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## INITIATIVE PETITION AMENDMENT TO THE CONSTITUTION

Constitutional Amendment to: prohibit real and personal property taxes, currently the primary funding source for counties, municipalities, schools, community colleges, parks, and voter-approved bond repayment; increase portion of state sales tax redirected to cities, townships and villages from 10% to 13.33%, and from 0% to 6.67% for counties; shift 10% of state income, marihuana, alcohol, and tobacco tax revenue to local governments; allow use of this revenue only for listed essential government and infrastructure services but not for schools, community colleges, parks, or other local government services; require 60% voter approval for local tax increases; require 2/3 vote of Legislature for tax increases greater than 0.1% over 5 years.

The full text of the proposal appears on the reverse side of this petition, along with provisions of the existing constitution which would be altered or abrogated if adopted. Provisions of existing constitution altered or abrogated by the proposal if adopted: Art I, § 10; Art II, § 6; Art IV, §§ 26 and 40; Art V, § 18; Art VI, § 28; Art VII, §§ 2, 11, 16 and 21; Art IX, §§ 3, 4, 5, 6, 10, 11, 15, 16, 25, 26, 27, 28, 31, 32, 33 and 36.

We, the undersigned qualified and registered electors, residents in the county of \_\_\_\_\_, state of Michigan, respectfully petition for amendment to constitution.

**WARNING - A person who knowingly signs this petition more than once, signs a name other than his or her own, signs when not a qualified and registered elector, or sets opposite his or her signature on a petition, a date other than the actual date the signature was affixed, is violating the provisions of the Michigan election law.**

| SIGNATURE | PRINTED NAME | STREET ADDRESS OR RURAL ROUTE | CITY OR TOWNSHIP | ZIP CODE | DATE OF SIGNING |     |      |
|-----------|--------------|-------------------------------|------------------|----------|-----------------|-----|------|
|           |              |                               |                  |          | MO              | DAY | YEAR |
| 1.        |              |                               |                  |          |                 |     |      |
| 2.        |              |                               |                  |          |                 |     |      |
| 3.        |              |                               |                  |          |                 |     |      |
| 4.        |              |                               |                  |          |                 |     |      |
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| 9.        |              |                               |                  |          |                 |     |      |
| 10.       |              |                               |                  |          |                 |     |      |

### CERTIFICATE OF CIRCULATOR

The undersigned circulator of the above petition asserts that he or she is 18 years of age or older and a United States citizen; that each signature on the petition was signed in his or her presence; that he or she has neither caused nor permitted a person to sign the petition more than once and has no knowledge of a person signing the petition more than once; and that, to his or her best knowledge and belief, each signature is the genuine signature of the person purporting to sign the petition, the person signing the petition was at the time of signing a registered elector of the city or township indicated preceding the signature, and the elector was qualified to sign the petition.

If the circulator is not a resident of Michigan, the circulator shall make a cross or check mark in the box provided, otherwise each signature on this petition sheet is invalid and the signatures will not be counted by a filing official. By making a cross or check mark in the box provided, the undersigned circulator asserts that he or she is not a resident of Michigan and agrees to accept the jurisdiction of this state for the purpose of any legal proceeding or hearing that concerns a petition sheet executed by the circulator and agrees that legal process served on the Secretary of State or a designated agent of the Secretary of State has the same effect as if personally served on the circulator.

**WARNING—A circulator knowingly making a false statement in the above certificate, a person not a circulator who signs as a circulator, or a person who signs a name other than his or her own as circulator is guilty of a misdemeanor.**

Paid for with regulated funds by AxMITax, PO Box 751, Jenison, MI 49429.



### CIRCULATOR – Do not sign or date certificate until after circulating petition.

\_\_\_\_\_ / \_\_\_\_ / \_\_\_\_  
 (Signature of Circulator) (Date)

\_\_\_\_\_  
 (Printed Name of Circulator)

\_\_\_\_\_  
 (Complete Residence Address (Street and Number or Rural Route)) Do not enter a post office box

\_\_\_\_\_  
 (City or Township, State, Zip Code)

\_\_\_\_\_  
 (County of Registration, if Registered to Vote, of a Circulator who is not a Resident of Michigan)

# INITIATIVE PETITION AMENDMENT TO THE CONSTITUTION

Constitutional Amendment to: prohibit real and personal property taxes, currently the primary funding source for counties, municipalities, schools, community colleges, parks, and voter-approved bond repayment; increase portion of state sales tax redirected to cities, townships and villages from 10% to 13.33%, and from 0% to 6.67% for counties; shift 10% of state income, marijuana, alcohol, and tobacco tax revenue to local governments; allow use of this revenue only for listed essential government and infrastructure services but not for schools, community colleges, parks, or other local government services; require 60% voter approval for local tax increases; require 2/3 vote of Legislature for tax increases greater than 0.1% over 5 years.

The full text of the proposal to amend sections 3, 6, 10, 31 and 36 of Article IX of the constitution and to add section 43 of Article IX of the constitution is as follows (language added in capital letters; language deleted struck with a line):

## ARTICLE IX Finance and Taxation

### § 3 Property taxation; uniformity; assessments; limitations; classes; approval of legislature.

Sec. 3. (1) NO TAX SHALL BE IMPOSED ON REAL PROPERTY OR PERSONAL PROPERTY BY THE STATE OR LOCAL UNIT OF GOVERNMENT AS DEFINED IN SECTION 33 OF THIS ARTICLE.

(2) NEITHER THE STATE NOR ANY LOCAL UNIT OF GOVERNMENT SHALL ENACT ANY LAWS OR ORDINANCES PROVIDING FOR ALTERNATIVE MEANS OF TAXATION OF REAL OR PERSONAL PROPERTY. The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not exempt by law except for taxes levied for school operating purposes. The legislature shall provide for the determination of true cash value of such property; the proportion of true cash value at which such property shall be uniformly assessed, which shall not, after January 1, 1966, exceed 50 percent; and for a system of equalization of assessments. For taxes levied in 1995 and each year thereafter, the legislature shall provide that the taxable value of each parcel of property adjusted for additions and losses, shall not increase each year by more than the increase in the immediately preceding year in the general price level, as defined in section 33 of this article, or 5 percent, whichever is less until ownership of the parcel of property is transferred. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value. The legislature may provide for alternative means of taxation of designated real and tangible personal property in lieu of general ad valorem taxation. Every tax other than the general ad valorem property tax shall be uniform upon the class or classes on which it operates. A law that increases the statutory limits in effect as of February 1, 1994 on the maximum amount of ad valorem property taxes that may be levied for school district operating purposes requires the approval of ¾ of the members elected to and serving in the Senate and in the House of Representatives.

### § 6 Real and tangible personal property; I Limitation on general ad valorem taxes; adoption and alteration of separate STATE tax limitations; exceptions to limitations; property tax on school district extending into 2 or more counties.

Section 6. Except as otherwise provided in this constitution, the total amount of general ad valorem taxes imposed upon real and tangible personal property for all purposes in any one year shall not exceed 15 mills on each dollar of the assessed valuation of property as finally equalized. AND Under procedures provided by law, which shall guarantee the right of initiative, separate tax limitations for any county and for the townships and for school districts therein, the aggregate of which shall not exceed 18 mills on each dollar of such valuation, may be adopted and thereafter altered by the vote of a majority of the qualified electors of such county voting thereon, in lieu of the limitation hereinbefore established. These limitations may be increased to an aggregate of not to exceed 50 mills on each dollar of valuation, for a period of not to exceed 20 years at any one time, if approved by a majority of the electors, qualified under Section 6 of Article II of this constitution, voting on the question.

The foregoing limitations shall not apply to taxes imposed for the payment of principal and interest on bonds approved by the electors or other evidences of indebtedness approved by the electors or for the payment of assessments or contract obligations in anticipation of which bonds are issued approved by the electors, which taxes may be imposed without limitation as to rate or amount; or, subject to the provisions of Section 25 through 34 of this article, to taxes imposed for any other purpose by any city, village, charter county, charter township, charter authority or other authority, the tax limitations of which are provided by charter or by general law.

In any school district which extends into two or more counties, property taxes at the highest rate available in the county which contains the greatest part of the area of the district may be imposed and collected for school purposes throughout the district.

ANY LEGISLATIVE MEASURE CHANGING THE TAX LAWS OF THIS STATE THAT INCREASES REVENUE BY MORE THAN A DE MINIMIS AMOUNT SHALL RECEIVE THE CONCURRENCY OF TWO-THIRDS OF THE MEMBERS OF EACH HOUSE VOTING AND PRESENT. A LEGISLATIVE MEASURE WOULD BE CONSIDERED TO RAISE A DE MINIMIS AMOUNT OF REVENUE IF IT INCREASES STATE REVENUES BY NO MORE THAN 0.1 PERCENT OVER 5 YEARS. FOR PURPOSES OF DETERMINING WHETHER A LEGISLATIVE MEASURE RAISES MORE THAN A DE MINIMIS

AMOUNT OF REVENUE, ONLY TAX PROVISIONS (I.E., PROVISIONS MODIFYING THE TAX LAWS OF THIS STATE) IN THE MEASURE ARE TO BE CONSIDERED. OTHER PROVISIONS THAT INCREASE STATE REVENUES OR RECEIPTS (SUCH AS ASSET SALES, USER FEES, LICENSE FEES, ETC.) WOULD NOT BE TAKEN INTO ACCOUNT IN DETERMINING THE REVENUE RAISED BY THE MEASURE.

### § 10 Sales tax; d Distribution to local governments.

Sec. 10. (1) Fifteen TWENTY percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4%, TEN PERCENT OF ALL TAXES ON INCOME AUTHORIZED BY SECTION 1 OF THIS ARTICLE AND AS PROVIDED BY LAW, TEN PERCENT OF ALL TAX RECEIPTS COLLECTED UNDER THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT, AND TEN PERCENT OF ALL TAX RECEIPTS COLLECTED UNDER THE MICHIGAN LIQUOR CONTROL CODE ON ALCOHOLIC BEVERAGES shall be used exclusively for assistance to townships, cities and villages, TO FUND ESSENTIAL GOVERNMENT SERVICES AND ESSENTIAL INFRASTRUCTURE SERVICES.

(2) IN ADDITION TO AND NOT IN LIEU OF COUNTY REVENUE SHARING AS PROVIDED BY LAW, TEN PERCENT OF ALL TAXES IMPOSED ON RETAILERS ON TAXABLE SALES AT RETAIL OF TANGIBLE PERSONAL PROPERTY AT A RATE OF NOT MORE THAN 4%, TEN PERCENT OF ALL TAXES ON INCOME AUTHORIZED BY SECTION 1 OF THIS ARTICLE AND AS PROVIDED BY LAW, TEN PERCENT OF ALL TAX RECEIPTS COLLECTED UNDER THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT, AND TEN PERCENT OF ALL TAX RECEIPTS COLLECTED UNDER THE MICHIGAN LIQUOR CONTROL CODE ON ALCOHOLIC BEVERAGES SHALL BE USED EXCLUSIVELY FOR ASSISTANCE TO COUNTIES TO FUND ESSENTIAL GOVERNMENT SERVICES AND ESSENTIAL INFRASTRUCTURE SERVICES.

(3) ESSENTIAL GOVERNMENT SERVICES INCLUDE PUBLIC SAFETY AND FIRST RESPONDERS, LAW ENFORCEMENT, FIRE PREVENTION AND RESPONSE, COURTS AND COURT PERSONNEL, EMERGENCY MANAGEMENT PERSONNEL, EMTS, 911 CALL CENTER EMPLOYEES, ALL WORKERS AND VENDORS THAT SUPPORT LAW ENFORCEMENT AND EMERGENCY MANAGEMENT OPERATIONS AND SERVICES.

(4) ESSENTIAL INFRASTRUCTURE SERVICES INCLUDE UTILITIES INCLUDING POWER GENERATION, ELECTRONIC SECURITY AND LIFE SAFETY SERVICES, FLOOD CONTROL, OPERATION OF DAMS, AIRPORTS, PORTS, ROADS AND HIGHWAYS, MASS TRANSIT, PUBLIC WATER AND WASTEWATER SERVICES.

(5) DISTRIBUTION OF FUNDS TO LOCAL GOVERNMENTS SHALL BE on a population basis as provided by law. In determining population the legislature may exclude any portion of the total number of persons who are wards, patients or convicts in any tax supported institution.

### § 31 Levying tax or increasing rate of existing tax; maximum tax rate on new base; increase in assessed valuation of property; exceptions to limitations.

Sec. 31. Units of Local Government are hereby prohibited from levying any tax not authorized by law or charter when this section is ratified or from increasing the rate of an existing tax above that rate authorized by law or charter when this section is ratified, without the approval of a majority VOTE OF SIXTY PERCENT of the qualified electors of that unit of Local Government voting thereon. If the definition of the base of an existing tax is broadened, the maximum authorized rate of taxation on the new base in each unit of Local Government shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the General Price Level from the previous year, the maximum authorized rate applied thereto in each unit of Local Government shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the General Price Level, as could have been collected at the existing authorized rate on the prior assessed value.

The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this amendment.

### § 36 Tax on tobacco products; dedication of proceeds.

Sec. 36. Six percent of the proceeds of the tax on tobacco products shall be dedicated to improving the quality of health care of the residents of this state. TEN PERCENT OF THE PROCEEDS OF THE TAX ON TOBACCO PRODUCTS SHALL BE DISTRIBUTED TO TOWNSHIPS, CITIES AND VILLAGES IN ACCORDANCE WITH SECTION 10 OF THIS ARTICLE. TEN PERCENT OF THE PROCEEDS OF THE TAX ON TOBACCO PRODUCTS SHALL BE DISTRIBUTED TO COUNTIES, IN ADDITION TO AND NOT IN LIEU OF COUNTY REVENUE SHARING AS PROVIDED BY LAW, IN ACCORDANCE WITH SECTION 10 OF THIS ARTICLE.

### § 43 IMPLEMENTATION OF SECTIONS 3, 6, 10, 31 AND 36.

SEC. 43. THE LEGISLATURE SHALL IMPLEMENT THE PROVISIONS OF SECTIONS 3, 6, 10, 31 AND 36 OF THIS ARTICLE, WITHIN 12 MONTHS OF THEIR ADOPTION. ANY TAXPAYER OF THE STATE SHALL HAVE STANDING TO BRING SUIT IN THE MICHIGAN STATE COURT OF APPEALS TO ENFORCE THE PROVISION OF SECTIONS 3, 6, 10, 31, AND 36 OF THIS ARTICLE AND, IF THE SUIT IS SUSTAINED, SHALL RECEIVE FROM THE STATE OR LOCAL UNIT OF GOVERNMENT THEIR FEES AND COSTS INCURRED IN MAINTAINING SUCH SUIT.

Provisions of existing constitution altered or abrogated by the proposal if adopted:

## ARTICLE I Declaration of Rights

### § 10 Attainder; ex post facto laws; impairment of contracts.

Sec. 10. No bill of attainder, ex post facto law or law impairing the obligation of contract shall be enacted.

**ARTICLE II  
Elections**

**§ 6 Voters on tax limit increases or bond issues.**

Sec. 6. Whenever any question is required to be submitted by a political subdivision to the electors for the increase of the ad valorem tax rate limitation imposed by Section 6 of Article IX for a period of more than five years, or for the issue of bonds, only electors in, and who have property assessed for any ad valorem taxes in, any part of the district or territory to be affected by the result of such election or electors who are the lawful husbands or wives of such persons shall be entitled to vote thereon. All electors in the district or territory affected may vote on all other questions.

**ARTICLE IV  
Legislative Branch**

**§ 26 Bills; printing, possession, reading, vote on passage.**

Sec. 26. No bill shall be passed or become a law at any regular session of the legislature until it has been printed or reproduced and in the possession of each house for at least five days. Every bill shall be read three times in each house before the final passage thereof. No bill shall become a law without the concurrence of a majority of the members elected to and serving in each house. On the final passage of bills, the votes and names of the members voting thereon shall be entered in the journal.

**§ 40 Alcoholic beverages; age requirement; liquor control commission; excise tax; local option.**

Sec. 40. A person shall not sell or give any alcoholic beverage to any person who has not reached the age of 21 years. A person who has not reached the age of 21 years shall not possess any alcoholic beverage for the purpose of personal consumption. An alcoholic beverage is any beverage containing one-half of one percent or more alcohol by volume.

Except as prohibited by this section, (t)he legislature may by law establish a liquor control commission which, subject to statutory limitations, shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof. The legislature may provide for an excise tax on such sales. Neither the legislature nor the commission may authorize the manufacture or sale of alcoholic beverages in any county in which a majority of the electors voting thereon shall prohibit the same.

**ARTICLE V  
Executive Branch**

**§ 18 Budget; general and deficiency appropriation bills.**

Sec. 18. The governor shall submit to the legislature at a time fixed by law, a budget for the ensuing fiscal period setting forth in detail, for all operating funds, the proposed expenditures and estimated revenue of the state. Proposed expenditures from any fund shall not exceed the estimated revenue thereof. On the same date, the governor shall submit to the legislature general appropriation bills to embody the proposed expenditures and any necessary bill or bills to provide new or additional revenues to meet proposed expenditures. The amount of any surplus created or deficit incurred in any fund during the last preceding fiscal period shall be entered as an item in the budget and in one of the appropriation bills. The governor may submit amendments to appropriation bills to be offered in either house during consideration of the bill by that house, and shall submit bills to meet deficiencies in current appropriations.

**ARTICLE VI  
Judicial Branch**

**§ 28 Administrative action, review.**

Sec. 28. All final decisions, findings, rulings and orders of any administrative officer or agency existing under the constitution or by law, which are judicial or quasi-judicial and affect private rights or licenses, shall be subject to direct review by the courts as provided by law. This review shall include, as a minimum, the determination whether such final decisions, findings, rulings and orders are authorized by law; and, in cases in which a hearing is required, whether the same are supported by competent, material and substantial evidence on the whole record. Findings of fact in workmen's compensation proceedings shall be conclusive in the absence of fraud unless otherwise provided by law.

**Property tax valuation or allocation; review.**

In the absence of fraud, error of law or the adoption of wrong principles, no appeal may be taken to any court from any final agency provided for the administration of property tax laws from any decision relating to valuation or allocation.

**ARTICLE VII  
Local Government**

**§ 2 County charters.**

Sec. 2. Any county may frame, adopt, amend or repeal a county charter in a manner and with powers and limitations to be provided by general law, which shall among other things provide for the election of a charter commission. The law may permit the organization of county government in form different from that set forth in this constitution and shall limit the rate of ad valorem property taxation for county purposes, and restrict the powers of charter counties to borrow money and contract debts. Each charter county is hereby granted power to levy other taxes for county purposes subject to limitations and prohibitions set forth in this constitution or law. Subject to law, a county charter may authorize the county through its regularly constituted authority to adopt resolutions and ordinances relating to its concerns.

**Election of charter commissions.**

The board of supervisors by a majority vote of its members may, and upon petition of five percent of the electors shall, place upon the ballot the question of electing a commission to frame a charter.

**Approval of electors.**

No county charter shall be adopted, amended or repealed until approved by a majority of electors voting on the question.

**§ 11 Indebtedness, limitation.**

Sec. 11. No county shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed valuation.

**§ 16 Highways, bridges, culverts, airports; road tax limitation.**

Sec. 16. The legislature may provide for the laying out, construction, improvement and maintenance of highways, bridges, culverts and airports by the state and by the counties and townships thereof; and may authorize counties to take charge and control of any highway within their limits for such purposes. The legislature may provide the powers and duties of counties in relation to highways, bridges, culverts and airports; may provide for county road commissioners to be appointed or elected, with powers and duties provided by law. The ad valorem property tax imposed for road purposes by any county shall not exceed in any year one-half of one percent of the assessed valuation for the preceding year.

**§ 21 Cities and villages; incorporation, taxes, indebtedness.**

Sec. 21. The legislature shall provide by general laws for the incorporation of cities and villages. Such laws shall limit their rate of ad valorem property taxation for municipal purposes, and restrict the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law.

**ARTICLE IX  
Finance and Taxation**

**§ 3 Property taxation; uniformity; assessments; limitations; classes; approval of legislature.**

Sec. 3. The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not exempt by law except for taxes levied for school operating purposes. The legislature shall provide for the determination of true cash value of such property; the proportion of true cash value at which such property shall be uniformly assessed, which shall not, after January 1, 1966, exceed 50 percent; and for a system of equalization of assessments. For taxes levied in 1995 and each year thereafter, the legislature shall provide that the taxable value of each parcel of property adjusted for additions and losses, shall not increase each year by more than the increase in the immediately preceding year in the general price level, as defined in section 33 of this article, or 5 percent, whichever is less until ownership of the parcel of property is transferred. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value. The legislature may provide for alternative means of taxation of designated real and tangible personal property in lieu of general ad valorem taxation. Every tax other than the general ad valorem property tax shall be uniform upon the class or classes on which it operates. A law that increases the statutory limits in effect as of February 1, 1994 on the maximum amount of ad valorem property taxes that may be levied for school district operating purposes requires the approval of 3/4 of the members elected to and serving in the Senate and in the House of Representatives.

**§ 4 Exemption of religious or educational nonprofit organizations.**

Sec. 4. Property owned and occupied by non-profit religious or educational organizations and used exclusively for religious or educational purposes, as defined by law, shall be exempt from real and personal property taxes.

**§ 5 Assessment of property of public service businesses.**

Sec. 5. The legislature shall provide for the assessment by the state of the property of those public service businesses assessed by the state at the date this constitution becomes effective, and of other property as designated by the legislature, and for the imposition and collection of taxes thereon. Property assessed by the state shall be assessed at the same proportion of its true cash value as the legislature shall specify for property subject to general ad valorem taxation. The rate of taxation on such property shall be the average rate levied upon other commercial, industrial, and utility property in this state under the general ad valorem tax law, or, if the legislature provides, the rate of tax applicable to the property of each business enterprise assessed by the state shall be the average rate of ad valorem taxation levied upon other commercial, industrial, and utility property in all counties in which any of such property is situated.

**§ 6 Real and tangible personal property; limitation on general ad valorem taxes; adoption and alteration of separate tax limitations; exceptions to limitations; property tax on school district extending into 2 or more counties.**

Section 6. Except as otherwise provided in this constitution, the total amount of general ad valorem taxes imposed upon real and tangible personal property for all purposes in any one year shall not exceed 15 mills on each dollar of the assessed valuation of property as finally equalized. Under procedures provided by law, which shall guarantee the right of initiative, separate tax limitations for any county and for the townships and for school districts therein, the aggregate of which shall not exceed 18 mills on each dollar of such valuation, may be adopted and thereafter altered by the vote of a majority of the qualified electors of such county voting thereon, in lieu of the limitation hereinbefore established. These limitations may be increased to an aggregate of not to exceed 50 mills on each dollar of valuation, for a period of not to exceed 20 years at any one time, if approved by a majority of the electors, qualified under Section 6 of Article II of this constitution, voting on the question.

The foregoing limitations shall not apply to taxes imposed for the payment of principal and interest on bonds approved by the electors or other evidences of indebtedness approved by the electors or for the payment of assessments or contract obligations in anticipation of which bonds are issued approved by the electors, which taxes may be imposed without limitation as to rate or amount; or, subject to the provisions of Section 25 through 34 of this article, to taxes imposed for any other purpose by any city, village, charter county, charter township, charter authority or other authority, the tax limitations of which are provided by charter or by general law.

In any school district which extends into two or more counties, property taxes at the highest rate available in the county which contains the greatest part of the area of the district may be imposed and collected for school purposes throughout the district.

#### **§ 10 Sales tax; distribution to local governments.**

Sec. 10. Fifteen percent of all taxes imposed on retailers on taxable sales at retail of tangible personal property at a rate of not more than 4% shall be used exclusively for assistance to townships, cities and villages, on a population basis as provided by law. In determining population the legislature may exclude any portion of the total number of persons who are wards, patients or convicts in any tax supported institution.

#### **§ 11 State school aid fund; source; distribution; guarantee to local school district.**

Sec. 11. There shall be established a state school aid fund which shall be used exclusively for aid to school districts, higher education, and school employees' retirement systems, as provided by law. Sixty percent of all taxes imposed at a rate of 4% on retailers on taxable sales at retail of tangible personal property, 100% of the proceeds of the sales and use taxes imposed at the additional rate of 2% provided for in section 8 of this article, and other tax revenues provided by law, shall be dedicated to this fund. Payments from this fund shall be made in full on a scheduled basis, as provided by law. Beginning in the 1995-96 state fiscal year and each state fiscal year after 1995-96, the state shall guarantee that the total state and local per pupil revenue for school operating purposes for each local school district shall not be less than the 1994-95 total state and local per pupil revenue for school operating purposes for that local school district, as adjusted for consolidations, annexations, or other boundary changes. However, this guarantee does not apply in a year in which the local school district levies a millage rate for school district operating purposes less than it levied in 1994.

#### **§ 15 Long term borrowing by state.**

Sec. 15. The state may borrow money for specific purposes in amounts as may be provided by acts of the legislature adopted by a vote of two-thirds of the members elected to and serving in each house, and approved by a majority of the electors voting thereon at any general election. The question submitted to the electors shall state the amount to be borrowed, the specific purpose to which the funds shall be devoted, and the method of repayment.

#### **§ 16 State loans to school districts.**

Sec. 16. The state, in addition to any other borrowing power, may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue its notes or bonds therefor, for the purpose of making loans to school districts as provided in this section.

##### **Amount of loans.**

If the minimum amount which would otherwise be necessary for a school district to levy in any year to pay principal and interest on its qualified bonds, including any necessary allowances for estimated tax delinquencies, exceeds 13 mills on each dollar of its assessed valuation as finally equalized, or such lower millage as the legislature may prescribe, then the school district may elect to borrow all or any part of the excess from the state. In that event the state shall lend the excess amount to the school district for the payment of principal and interest. If for any reason any school district will be or is unable to pay the principal and interest on its qualified bonds when due, then the school district shall borrow and the state shall lend to it an amount sufficient to enable the school district to make the payment.

##### **Qualified bonds.**

The term "qualified bonds" means general obligation bonds of school districts issued for capital expenditures, including refunding bonds, issued prior to May 4, 1955, or issued thereafter and qualified as provided by law pursuant to Section 27 or Section 28 of Article X of the Constitution of 1908 or pursuant to this section.

##### **Repayment of loans, tax levy by school district.**

After a school district has received loans from the state, each year thereafter it shall levy for debt service, exclusive of levies for nonqualified bonds, not less than 13 mills or such lower millage as the legislature may prescribe, until the amount loaned has been repaid, and any tax collections therefrom in any year over and above the minimum requirements for principal and interest on qualified bonds shall be used toward the repayment of state loans. In any year when such levy would produce an amount in excess of the requirements and the amount due to the state, the levy may be reduced by the amount of the excess.

##### **Bonds, state loans, repayment.**

Subject to the foregoing provisions, the legislature shall have the power to prescribe and to limit the procedure, terms and conditions for the qualification of bonds, for obtaining and making state loans, and for the repayment of loans.

##### **Power to tax unlimited.**

The power to tax for the payment of principal and interest on bonds hereafter issued which are the general obligations of any school district, including refunding bonds, and for repayment of any state loans made to school districts, shall be without limitation as to rate or amount.

##### **Rights and obligations to remain unimpaired.**

All rights acquired under Sections 27 and 28 of Article X of the Constitution of 1908, by holders of bonds heretofore issued, and all obligations assumed by the state or any school district under these sections, shall remain unimpaired.

#### **§ 25 Voter approval of increased local taxes; prohibitions; emergency conditions; repayment of bonded indebtedness guaranteed; implementation of section.**

Sec. 25. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval. The state is prohibited from requiring any new or expanded activities by local governments without full state financing, from reducing the proportion of state spending in the form of aid to local governments, or from shifting the tax burden to local government. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in Sections 26 through 34, inclusive, of this Article.

#### **§ 26 Limitation on taxes; revenue limit; refunding or transferring excess revenues; exceptions to revenue limitation; adjustment of state revenue and spending limits.**

Sec. 26. There is hereby established a limit on the total amount of taxes which may be imposed by the legislature in any fiscal year on the taxpayers of

this state. This limit shall not be changed without approval of the majority of the qualified electors voting thereon, as provided for in Article 12 of the Constitution. Effective with fiscal year 1979-1980, and for each fiscal year thereafter, the legislature shall not impose taxes of any kind which, together with all other revenues of the state, federal aid excluded, exceed the revenue limit established in this section. The revenue limit shall be equal to the product of the ratio of Total State Revenues in fiscal year 1978-79 divided by the Personal Income of Michigan in calendar year 1977 multiplied by the Personal Income of Michigan in either the prior calendar year or the average of Personal Income of Michigan in the previous three calendar years, whichever is greater. For any fiscal year in the event that Total State Revenues exceed the revenue limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund.

The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under Section 15 of this Article, and loans to school districts authorized under Section 16 of this Article.

If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

#### **§ 27 Exceeding revenue limit; conditions.**

Sec. 27. The revenue limit of Section 26 of this Article may be exceeded only if all of the following conditions are met: (1) The governor requests the legislature to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the legislature thereafter declares an emergency in accordance with the specific of the governor's request by a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under Section 26 of this Article be the subject of an emergency request.

#### **§ 28 Limitation on expenses of state government.**

Sec. 28. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in Sections 26 and 27 of this Article plus federal aid and any surplus from a previous fiscal year.

#### **§ 31 Levying tax or increasing rate of existing tax; maximum tax rate on new base; increase in assessed valuation of property; exceptions to limitations.**

Sec. 31. Units of Local Government are hereby prohibited from levying any tax not authorized by law or charter when this section is ratified or from increasing the rate of an existing tax above that rate authorized by law or charter when this section is ratified, without the approval of a majority of the qualified electors of that unit of Local Government voting thereon. If the definition of the base of an existing tax is broadened, the maximum authorized rate of taxation on the new base in each unit of Local Government shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the General Price Level from the previous year, the maximum authorized rate applied thereto in each unit of Local Government shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the General Price Level, as could have been collected at the existing authorized rate on the prior assessed value.

The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this amendment.

#### **§ 32 Suit to enforce sections 25 to 31.**

Sec. 32. Any taxpayer of the state shall have standing to bring suit in the Michigan State Court of Appeals to enforce the provisions of Sections 25 through 31, inclusive, of this Article and, if the suit is sustained, shall receive from the applicable unit of government his costs incurred in maintaining such suit.

#### **§ 33 Definitions applicable to sections 25 to 32.**

Sec. 33. Definitions. The definitions of this section shall apply to Section 25 through 32 of Article IX, inclusive.

"Total State Revenues" includes all general and special revenues, excluding federal aid, as defined in the budget message of the governor for fiscal year 1978-1979. Total State Revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities. "Personal Income of Michigan" is the total income received by persons in Michigan from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency. "Local Government" means any political subdivision of the state, including, but not restricted to, school districts, cities, villages, townships, charter townships, counties, charter counties, authorities created by the state, and authorities created by other units of local government. "General Price Level" means the Consumer Price Index for the United States as defined and officially reported by the United States Department of Labor or its successor agency.

#### **§ 36 Tax on tobacco products; dedication of proceeds.**

Sec. 36. Six percent of the proceeds of the tax on tobacco products shall be dedicated to improving the quality of health care of the residents of this state.