

HOUSE BILL No. 5360

September 15, 2009, Introduced by Reps. Bettie Scott, Lemmons, Jackson, Johnson, Durhal, Leland, Bledsoe, Young, Geiss and Nathan and referred to the Committee on Education.

A bill to amend 1933 PA 62, entitled
"Property tax limitation act,"
by amending sections 2 and 11 (MCL 211.202 and 211.211), as amended
by 1994 PA 190.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Local unit" means counties, townships, villages, cities,
3 a first-class school district, **A SCHOOL DISTRICT WITH AT LEAST**
4 **60,000 BUT LESS THAN 100,000 PUPILS IN MEMBERSHIP**, community
5 college districts, intermediate school districts, and all other
6 divisions, districts, and organizations of government that are or
7 may be established by law and that have the power to levy taxes
8 against property located within their respective areas, except

1 villages and cities for which there are provisions in their
2 charters or general law fixing maximum limits on the power to levy
3 taxes against property for purposes as authorized by law to be
4 supported under the municipal budget and school districts **OTHER**
5 **THAN A FIRST CLASS SCHOOL DISTRICT OR A SCHOOL DISTRICT WITH AT**
6 **LEAST 60,000 BUT LESS THAN 100,000 PUPILS IN MEMBERSHIP.**

7 (B) "MEMBERSHIP" MEANS THAT TERM AS DEFINED IN THE REVISED
8 SCHOOL CODE, 1976 PA 451, MCL 380.1 TO 380. 1852.

9 (C) ~~(b)~~—"Municipal corporation" means villages and cities.

10 (D) ~~(e)~~—"Board" means the county tax allocation board created
11 by section 5.

12 Sec. 11. (1) The board shall examine the budgets and
13 statements of local units that are filed with it, and shall
14 determine the tax rates, exclusive of debt service tax rates, that
15 are required pursuant to its proposed budget. The board may request
16 additional statements and examine financial records to verify the
17 tax rate request of a local unit. For the purpose of determining
18 its tax rate, a local unit shall submit a statement accounting for
19 the amount of money contained in the budget stabilization fund. In
20 submitting the budget to the board, the amount contained in the
21 budget stabilization fund shall not be a factor used by the board
22 in determination of the tax rate, if that amount does not exceed
23 the permitted level of funding for that fund as provided by law.

24 (2) If the board finds that the total of all tax rates that
25 are required to be levied on property located within the area of a
26 local unit does not exceed the net limitation tax rate, the board
27 shall approve the tax rates as maximum tax rates, except tax rates

1 required to be determined under subsections (3) to (8).

2 (3) If the board finds that the total of all tax rates that
3 are required to be levied on property located within the area of a
4 local unit exceeds the net limitation tax rate, the board shall
5 proceed according to subsections (4), (5), and (6).

6 (4) The board shall approve minimum tax rates for the county
7 if other than a charter county, of 3 mills; for community college
8 districts organized after April 15, 1957, of 1/4 of 1 mill; for
9 intermediate school districts, 1/10 of 1 mill; for townships other
10 than charter townships, of 1 mill; and to a first-class school
11 district **OR A SCHOOL DISTRICT WITH AT LEAST 60,000 BUT LESS THAN**
12 **100,000 PUPILS IN MEMBERSHIP** to be collected and paid by the school
13 district to the public library commission existing in the district
14 for services of an educational nature rendered by the library to
15 the residents of that school district, of .64 mills. If the
16 community college district votes to increase the total tax
17 limitation as provided in section 6 of article IX of the state
18 constitution of 1963, the board, during the period the increase is
19 in effect, shall not allocate the 1/4 of 1 mill minimum tax rate to
20 the community college district, but the community college district
21 shall raise all of its tax revenues from the amount of increase so
22 voted. A local unit shall not be allowed a tax rate in excess of
23 what is required pursuant to its proposed budget.

24 (5) The board shall divide the balance of the net limitation
25 tax rate between all local units after due consideration of the
26 needs of the several local units, the importance to the public of
27 functions of local units that may have to be curtailed, the need of

1 local units for construction or repair of public works, the
2 proposed or accomplished transfer of functions from 1 local unit to
3 others, and other facts or matters concerning the operations of
4 local units that the board considers relevant. A local unit shall
5 not be allowed a tax rate in excess of what is required pursuant to
6 its proposed budget. The board shall approve a maximum limitation
7 tax rate to be levied from the tax rate fixed by section 6 of
8 article IX of the state constitution of 1963 without approval of
9 the voters for each local unit consisting of the minimum tax rate,
10 if any, provided in subsection (4), added to the tax rate
11 determined under this subsection.

12 (6) The board shall approve a maximum tax rate for each local
13 unit that votes to increase the total tax rate limitation as
14 provided in the last sentence of the first paragraph of section 6
15 of article IX of the state constitution of 1963, and as provided
16 for in this act. The maximum tax rate for each local unit, with
17 other maximum tax rates that may be levied within the area of the
18 local unit, shall not exceed the limitation voted. In approving a
19 maximum limitation tax rate under subsection (5) for the various
20 local units, the board shall not take into consideration any
21 increase of the tax rate limitation voted by a local unit.

22 (7) The board shall not approve a tax rate for a local unit
23 that does not submit a budget or statements as required.

24 (8) The approval by the board of a maximum tax rate for a
25 local unit, which will necessitate a reduction in the total
26 proposed expenditures as listed in the budget of the local unit,
27 shall not be construed as a reduction or elimination of any

1 specific items in the list of proposed expenditures, and the board
2 may not reduce or eliminate those specific items. A local unit, in
3 the budget of which a reduction in the total proposed expenditure
4 is necessitated by the action of the board, or of the state tax
5 commission on an appeal, may revise its budget and amend and alter
6 its tax levy to the extent made necessary by that action. Budgets
7 previously prepared to be met from taxes levied pursuant to this
8 act may likewise be revised.

9 (9) Beginning in 1994, the number of mills that may be
10 allocated by the board under this section shall be reduced by the
11 number of mills in excess of the mills levied under the state
12 education tax act, ~~Act No. 331 of the Public Acts of 1993, being~~
13 ~~sections 211.901 to 211.906 of the Michigan Compiled Laws, 1993 PA~~
14 **331, MCL 211.901 TO 211.906**, allocated to a local school district,
15 other than to a first class school district **OR A SCHOOL DISTRICT**
16 **WITH AT LEAST 60,000 BUT LESS THAN 100,000 PUPILS IN MEMBERSHIP** for
17 payment to the public library commission existing in the district,
18 for school district operating purposes in 1993 and the board shall
19 not allocate mills to a local school district for school district
20 operating purposes.