



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5375 (Substitute S-8 as reported)
Sponsor: Representative Willis Bullard, Jr.
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend Public Act 33 of 1955 (which allows certain local units of government to provide for police and fire protection and to levy special assessments to pay for the equipment) to specify that after 1996, an ad valorem special assessment levied under the Act would have to be levied on the taxable value of the property assessed; and to provide that appropriations to pay for the equipment would have to be based upon taxable value after 1996.

Currently, to pay for police and fire vehicles, apparatus, equipment, and housing a township may, by resolution, provide for the appropriation of general or contingent funds; the annual appropriation cannot exceed 10 mills of the State equalized valuation (SEV) of the area in which the services are to be provided. The bill provides that after 1996 the appropriation could not exceed 10 mills of the taxable value of the area to be served. Currently, if township boards acting individually or jointly determine to create a special assessment district for police and fire protection, they must determine the amount of special assessment levy to spread on the lands and premises to be benefitted by the protection. The bill provides that after 1996 the levy would have to be assessed on the taxable value of the lands and premises to be benefitted by the protection.

MCL 41.801

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill specifies that special assessments would have to be based on the taxable value for 1997 and subsequent years. Local units that did not increase millage rates to correspond to the lower tax base would decrease special assessment collections.

Date Completed: 12-10-96

Fiscal Analyst: R. Ross