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BILL ANALYSIS

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Senate Bill 322 (Substitute S-1 as reported by the Committee of the Whole)
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Sponsor: Senator Dave Hildenbrand (S.B. 322)
 Senator John Proos (S.B. 323)
Committee: Finance

CONTENT

Senate Bill 322 (S-1) would amend the General Property Tax Act to allow the accelerated collection of millage levied by any taxing authority within a local taxing unit that had been previously billed and collected as part of a winter tax levy. The millage could be accelerated and collected earlier in the year as a summer property tax levy if the aggregate amount of revenue from the levy and collection of all individual millages that would be levied and collected in the winter tax bill totaled \$100 or less per individual tax bill, excluding any property tax administration fee. A millage could be accelerated only for those tax bills that totaled \$100 or less for all individual millages, and the millage could be levied and collected as a winter property tax levy for all other tax bills totaling more than \$100 for all individual millages.

Any additional millage approved to be levied by any taxing authority after collection of the summer levy would have to be collected as part of a winter property tax levy.

A resolution authorizing the accelerated collection of millage in the summer would have to be approved by the county board of commissioners; the legislative body of the local tax collecting unit; and the county tax allocation board, if any.

If such a resolution were approved, the treasurer that collected the summer tax levy would have to establish a restricted fund known as "the other levies reserve fund" for the deposit of any millage collected on an accelerated basis. The treasurer would have to distribute the revenue credited to the fund to the local taxing authorities. If the accelerated millage were less than that millage would have been if levied as part of the following winter tax levy, the treasurer could issue a supplemental winter tax bill for the deficiency or, if approved by the legislative body of the local unit that collected the summer levy, the treasurer could pay any deficiency from the local unit's general fund.

Senate Bill 323 (S-1) would amend the General Property Tax Act to provide for authorization of a tax levy, and the apportionment of taxes and indebtedness to the State, by July 1 for a county or local tax collecting unit that approved the accelerated collection of millage previously billed as part of a winter tax levy.

The bills are tie-barred.

MCL 211.44a (S.B. 322)
211.34d et al. (S.B. 323)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would change the timing of property tax collections in local units that chose to shift the collection date. If a local unit authorized the shift, the bill would allow the local unit to shift the collection of the winter levy to a summer levy for only for those tax bills where the winter levy would otherwise be \$100 or less. The change would not affect the tax bills for all taxpayers, and the collection date would not be changed for individual taxpayers with a winter tax levy that exceeded \$100. It is unknown how many local units would elect to shift the collection date on taxpayers, or how many taxpayers would have individual tax bills with a winter levy of less than \$100.

The bills would have no fiscal impact on State government.

Date Completed: 6-22-11

Fiscal Analyst: David Zin

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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.