

# HOUSE BILL NO. 5583

November 30, 2021, Introduced by Reps. Brixie, O'Neal, Aiyash, Young, Hertel, Scott, Hope, Kuppa, Sowerby, Hood, Brenda Carter, Camilleri, Morse, Ellison, Cynthia Johnson, Hammoud, Bolden, Sneller, Garza, Steenland, Breen, Brabec, Coleman, Rabhi, Rogers, Liberati, Stone, LaGrand, Thanedar, Steckloff, Neeley, Puri, Cavanagh, Clemente, Weiss, Brann, Howell and Yancey and referred to the Committee on Local Government and Municipal Finance.

A bill to establish a state matching grant program for certain property taxes and special assessments levied by certain municipalities and school districts; to authorize the levy of a special millage by certain municipalities; and to provide for the powers and duties of certain state and local governmental officers and entities.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act may be cited as the "raise up local grant  
2 act".

3           Sec. 3. As used in this act:

1 (a) "Department" means the department of treasury.

2 (b) "Eligible municipality" means a county, city, township, or  
3 village with a per capita taxable value that is less than the  
4 statewide average per capita taxable value.

5 (c) "Eligible school district" means a school district with a  
6 per capita taxable value that is less than the statewide average  
7 per capita taxable value.

8 (d) "Municipality" means a county, city, township, or village.

9 (e) "Per capita taxable value" means an amount determined by  
10 dividing the total taxable value of all property subject to general  
11 ad valorem property taxes in a municipality or school district by  
12 the population of the municipality or school district as determined  
13 by the department using the most recent population data available  
14 from the United States Census Bureau.

15 (f) "School district" means that term as defined in section 6  
16 of the revised school code, 1976 PA 451, MCL 380.6.

17 (g) "Special millage" means a millage levied by an eligible  
18 municipality under section 7 dedicated to 1 or more of the  
19 following purposes:

20 (i) Funding the construction, maintenance, or repair of roads  
21 and bridges.

22 (ii) Funding the construction, maintenance, or repair of water  
23 and sewer systems.

24 (iii) Funding police, fire, or emergency medical services.

25 (iv) Payment of unfunded actuarial accrued liability for  
26 retiree health care and unfunded actuarial accrued liability for  
27 pension and retirement benefits for former employees of the  
28 eligible municipality.

29 (v) Funding parks and recreation facilities or services.

1 (h) "Statewide average per capita taxable value" means an  
2 amount determined by dividing the total taxable value of all  
3 property subject to general ad valorem property taxes in this state  
4 by the population of this state as determined by the department  
5 using the most recent population data available from the United  
6 States Census Bureau.

7 (i) "Taxable value" means the value determined under section  
8 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

9 Sec. 5. Subject to section 9, the department shall establish  
10 and administer a raise up local grant program to provide matching  
11 grants from this state to both of the following:

12 (a) Eligible municipalities that levy special millages under  
13 section 7 or special assessments under 1951 PA 33, MCL 41.801 to  
14 41.813, or both.

15 (b) Eligible school districts that levy property taxes for 1  
16 or both of the following purposes:

17 (i) To create a sinking fund under section 1212 of the revised  
18 school code, 1976 PA 451, MCL 380.1212.

19 (ii) For payment of bonds issued under section 1351a of the  
20 revised school code, 1976 PA 451, MCL 380.1351a.

21 Sec. 7. After December 31, 2021, the governing body of an  
22 eligible municipality may levy for the purposes specified in  
23 section 3(g) (i) to (v) 1 or more millages, not to exceed a total of  
24 2 millages, authorized by the qualified electors of the eligible  
25 municipality. Revenues raised by any levy under this section must  
26 be used solely for 1 or more of the purposes described in section  
27 3(g) (i) to (v).

28 Sec. 9. An eligible municipality that levies 1 or more special  
29 millages under section 7 or a special assessment under 1951 PA 33,

1 MCL 41.801 to 41.813, or both, or an eligible school district that  
2 levies property taxes for 1 or both of the purposes described in  
3 section 5(b), may apply for a matching grant from this state,  
4 subject to all of the following:

5 (a) The eligible municipality or eligible school district  
6 shall apply for the matching grant in a form and manner prescribed  
7 by the department not later than December 31 of the calendar year  
8 immediately preceding the calendar year in which the eligible  
9 municipality or eligible school district will levy any special  
10 millage, special assessment, or property taxes described in section  
11 5(b) for which a matching grant is sought.

12 (b) The department shall maintain a database available to  
13 municipalities and school districts, updated annually by not later  
14 than March 31, containing all of the following:

15 (i) The per capita taxable value for every municipality and  
16 school district in this state and the underlying taxable value and  
17 population data used to calculate each municipality's and school  
18 district's per capita taxable value.

19 (ii) The statewide average per capita taxable value and the  
20 underlying taxable value and population data used to calculate that  
21 statewide average per capita taxable value.

22 (iii) A list of all municipalities and school districts that  
23 qualify as eligible municipalities and eligible school districts  
24 for purposes of participating in the raise up local grant program  
25 in the immediately succeeding calendar year.

26 (c) The department shall determine whether a municipality or  
27 school district that applies for a matching grant is an eligible  
28 municipality or eligible school district based on the data  
29 described in subdivision (b) (i) and (ii) for the calendar year in

1 which the municipality or school district applies for a matching  
2 grant.

3 (d) A matching grant awarded under this act is subject to  
4 appropriation and must not exceed an amount equal to 2 mills  
5 applied to the total taxable value of all property subject to  
6 general ad valorem property taxes in the eligible municipality or  
7 eligible school district.

8 (e) An eligible municipality or eligible school district that  
9 receives a matching grant under this act shall dedicate that grant  
10 money to the same purpose or purposes served by the local revenue-  
11 raising measure or measures that qualified the eligible  
12 municipality or eligible school district for the matching grant  
13 under section 5(a) or (b), as applicable, and the amount of grant  
14 money dedicated to any given purpose must not exceed the amount  
15 raised by the local revenue-raising measure for that purpose.

16 (f) Subject to appropriation, the department shall distribute  
17 matching grants not later than July 1 of each year for which 1 or  
18 more applications are granted from the raise up local grant fund,  
19 as provided in the raise up local grant fund act.

20 Enacting section 1. This act does not take effect unless  
21 Senate Bill No. \_\_\_\_ or House Bill No. 5584 (request no. 04287'21)  
22 of the 101st Legislature is enacted into law.