

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

(517) 373-5383

MICHIGAN STATE LAW LIBRARY

Senate Bill 1064 (as enrolled)

Senate Bill 1065 (as enrolled)

Sponsor: Senator Vern Ehlers

Senate Committee: Finance

House Committee: Taxation

PUBLIC ACT 235 OF 1990PUBLIC ACT 236 OF 1990

Date Completed: 10-17-90

RATIONALE

As a rule, under the General Property Tax Act, a local school district or township that wishes to levy a millage must have the question submitted to and approved by the voters, and certified by the county board of commissioners, before September 30 in order for the millage to be levied and collected in the same year. Further, the Act contains provisions that automatically extend the deadline for school districts, under certain circumstances.

Prior to 1986 (when the tax certification deadline was September 15), the Legislature nearly each year was asked, usually by school districts, to extend the tax certification deadline to allow the taxing jurisdiction to obtain voter approval for a millage and levy the tax in the year approved. In 1986 the Legislature passed Public Act 141 to move to September 30 the deadline for the annual certification of the tax levy, and specify the circumstances under which millages approved after September 30 may be certified for collection in the same year. (For instance, a school district can collect taxes approved in an election held between September 30 and November 15 if a prior millage had been defeated in the same year, or if the millage election was held in November concurrently with the election of school board members. There are similar provisions that apply to intermediate school districts and community or junior college districts.) These provisions have nearly eliminated the requests the Legislature receives to extend the tax certification deadline for these taxing jurisdictions.

The Legislature has been asked again to extend the deadline for townships, however, and it has been pointed out that there are no provisions in the Act that allow townships automatically to qualify for an extension. Further compounding the problem, the Michigan Election Law prohibits a township from holding a special election within 60 days before or after a general, primary, or regular township election. (No other local taxing units are subject to the 60-day requirement.) This year, therefore, a township would have had to have held a millage election prior to September 7 in order for the millage to be certified for collection. Testimony before the Senate Finance Committee revealed that several townships desire an extension of the tax certification deadline this year. It has been suggested that the tax certification deadline be extended until the general election this year, and that in future years townships be allowed to hold a special election within 30 days of a general, primary, or regular township election.

CONTENT

Senate Bill 1064 would amend the Michigan Election Law to provide that a township could not call a special election, for the purpose of submitting a proposition to the voters, within 30 days before or after a general, primary, or regular township election.

Senate Bill 1065 would amend the General Property Tax Act to provide that a millage levy approved by the voters in a township election, held after September 30 but before November 7, 1990, would be certified to be levied and

S.B. 1064 & 1065 (10-17-90)

collected in 1990. Further, the bill would allow the certification in 1990 of the collection of up to one-quarter mill levied for county services to senior citizens, in a county that held an election after September 30, 1990, and on or before November 6, 1990, if the voters approved the levy.

MCL 168.358a (S.B. 1064)
211.36 (S.B. 1065)

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

ARGUMENTS

Supporting Argument

For many years prior to 1986, the Legislature passed bills to allow the certification of late millage elections for school districts that faced financial difficulties because they failed to win approval of millage proposals before September 15. Public Act 141 of 1986 extended the tax certification deadline, and virtually eliminated the need for deadline extensions for school districts. The bills would extend the tax certification deadline for townships until the general election for this year, and in future years allow townships an extra 30 days to hold a special election. This would be particularly helpful in those years when, restricted by the current 60-day requirement, a general or primary election interfered with a township's desire to hold a millage election. The bills would result in fewer requests from townships for deadline extensions.

Legislative Analyst: G. Towne
Fiscal Analyst: N. Khouri

A8990\S1064EA

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.