

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.34d Definitions; tabulation of tentative taxable value; computation of amounts; calculation of millage reduction fraction; transmittal of computations; delivery of signed statement; certification; tax levy; limitation on number of mills; application of millage reduction fraction or limitation; voter approval of tax levy; incorrect millage reduction fraction; recalculation and rounding of fractions; publication of inflation rate; permanent reduction in maximum rates.

Sec. 34d.

(1) As used in this section or section 27a, or section 3 or 31 of article IX of the state constitution of 1963:

(a) For taxes levied before 1995, "additions" means all increases in value caused by new construction or a physical addition of equipment or furnishings, and the value of property that was exempt from taxes or not included on the assessment unit's immediately preceding year's assessment roll.

(b) For taxes levied after 1994, "additions" means, except as provided in subdivision (c), all of the following:

(i) Omitted real property. As used in this subparagraph, "omitted real property" means previously existing tangible real property not included in the assessment. Omitted real property does not increase taxable value as an addition unless the assessing jurisdiction has a property record card or other documentation showing that the omitted real property was not previously included in the assessment. The assessing jurisdiction has the burden of proof in establishing whether the omitted real property is included in the assessment. Omitted real property for the current and the 2 immediately preceding years, discovered after the assessment roll has been completed, must be added to the tax roll pursuant to the procedures established in section 154. For purposes of determining the taxable value of real property under section 27a, the value of omitted real property is based on the value and the ratio of taxable value to true cash value the omitted real property would have had if the property had not been omitted.

(ii) Omitted personal property. As used in this subparagraph, "omitted personal property" means previously existing tangible personal property not included in the assessment. Omitted personal property must be added to the tax roll pursuant to section 154.

(iii) New construction. As used in this subparagraph, "new construction" means property not in existence on the immediately preceding tax day and not replacement construction. New construction includes the physical addition of equipment or furnishings, subject to the provisions set forth in section 27(2)(a) to (q). For purposes of determining the taxable value of property under section 27a, the value of new construction is the true cash value of the new construction multiplied by 0.50.

(iv) Previously exempt property. As used in this subparagraph, "previously exempt property" means property that was exempt from ad valorem taxation under this act on the immediately preceding tax day but is subject to ad valorem taxation on the current tax day under this act. For purposes of determining the taxable value of real property under section 27a:

(A) The value of property previously exempt under section 7u is the taxable value the entire parcel of property would have had if that property had not been exempt, minus the product of the entire parcel's taxable value in the immediately preceding year and the lesser of 1.05 or the inflation rate.

(B) The taxable value of property that is a facility as that term is defined in section 2 of 1974 PA 198, MCL 207.552, that was previously exempt under section 7k is the taxable value that property would have had under this act if it had not been exempt.

(C) The value of property previously exempt under any other section of law is the true cash value of the previously exempt property multiplied by 0.50.

(v) Replacement construction. As used in this subparagraph, "replacement construction" means construction that replaced property damaged or destroyed by accident or act of God and that occurred after the immediately preceding tax day to the extent the construction's true cash value does not exceed the true cash value of property that was damaged or destroyed by accident or act of God in the immediately preceding 3 years. Except as otherwise provided in this subparagraph, for purposes of determining the taxable value of property under section 27a, the value of the replacement construction is the true cash value of the replacement construction multiplied by a fraction, the numerator of which is the taxable value of the property to which the construction was added in the immediately preceding year and the denominator of which is the true cash value of the property to which the construction was added in the immediately preceding year, and then multiplied by the lesser of 1.05 or the inflation rate. However, after December 31, 2011, for purposes of determining the taxable value of property under section 27a, if the property's replacement construction is of substantially the same materials as determined by the state tax commission, if the square footage is not more than 5% greater than the property that was damaged or destroyed, and if the replacement construction is completed not later than December 31 in the year 3 years after the accident or act of God occurred, the replacement construction's taxable value is equal to the taxable value of the property in the year immediately preceding the year in which the property was damaged or destroyed, adjusted annually as

provided in section 27a(2). Any construction materials required to bring the property into compliance with any applicable health, sanitary, zoning, safety, fire, or construction codes or ordinances must be considered to be substantially the same materials by the state tax commission for the sake of replacement construction under this section.

(vi) An increase in taxable value attributable to the complete or partial remediation of environmental contamination existing on the immediately preceding tax day. The department of environment, Great Lakes, and energy shall determine the degree of remediation based on information available in existing department of environment, Great Lakes, and energy records or information made available to the department of environment, Great Lakes, and energy if the appropriate assessing officer for a local tax collecting unit requests that determination. The increase in taxable value attributable to the remediation is the increase in true cash value attributable to the remediation multiplied by a fraction, the numerator of which is the taxable value of the property had it not been contaminated and the denominator of which is the true cash value of the property had it not been contaminated.

(vii) Public services. As used in this subparagraph, "public services" means water service, sewer service, a primary access road, natural gas service, electrical service, telephone service, sidewalks, or street lighting. For purposes of determining the taxable value of real property under section 27a, the value of public services is the amount of increase in true cash value of the property attributable to the available public services multiplied by 0.50, and must be added in the calendar year following the calendar year when those public services are initially available.

(c) For taxes levied after 1994, additions do not include increased value attributable to any of the following:

(i) Platting, splits, or combinations of property.

(ii) A change in the zoning of property.

(iii) For the purposes of the calculation of the millage reduction fraction under subsection (7) only, increased taxable value under section 27a(3) after a transfer of ownership of property.

(d) "Assessed valuation of property as finally equalized" means taxable value under section 27a.

(e) "Financial officer" means the officer responsible for preparing the budget of a unit of local government.

(f) "General price level" means the annual average of the 12 monthly values for the United States Consumer Price Index for all urban consumers as defined and officially reported by the United States Department of Labor, Bureau of Labor Statistics.

(g) For taxes levied before 1995, "losses" means a decrease in value caused by the removal or destruction of real or personal property and the value of property taxed in the immediately preceding year that has been exempted or removed from the assessment unit's assessment roll.

(h) For taxes levied after 1994, "losses" means, except as provided in subdivision (i), all of the following:

(i) Property that has been destroyed or removed. For purposes of determining the taxable value of property under section 27a, the value of property destroyed or removed is the product of the true cash value of that property multiplied by a fraction, the numerator of which is the taxable value of that property in the immediately preceding year and the denominator of which is the true cash value of that property in the immediately preceding year.

(ii) Property that was subject to ad valorem taxation under this act in the immediately preceding year that is now exempt from ad valorem taxation under this act. For purposes of determining the taxable value of property under section 27a, the value of property exempted from ad valorem taxation under this act is the amount exempted.

(iii) Before December 31, 2013, an adjustment in value, if any, because of a decrease in the property's occupancy rate, to the extent provided by law. For purposes of determining the taxable value of real property under section 27a, the value of a loss for a decrease in the property's occupancy rate is the product of the decrease in the true cash value of the property attributable to the decreased occupancy rate multiplied by a fraction, the numerator of which is the taxable value of the property in the immediately preceding year and the denominator of which is the true cash value of the property in the immediately preceding year.

(iv) A decrease in taxable value attributable to environmental contamination existing on the immediately preceding tax day. The department of environment, Great Lakes, and energy shall determine the degree to which environmental contamination limits the use of property based on information available in existing department of environment, Great Lakes, and energy records or information made available to the department of environment, Great Lakes, and energy if the appropriate assessing officer for a local tax collecting unit requests that determination. The department of environment, Great Lakes, and energy's determination of the degree to which environmental contamination limits the use of property must be based on the criteria established for the categories set forth in section 20120a(1) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20120a. The decrease in taxable value attributable to the contamination is the decrease in true cash value attributable to the contamination multiplied by a fraction, the numerator of which is the taxable value of the property had it not been contaminated and the denominator of which is the true cash value of the property had it not been contaminated.

(i) For taxes levied after 1994, losses do not include decreased value attributable to either of the following:

(i) Platting, splits, or combinations of property.

(ii) A change in the zoning of property.

(j) "New construction and improvements" means additions less losses.

(k) "Current year" means the year for which the millage limitation is being calculated.

(l) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.

(2) On or before the first Monday in May of each year, the assessing officer of each township or city shall tabulate the tentative taxable value as approved by the local board of review and as modified by county equalization for each classification of property that is separately equalized for each unit of local government and provide the tabulated tentative taxable values to the county equalization director. The tabulation by the assessing officer must contain additions and losses for each classification of property that is separately equalized for each unit of local government or part of a unit of local government in the township or city. If as a result of state equalization the taxable value of property changes, the assessing officer of each township or city shall revise the calculations required by this subsection on or before the Friday following the fourth Monday in May. The county equalization director shall compute these amounts and the current and immediately preceding year's taxable values for each classification of property that is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county. The county equalization director shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the millage reduction fraction for each unit of local government in the county for the current year. The financial officer for each taxing jurisdiction shall calculate the compounded millage reduction fractions beginning in 1980 resulting from the multiplication of successive millage reduction fractions and shall recognize a local voter action to increase the compounded millage reduction fraction to a maximum of 1 as a new beginning fraction. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the taxable values to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the taxable values to the presidents of community colleges within the county.

(3) On or before the first Monday in June of each year, the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.

(4) On or before the second Monday in June of each year, the treasurer of each county shall certify the immediately preceding year's taxable values, the current year's taxable values, the amount of additions and losses for the current year, and the current year's millage reduction fraction for each unit of local government that levies a property tax in the county.

(5) The financial officer of each unit of local government shall make the computation of the tax rate using the data certified by the county treasurer and the state tax commission. At the annual session in October, or, for a county or local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, before a special meeting held before the annual levy on July 1, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested millage has been reduced, if necessary, in compliance with section 31 of article IX of the state constitution of 1963.

(6) The number of mills permitted to be levied in a tax year is limited as provided in this section pursuant to section 31 of article IX of the state constitution of 1963. A unit of local government shall not levy a tax rate greater than the rate determined by reducing its maximum rate or rates authorized by law or charter by a millage reduction fraction as provided in this section without voter approval.

(7) A millage reduction fraction must be determined for each year for each local unit of government. For ad valorem property taxes that became a lien before January 1, 1983, the numerator of the fraction is the total state equalized valuation for the immediately preceding year multiplied by the inflation rate and the denominator of the fraction is the total state equalized valuation for the current year minus new construction and improvements. For ad valorem property taxes that become a lien after December 31, 1982 and through December 31, 1994, the numerator of the fraction is the product of the difference between the total state equalized valuation for the immediately preceding year minus losses multiplied by the inflation rate and the denominator of the fraction is the total state equalized valuation for the current year minus additions. For ad valorem property taxes that are levied after December 31, 1994, the numerator of the fraction is the product of the difference between the total taxable value for the immediately preceding year minus losses multiplied by the inflation rate and the denominator of the fraction is the total taxable value for the current year minus additions. For each year after 1993, a millage reduction fraction must not exceed 1.

(8) The compounded millage reduction fraction must be calculated by multiplying the local unit's previous year's compounded millage reduction fraction by the current year's millage reduction fraction. The compounded millage reduction fraction for the year must be multiplied by the maximum millage rate authorized by law or charter for the unit of local government for the year, except as provided by subsection (9). A compounded millage reduction fraction must not exceed 1.

(9) The millage reduction must be determined separately for authorized millage approved by the voters. The

limitation on millage authorized by the voters on or before April 30 of a year must be calculated beginning with the millage reduction fraction for that year. Millage authorized by the voters after April 30 is not subject to a millage reduction until the year following the voter authorization which must be calculated beginning with the millage reduction fraction for the year following the authorization. The first millage reduction fraction used in calculating the limitation on millage approved by the voters after January 1, 1979 must not exceed 1.

(10) A millage reduction fraction must be applied separately to the aggregate maximum millage rate authorized by a charter and to each maximum millage rate authorized by state law for a specific purpose.

(11) A unit of local government may submit to the voters for their approval the levy in that year of a tax rate in excess of the limit set by this section. The ballot question must ask the voters to approve the levy of a specific number of mills in excess of the limit. The provisions of this section do not allow the levy of a millage rate in excess of the maximum rate authorized by law or charter. If the authorization to levy millage expires after 1993 and a local governmental unit is asking voters to renew the authorization to levy the millage, the ballot question must ask for renewed authorization for the number of expiring mills as reduced by the millage reduction required by this section. If the election occurs before June 1 of a year, the millage reduction is based on the immediately preceding year's millage reduction applicable to that millage. If the election occurs after May 31 of a year, the millage reduction must be based on that year's millage reduction applicable to that millage had it not expired.

(12) A reduction or limitation under this section must not be applied to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued that were authorized before December 23, 1978, as provided by section 4 of chapter I of former 1943 PA 202, or to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued that are approved by the voters after December 22, 1978.

(13) If it is determined after the levy of a tax that an incorrect millage reduction fraction has been applied, the amount of additional tax revenue or the shortage of tax revenue must be deducted from or added to the next regular tax levy for that unit of local government after the determination of the authorized rate pursuant to this section.

(14) If as a result of an appeal of county equalization or state equalization the taxable value of a unit of local government changes, the millage reduction fraction for the year must be recalculated. The financial officer shall effectuate an addition or reduction of tax revenue in the same manner as prescribed in subsection (13).

(15) The fractions calculated pursuant to this section must be rounded to 4 decimal places, except that the inflation rate must be computed by the state tax commission and must be rounded to 3 decimal places. The state tax commission shall publish the inflation rate before March 1 of each year.

(16) Beginning with taxes levied in 1994, the millage reduction required by section 31 of article IX of the state constitution of 1963 permanently reduces the maximum rate or rates authorized by law or charter. The reduced maximum authorized rate or rates for 1994 must equal the product of the maximum rate or rates authorized by law or charter before application of this section multiplied by the compounded millage reduction applicable to that millage in 1994 pursuant to subsections (8) to (12). The reduced maximum authorized rate or rates for 1995 and each year after 1995 must equal the product of the immediately preceding year's reduced maximum authorized rate or rates multiplied by the current year's millage reduction fraction and must be adjusted for millage for which authorization has expired and new authorized millage approved by the voters pursuant to subsections (8) to (12).

History: Add. 1978, Act 532, Imd. Eff. Dec. 21, 1978 ;-- Am. 1979, Act 35, Imd. Eff. June 20, 1979 ;-- Am. 1981, Act 6, Imd. Eff. Apr. 16, 1981 ;-- Am. 1982, Act 539, Eff. Mar. 30, 1983 ;-- Am. 1991, Act 38, Imd. Eff. June 10, 1991 ;-- Am. 1993, Act 145, Imd. Eff. Aug. 19, 1993 ;-- Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994 ;-- Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996 ;-- Am. 2005, Act 12, Imd. Eff. Apr. 28, 2005 ;-- Am. 2007, Act 31, Imd. Eff. June 29, 2007 ;-- Am. 2012, Act 185, Imd. Eff. June 20, 2012 ;-- Am. 2014, Act 18, Imd. Eff. Feb. 25, 2014 ;-- Am. 2014, Act 164, Imd. Eff. June 12, 2014 ;-- Am. 2019, Act 117, Imd. Eff. Nov. 15, 2019 ;-- Am. 2022, Act 240, Imd. Eff. Dec. 14, 2022

Constitutionality: MCL 211.34d(i)(b)(vii) is unconstitutional because it purports to define the term "additions" for purposes of Const 1963, art IX, § 3 in a way that violates the proper meaning of that term, *WPW Acquisition Co v City of Troy*, 466 Mich 117; 643 NW2d 564 (2002).

Compiler's Notes: Sec. 34d, as amended by Act 6 of 1981, was amended by Act 41 of 1981 to read as follows: "Sec. 34d. (1) As used in this section or section 31 of article 9 of the state constitution of 1963, or both: "(a) "Additions" means all increases in value caused by new construction in the classification, a physical addition of equipment or furnishings in the classification, and the value of property which was exempt from taxes or not included on the assessment unit's previous year's assessment roll for the classification, and, for property in a classification which was classified as part of a different class in the previous year, the value assigned to that property in the previous year. "(b) "Financial officer" means the officer responsible for preparing the budget of a unit of local government. "(c) "Losses" means a decrease in value caused by the removal or destruction of property in the classification, and the value of property taxed in the prior year which has been exempted or removed from the assessment unit's assessment roll for the classification, and the value of property which has been reclassified out of the class of property. "(d) "New construction and improvements" means additions less losses. "(e) "Current year" means the year for which the tax limitation is being calculated. "(2) On or before the first Monday in May of each year the assessing officer of each township or city shall tabulate the assessed valuation as approved by the local board of review for each classification of property which is separately equalized for each unit of local government and provide the tabulated assessed valuations to the county equalization director. The tabulation

by the assessing officer shall contain additions and losses for each classification of property which is separately equalized for each unit of local government or part of a unit of local government in the township or city. The county equalization director shall compute these amounts and the current and prior year's state equalized valuation for each classification of property which is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county and shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the tax reduction fractions for each unit of local government in the county for the current year. The financial officer for each taxing jurisdiction shall calculate the compounded tax reduction fractions beginning in 1982 resulting from the multiplication of successive tax reduction fractions and shall recognize a local voter action which may increase the compounded tax reduction fractions to a maximum of 1 as the new beginning fractions. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the assessed valuations to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the assessed valuation to the presidents of community colleges within the county.“(3) On or before the fourth Tuesday in May of each year the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.“(4) On or before June 1 of each year the treasurer of each county shall certify the prior year's state equalized valuation of property, the current year's state equalized valuation of property, the amount of additions and losses for the current year, and the current year's tax reduction fractions for each classification of property which is separately equalized for each unit of local government which levies a property tax in the county.“(5) The financial officer of each unit of local government shall make the computation of the tax collection using the data certified by the county treasurer and the state tax commission. At the annual session in October, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested levy's collection has been reduced, if necessary, in compliance with section 31 of article 9 of the state constitution of 1963 and has attached a completed tax reduction calculation form prescribed by the state tax commission.“(6) The amount of taxes permitted to be collected from tax levies after December 31, 1980, is limited as provided in this section pursuant to section 31 of article 9 of the state constitution of 1963. Without voter approval, a unit of local government shall not collect an amount of taxes on each property classification which is separately equalized greater than the amount determined by multiplying the tax levy on each class by a tax reduction fraction for that classification of property as provided in this section.“(7) Beginning in 1981, a tax reduction fraction shall be determined for each year for each classification of property which is separately equalized for each local unit of government. For ad valorem property taxes levied after December 31, 1980, the numerator of the fractions shall be the product of the difference of total state equalized valuation of the class of property for the preceding year less losses, multiplied by 1.06 and the denominator of the fraction shall be the total state equalized valuation of the class of property for the current year minus additions. The annual tax reduction fractions for ad valorem property tax levies shall not exceed 1. For 1981 ad valorem property tax levies, the 1981 annual tax reduction fractions shall be multiplied by the ad valorem property tax levy for operating purposes from the respective property classification by the unit of local government for 1981, except as provided by subsection (9).“(8) The tax reduction fractions for the 1981 tax year shall be the first fractions in the series of annual reduction fractions which shall be multiplied together to produce the compounded tax reduction fractions for the year. The compounded tax reduction fractions for 1982 shall be calculated by multiplying the 1981 tax reduction fractions for a class by the 1982 tax reduction fraction for the class. The compounded tax reduction fraction for 1983 and each year thereafter for a class shall be calculated by multiplying the local unit's previous year's compounded tax reduction fraction for the class by the current year's tax reduction fraction for the class. Beginning with 1982 ad valorem property tax levies, the compounded tax reduction fractions for the year shall be multiplied by the ad valorem property tax levy for operating purposes from the respective property classification by the unit of local government for the year, except as provided by subsection (9). A compounded tax reduction fraction shall not exceed 1.“(9) After January 1, 1981 and upon voter approval of the increased number of mills as required by subsection (11), the tax reduction shall be determined separately for taxes levied from a number of mills in excess of the number of mills levied in 1980. An increase in the number of mills over the number of mills levied in the previous year that is approved by the voters after January 1, 1981 shall not be subject to a tax reduction until the year following the first levy of these mills which shall be calculated beginning with the tax reduction fractions for the year following the first levy of these mills. The annual tax reduction fractions used in calculating the limitation on taxes from these increased number of mills approved by the voters after January 1, 1981 shall not exceed 1.“(10) A unit of local government may submit to the voters for their approval a ballot question to allow the collection of taxes in excess of the limit set by this section or to reimpose the limit set by this section that had previously been increased or waived. The ballot question to allow the collection of taxes in excess of the limit set by this section may ask the voters to increase the 6% limit on increased tax collections in each class to a higher specified percentage in 1 or more specified years, to waive the application of the annual tax reduction fractions in that year by utilizing annual tax reduction fractions of 1 in determining the compound tax reduction fractions for the year, or to approve the collection in 1 or more specified years of its tax levy without regard to the tax reduction required by section 31 of article 9 of the state constitution of 1963 by approving an increase in that year's compounded tax reduction fractions to 1. If a collection of a tax levy with a limitation of over 6% or without regard to the tax reduction required by subsection (6) and section 31 of article 9 of the state constitution of 1963 is approved for more than 1 year, the voters in the unit of local government may require not more than 1 time in each 12-month period, upon filing a petition signed by not less than 10% of the qualified electors in the unit of local government which signatures have been collected within not more than 90 days after the petition was first circulated, that the question of reinstitution of the 6% limit be submitted to the electors of the unit of local government at either the next regularly scheduled election of the unit of local government or a special election called by the governing board of the unit of local government if the next regularly scheduled election is more than 180 days after the date the petitions are submitted. If, at an election held before the date certification is required of the unit of local government under section 36, the electors approve a question submitted pursuant to this subsection either by the unit of local government or by referendum, the approval shall be effective with ad valorem property tax levies for the year the question was approved. If necessary, any consequential adjustment required of the annual and compound tax reduction fractions and of the summer or winter tax levies of any unit of local government in the year the election is held shall be made by adding or deducting the appropriate amounts to or from the next ad valorem property tax levy of the unit of local government. If the question submitted pursuant to this subsection either by the unit of local government or by referendum is approved by the electors at an election held after the date certification is required of the unit of local government under section 36, approval shall be effective with ad valorem property tax levies for the year immediately following the year in which the question was approved. If a limit in excess of 6% is approved before the date certification is required of the unit of local government under section 36, the year's annual tax reduction fractions shall be recalculated for determining the current year's and all following year's compounded tax reduction fractions. Upon reinstitution of the 6% limit after 1 or more years in which taxes were levied without regard to the required reduction, the compound tax reduction fraction calculation shall utilize 1 as the annual tax reduction fraction for each classification of property for each year in which the limitation was not effective. The provisions of this section shall not allow the levy of a millage rate in excess of the maximum rate authorized by law or charter or for the increase or waiver of the 6% limitation for less than all classifications of property. A vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved, without approving an increase or establishment of an authorized millage rate, either the levy of a specified number of mills for operating purposes in excess of the limit imposed for 1981 tax levies pursuant to this section as effective January 1, 1981 or the levy of a certain number of mills for operating purposes after application of this

section as effective January 1, 1981, shall be considered sufficient to increase the 6% limitation in 1981 to a percentage which would allow the unit of local government to collect full revenues from the levy of these mills in 1981. A vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved, pursuant to this section as effective January 1, 1981, either a compound millage reduction fraction of 1 for 1981 tax levies or the levy of its authorized millage without regard to this section as then effective, shall be considered sufficient to waive the 6% limitation in 1981 for ad valorem property tax levies for that unit of local government. "(11) A millage rate shall not be levied in excess of the rate levied in the previous year without approval of a majority of the qualified electors of the unit of local government voting thereon. A unit of local government, which submits a question seeking the approval of a majority of the qualified electors voting thereon for increasing or establishing an authorized millage rate for operating purposes, shall identify in the question the number of mills for operating purposes that the local unit could levy upon approval of the question in excess of the number of mills levied for operating purposes by the local unit in the previous year. If none of the mills authorized to be levied for operating purposes in 1980 have expired, a vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved an increase in the maximum authorized millage rate for operating purposes effective in 1980, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government over the millage rate levied for operating purposes by the unit of local government in 1980 by the number of mills by which the maximum authorized millage rate for operating purposes in 1980 is increased. A vote at an election held between January 1, 1981 and May 19, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved the establishment of a maximum authorized millage rate for operating purposes after a certain number of mills authorized to be levied for operating purposes in 1980 have expired, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government in 1980 by the difference, if any, between the total number of mills this vote would actually allow to be levied for operating purposes under this section as effective January 1, 1981, based on the actual 1980 compounded millage reduction fraction and a 1981 annual millage reduction fraction of 1.0, less the millage rate for operating purposes levied for operating purposes under this section as effective January 1, 1981, based on the actual 1980 compounded millage reduction fraction and 1981 annual millage reduction fraction of 1.0, less the millage rate for operating purposes levied by the unit of local government in 1980. A vote at an election held between May 20, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved the establishment of a maximum authorized millage rate for operating purposes after a certain number of mills authorized to be levied for operating purposes in 1980 have expired, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government in 1980 by the difference, if any, between subdivision (a) less subdivision (b): "(a) The sum of the difference between the maximum authorized millage rate for operating purposes in 1980 less the number of authorized mills in 1980 for operating purposes which have expired, plus the number of mills for operating purposes voted upon or renewed over the 1981 maximum authorized millage rate for operating purposes before this approval. "(b) The millage rate for operating purposes levied by the unit of local government in 1980." (12) A reduction or limitation under this section shall be applied only to taxes imposed for operating purposes, as defined by section 7a. (13) Notwithstanding any charter provision or law to the contrary, a city, village, township, or county that prepares and mails summer tax bills shall delay the preparation and mailing of the 1981 summer tax bills, and a taxing unit shall not levy ad valorem property taxes in 1981, until between July 6, 1981 and a later date determined by the city, village, township, or county that prepares and mails summer tax bills in 1981. In addition, the final date on which the summer taxes are payable without penalty or interest shall be delayed by the same number of days that the mailing of the tax bills is delayed and the date on which a unit of local government must adopt its budget for a local fiscal year commencing in 1981 may be delayed until after May 19, 1981. (14) If it is determined subsequent to the levy of a tax that an incorrect tax reduction fraction has been applied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the reduction of tax collections pursuant to this section. (15) If, as a result of an appeal of county equalization or state equalization, the state equalized valuation of a separately equalized class of property of a unit of local government changes, the tax reduction fractions for the year shall be recalculated. The financial officer shall effectuate an addition or reduction of tax revenue in the same manner as prescribed in subsection (14). (16) The fractions calculated pursuant to this section shall be rounded to 4 decimal places. (17) Beginning in 1981, the determination, tabulation, calculation, and certification of assessed values, state equalized values, additions, and losses required by this section shall be done separately for each class of property which is separately equalized. (18) A question authorized to be submitted by subsection (10) shall not be submitted as part of a question seeking to increase or establish a millage rate for the unit of local government, but may be submitted as a separate question on the same ballot." Section 2 of Act 41 of 1981 provides: "(1) Except as provided by subsections (2) and (3), this amendatory act shall not take effect unless House Joint Resolution G of the 81st Legislature becomes a part of the constitution as provided in section 1 of article 12 of the state constitution of 1963. (2) Section 7a(8), (9), (12), and (14) of this amendatory act shall take immediate effect, but shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters. (3) Sections 7a(11) and 34d(3), (4), (7), (9), (10), (11), (17), and (18) of this amendatory act shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been approved by the voters." Section 3 of Act 41 of 1981 provides: "Section 34d(13) of this amendatory act shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters." Proposal A, referred to in Sections 2 and 3 of Act 41 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27, 1981, that Proposal A had been rejected by the voters. Enacting section 1 of Act 164 of 2014 provides: "Enacting section 1. This amendatory act, which removes an increase in value attributable to an increase in a parcel of property's occupancy rate from the definition of 'additions' by striking section 34d(1)(b)(vii) of the general property tax act, 1893 PA 206, MCL 211.34d, reflects the decision of the Michigan supreme court in *WPW Acquisition Company v City of Troy*, 466 Mich 117 (2002) (Docket No. 118750)."

Popular Name: Act 206