the governing body shall adopt a separate resolution or ordinance.

(4) If, as a result of an appeal of county equalization or state equalization, the state equalized valuation of a unit of local government changes, and an incorrect amount of property taxes has been levied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the rate authorized pursuant to this section. If the legislature makes an appropriation to a county pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, after the final date a county millage rate can be certified for the ensuing year, if an appropriation made pursuant to section 10 of the state convention facility development

act, 1985 PA 106, MCL 207.630, is reduced by an executive order, or if the amount of a distribution pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, varies from the estimated amount certified by the state treasurer pursuant to subsection (2), the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regularly estimated amount for purposes of the next required calculations under subsections (2) and (11).

(5) If, at any time, the taxing unit determines that the published, proposed additional millage rate or an adopted additional millage rate is insufficient, the taxing unit shall readvertise, hold another public hearing of the governing body, and, if necessary, revote.

(6) The public hearing of the governing body of a taxing unit required pursuant to subsections (3) and (5) shall be held for the purpose of receiving testimony and discussing a levy of an additional millage rate for its ensuing fiscal year. In addition to satisfying the requirements under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, the local unit of government or taxing unit shall publish notice of this public hearing in a newspaper of general circulation within the local unit of government or taxing unit. This notice shall be published not less than 6 days before the public hearing and may be jointly published with the notice of the public hearing on the taxing unit's proposed budget as required by section 2 of 1963 (2nd Ex Sess) PA 43, MCL 141.412, if both public hearings are held jointly. This notice shall specify the time, date, and place of the public hearing and shall include, in addition to other pertinent information the local unit of government or taxing unit may elect to include, a statement indicating the proposed additional millage rate, the percentage by which this proposed additional millage rate would increase revenues for operating purposes from ad valorem property tax levies permitted by operation of subsection (2), the percentage of increased revenue from the immediately preceding year that the taxing unit would receive if the additional millage rate is not approved, and that the date and location the taxing unit plans to take action on the proposed resolution or ordinance will be announced at the public hearing. This notice shall also provide a statement that the taxing unit publishing the notice has complete authority to establish the number of mills to be levied from within its authorized millage rate. The notice shall be in not less than 12-point type, shall be preceded by a headline stating "notice of a public hearing on increasing property taxes" which shall be in not less than 18-point type, shall be not less than 8 vertical column inches and 4 horizontal inches, and shall not be placed in that portion of the newspaper reserved for legal notice and classified advertisements.

(7) The proposed additional millage rate, which is required by subsection (6) to be part of the notice of the public hearing, shall be established by a resolution adopted by the governing body of the taxing unit before conducting the public hearing.

(8) Not more than 10 days after a public hearing, a taxing unit may approve the levy of an additional millage rate, but shall not approve an additional millage rate that is greater than a proposed additional millage rate that was published pursuant to subsection (6) and on which the public hearing has been held.

(9) Each local unit shall send timely written notice of the time, date, and place of a public hearing to be held pursuant to this section to all newspapers of general circulation within the local unit.

(10) This section shall not serve to extend or authorize the levy of ad valorem property taxes at a tax rate in excess of the maximum permitted by law, or to prevent the reduction of the tax rate either by action of the governing body of the taxing unit or pursuant to this act, including sections 34 and 34d. Reductions in millage rates that may be required by the compound operation of sections 34 and 34d shall be calculated independently of the tax rate limitation determined by operation of this section.

(11) If the sum of a county's operating property tax levy for the ensuing fiscal year plus the county's distribution to be received pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, exceeds the product of the county's taxable value for the ensuing fiscal year times the greater of the county's base tax rate or concluding fiscal year's operating millage rate, then an amount equal to the lesser of 50% of the excess or 50% of the state convention facility development act distribution shall be used for substance abuse treatment programs within the county. The proceeds received by the taxing unit shall be distributed to the coordinating agency designated for that county pursuant to section 6226 of the public health code, 1978 PA 368, MCL 333.6226, and used only for substance abuse prevention and treatment programs in the county from which the proceeds originated.

(12) Except as provided in subsection (13), this section applies to a fiscal year of a taxing unit for which ad valorem property taxes are levied in 1982 or in any year after 1982. This section does not apply for the ensuing fiscal year of a local unit of government that levied ad valorem property taxes for operating purposes of 1 mill or less for its concluding fiscal year.

(13) This section does not apply to local school districts in 1994.

(14) In 1995, the calculations made pursuant to this section by local school districts shall be made without regard to the exemption provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and the taxable value of property exempt under section 1211 of the revised school code, 1976 PA

451, MCL 380.1211, is not considered a loss.

**History:** Add. 1982, Act 5, Imd. Eff. Feb. 9, 1982;—Am. 1986, Act 2, Imd. Eff. Feb. 7, 1986;—Am. 1991, Act 75, Imd. Eff. July 11, 1991;—Am. 1994, Act 253, Imd. Eff. July 5, 1994;—Am. 1995, Act 42, Imd. Eff. May 22, 1995;—Am. 2002, Act 197, Imd. Eff. Apr. 29, 2002.

**Popular name:** Act 206