

HOUSE BILL NO. 4350

April 11, 2023, Introduced by Reps. Brixie, Neeley, Wilson, Coleman, Brenda Carter, Scott, Hood, Wegela, Haadsma, Steckloff, Tyrone Carter, Hope, O'Neal, Dievendorf, McFall, Shannon, Tsernoglou, Fitzgerald, Paiz, Conlin, Grant, Hill, Byrnes, Liberati, Price, Farhat and Aiyash and referred to the Committee on Tax Policy.

A bill to establish a state matching grant program for certain property taxes and special assessments levied by certain municipalities; and to provide for the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "raise up local grant
2 act".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of treasury.

5 (b) "Eligible millage" means the lesser of the following:

1 (i) The total number of mills levied by an eligible
2 municipality as property taxes or special assessments described in
3 subdivision (c) (ii) .

4 (ii) 2 mills.

5 (c) "Eligible municipality" means a county, city, township, or
6 village that meets both of the following:

7 (i) Has a per capita taxable value that is less than the
8 statewide average per capita taxable value.

9 (ii) Levies 1 or more property taxes or special assessments
10 dedicated to 1 or more of the following purposes:

11 (A) Funding the construction, maintenance, or repair of roads
12 and bridges.

13 (B) Funding the construction, maintenance, or repair of water
14 and sewer systems.

15 (C) Funding police, fire, or emergency medical services.

16 (D) Payment of unfunded actuarial accrued liability for
17 retiree health care and unfunded actuarial accrued liability for
18 pension and retirement benefits for former employees of the
19 eligible municipality.

20 (d) "Municipality" means a county, city, township, or village.

21 (e) "Per capita taxable value" means an amount determined by
22 dividing the total taxable value of all property subject to general
23 ad valorem property taxes in a municipality by the population of
24 the municipality as determined by the department using the most
25 recent population data available from the United States Census
26 Bureau.

27 (f) "Statewide average per capita taxable value" means an
28 amount determined by dividing the total taxable value of all
29 property subject to general ad valorem property taxes in this state

1 by the population of this state as determined by the department
2 using the most recent population data available from the United
3 States Census Bureau.

4 (g) "Taxable value" means the value determined under section
5 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

6 Sec. 5. The department shall establish and administer a raise
7 up local grant program to provide matching grants from this state
8 to eligible municipalities, subject to all of the following:

9 (a) An eligible municipality shall apply for the matching
10 grant in a form and manner prescribed by the department not later
11 than December 31 of the calendar year immediately preceding the
12 calendar year in which the eligible municipality will levy the
13 property tax or special assessment described in section 3(c) (ii) for
14 which a matching grant is sought. An application under this section
15 is proper whether the property tax or special assessment will be a
16 continuing levy or a new levy in the year for which a matching
17 grant is sought.

18 (b) The department shall maintain a database available to
19 municipalities, updated annually by not later than March 31,
20 containing all of the following:

21 (i) The per capita taxable value for every municipality in this
22 state and the underlying taxable value and population data used to
23 calculate each municipality's per capita taxable value.

24 (ii) The statewide average per capita taxable value and the
25 underlying taxable value and population data used to calculate that
26 statewide average per capita taxable value.

27 (iii) A list of all municipalities whose per capita taxable
28 value is less than the statewide average per capita taxable value
29 for purposes of participating in the raise up local grant program

1 in the immediately succeeding calendar year.

2 (c) The department shall determine whether a municipality that
3 applies for a matching grant is an eligible municipality based on
4 the data described in subdivision (b) (i) and (ii) for the calendar
5 year in which the municipality applies for a matching grant.

6 (d) A matching grant awarded under this act is subject to
7 appropriation and must not exceed an amount determined by
8 subtracting the amount described in subparagraph (i) from the amount
9 described in subparagraph (ii), as follows:

10 (i) The total revenue raised by the eligible municipality from
11 its eligible millage.

12 (ii) The total revenue that the eligible municipality would
13 have raised from its eligible millage if its per capita taxable
14 value were equal to the statewide average per capita taxable value.

15 (e) An eligible municipality that receives a matching grant
16 under this act shall dedicate that grant money to the same purpose
17 or purposes served by the property taxes or special assessments
18 described in section 3(c) (ii) for which the matching grant was made.

19 (f) Subject to appropriation, the department shall distribute
20 matching grants not later than July 1 of each year for which 1 or
21 more applications are granted from the raise up local grant fund,
22 as provided in the raise up local grant fund act.

23 Enacting section 1. This act does not take effect unless
24 Senate Bill No. ____ or House Bill No. 4351 (request no. 02449'23)
25 of the 102nd Legislature is enacted into law.