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Senate Bill 538 (as enrolled)  
Sponsor: Senator Glenn D. Steil  
Senate Committee: Finance  
House Committee: Tax Policy

**PUBLIC ACT 244 of 2000**

Date Completed: 9-13-00

**RATIONALE**

The General Property Tax Act prescribes the information that must appear on the ballot when a millage proposal is submitted to the voters, including such things as the millage rate and the purpose of the millage. (Ballot information is described in **BACKGROUND**.) It was pointed out that the Act had no provisions that required a local taxing unit to disclose where the revenue would go if a new millage were approved, or an existing millage increased or renewed. For instance, while a local unit of government may propose an increased or new millage, if it is approved some of the revenue may be disbursed to other governmental entities, such as an area transportation authority, a water and sewer authority, or a district library board. Some people feel that millage proposals not only should disclose an estimate of the amount of revenue to be collected, but also should identify all of the governmental entities that will benefit from disbursement of the revenue.

**CONTENT**

The bill amended the General Property Tax Act to provide that if a taxing unit submits a proposal to the voters on the question of authorizing the issuance of bonds, imposing a new millage, or increasing or renewing an existing millage, the ballot must disclose fully each local unit of government to which the revenue from that millage will be disbursed. "Local unit of government" means a county, city, village, township, school district, intermediate school district, community college district, public library, or local authority created under State law.

The bill's provisions do not apply to an ad valorem special assessment millage for police or fire protection under Public Act 33 of 1951. (Public Act 33 allows a township, village, or a city with a population of 15,000 or less, either singularly or jointly, to provide for police and/or fire services, and pay for the costs of the services by levying a special assessment on property in a special assessment district that will benefit from the services.)

(Senate Bill 538 will take effect 91 days after final adjournment of the 2000 Regular Session of the Legislature.)

MCL 211.24f

**BACKGROUND**

The General Property Tax Act provides that when a proposal on the question of authorizing a millage rate is submitted to the voters, the ballot must state the following:

- The millage rate to be authorized.
- The estimated revenue that will be collected in the first year the millage is authorized and levied.
- The duration of the millage in years.
- A clear statement of the purpose for the millage.
- A clear statement indicating whether the proposal is a renewal of a previously authorized millage or authorization of a new millage.

When a proposal to authorize the issuance of bonds is submitted, the ballot must state the following:

- The principal amount to be borrowed; the maximum number of years the bonds may be outstanding, exclusive of any refunding; and the purpose for which the proceeds of the bonds will be used.
- For bonds other than bonds that are intended to be paid from a separate revenue source or from taxes levied in less than the entire taxing unit, the estimated millage that will be levied for the proposed bonds in the first year that the levy is authorized and the estimated simple average annual millage that will be required to retire the debt.
- For bonds that are intended to be paid from a separate revenue source or from taxes levied in less than the entire taxing unit, the primary source of the revenue intended to be used to retire the bonds.

**ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

When voters go to the polls to decide upon a ballot proposal to add, increase, or renew millage, the ballot should contain all information necessary for the voters to make an informed decision. It is good public policy for local governments to offer voters clear and useful information so that they can better evaluate the consequences of their votes. Further, since ballot language typically is printed by newspapers in advance of an election, expanding the information that must be on the ballot also will help educate voters before they go to the polls. By requiring disclosure of the disbursement of revenue from a proposed millage, the bill will enable people to determine where their taxes are going.

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: J. Wortley

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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.