

SUBSTITUTE FOR  
HOUSE BILL NO. 5801

A bill to amend 1933 PA 62, entitled  
"Property tax limitation act,"  
by amending section 3 (MCL 211.203), as amended by 1996 PA 580.

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

1           Sec. 3. (1) Except as otherwise provided in this section, the  
2 total amount of taxes levied against property for all purposes in  
3 any 1 year ~~shall~~**MUST** not exceed the limits provided by or fixed  
4 under section 6 of article IX of the state constitution of 1963,  
5 except taxes, **KNOWN AND REFERRED TO AS DEBT SERVICE TAX RATES**,  
6 levied for the payment of interest and principal on obligations  
7 incurred before December 8, 1932. ~~, which shall be known and~~  
8 ~~referred to as debt service tax rates.~~

9           (2) If a municipal corporation is limited by a provision in

1 its charter or general law in its power to levy taxes against  
2 property for purposes authorized by law to be supported under the  
3 municipal budget, the municipal corporation shall levy the taxes  
4 under those provisions and those taxes, ~~shall be~~ **KNOWN AND REFERRED**  
5 **TO AS CHARTER TAX RATES, ARE** in addition to the taxes that may be  
6 levied under the limitation set forth in subsection (1). ~~Taxes~~  
7 ~~levied under this subsection shall be known and referred to as~~  
8 ~~charter tax rates.~~ If any portion of the net limitation tax rate is  
9 allocated to the municipal corporation by the board, the allocated  
10 tax rate ~~shall~~ **MUST** be included within the total tax rate levied by  
11 the municipal corporation under this subsection.

12 (3) If any local unit holds an election for the purpose of  
13 increasing the total tax rate limitation, as provided for by  
14 section 6 of article IX of the state constitution of 1963, the vote  
15 at the election ~~shall~~ **MUST** be taken by ballot and the ballots ~~shall~~  
16 **MUST** be cast and counted in the manner provided by the general  
17 election laws of this state. The ballots ~~shall~~ **MUST** state the  
18 amount in dollars per thousand dollars of taxable value by which it  
19 is proposed that the total tax rate limitation on property in the  
20 local unit be increased and the number of years for which it is  
21 proposed that the increase ~~shall~~ **WILL** be effective. If a previous  
22 increase in the total tax limitation on property is about to expire  
23 and a new increase for the identical amount levied in the  
24 immediately preceding year or a lesser amount is proposed, the  
25 ballot proposal may be presented as a renewal or continuation of  
26 the previous increase for a specified number of years. The ballot  
27 ~~shall~~ **MUST** specify the intended purpose of the renewed or new

1 funds. The ballot may also state the purpose for which the funds  
2 derived from the voted increase over the constitutional tax rate  
3 limitation may be used, and **THE BOARD SHALL NOT CONSIDER** those  
4 funds ~~shall not be considered by the board in~~ dividing the net  
5 limitation tax rate among the various governmental units under this  
6 act. Within 5 days after every election held in any local unit to  
7 increase the tax rate limitation, a certified copy of the official  
8 declaration of the result of the election ~~shall~~**MUST** be filed with  
9 the treasurer of the county or counties in which the local unit is  
10 located. The voted increase in the tax rate limitation ~~shall be~~**IS**  
11 effective in the local unit only when the certified copy of the  
12 official declaration of the result of the election is filed. The  
13 notice of an election ~~in~~**UNDER SECTION 653A OF THE MICHIGAN**  
14 **ELECTION LAW, 1954 PA 116, MCL 168.653A, FOR AN ELECTION AT** which **A**  
15 **PROPOSAL FOR** an increase in the total tax rate limitation is to be  
16 voted upon ~~shall contain a statement by the county treasurer of the~~  
17 ~~county or counties in which the local unit voting on the increase~~  
18 ~~is located of the total of all voted increases in the total tax~~  
19 ~~rate limitation, in any local units, affecting the taxable property~~  
20 ~~in the local unit voting on the increase, and the years the~~  
21 ~~increases are effective.~~**MUST, IN ADDITION TO LISTING THE PROPOSAL,**  
22 **INCLUDE A STATEMENT THAT INCLUDES THE AMOUNT IN DOLLARS PER**  
23 **THOUSAND DOLLARS OF TAXABLE VALUE BY WHICH IT IS PROPOSED UNDER THE**  
24 **PROPOSAL THAT THE TOTAL TAX RATE LIMITATION ON PROPERTY IN THE**  
25 **LOCAL UNIT BE INCREASED AND THE NUMBER OF YEARS FOR WHICH IT IS**  
26 **PROPOSED THAT THE INCREASE WILL BE EFFECTIVE.**

27 (4) As used in this section, "taxable value" means that value

1 determined under section 27a of the general property tax act, Act  
2 ~~No. 206 of the Public Acts of 1893, being section 211.27a of the~~  
3 ~~Michigan Compiled Laws.1893 PA 206, MCL 211.27A.~~