

AxeMITax, Inc.

PROPOSED

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ELECTIONS/GREAT SEAL

**SUMMARY OF THE PURPOSE OF
PROPOSED CONSTITUTIONAL AMENDMENT**

Constitutional Amendment to: prohibit state, county, or municipal property taxes; require 2/3 of voters to approve local taxes; require a 2/3 vote of the Legislature to increase any state tax to raise revenue by more than 0.1% over 5 years; increase percentage of state sales tax revenue distributed to local governments from 15% to 20% and 0% to 10% for counties; require municipalities and counties each receive 10% of tax revenue from income, marijuana, alcohol, and tobacco; require that tax revenue distributed to municipalities and counties be used to fund only essential government and infrastructure services; Require implementing legislation.

PROPOSED CONSTITUTIONAL AMENDMENT

Full text of the proposal to amend the constitution is as follows (language added in capital letters; language deleted struck with a line):

STATE CONSTITUTION CONSTITUTION OF MICHIGAN OF 1963 ARTICLE IX

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

Sec. 3. (1) NO TAX SHALL BE IMPOSED ON REAL PROPERTY BY THE STATE, ANY OF ITS SUBDIVISIONS, OR UNITS OF LOCAL GOVERNMENT.

(2) NEITHER THE STATE, ANY OF ITS SUBDIVISIONS, OR UNIT OF LOCAL GOVERNMENT SHALL ENACT ANY LAWS OR ORDINANCES PROVIDING FOR ALTERNATIVE MEANS OF TAXATION OF REAL AND PERSONAL PROPERTY.

(3) THE LIMITATION ON THE TAXING POWER SET FORTH IN THIS SECTION SHALL APPLY TO ALL TAXABLE PERIODS BEGINNING ON OR AFTER DECEMBER 31, 2025.

(4) THIS SECTION SHALL BE SELF-EXECUTING. LEGISLATION MAY BE ENACTED TO FACILITATE OPERATION OF THIS SECTION, BUT NO LAW SHALL LIMIT OR RESTRICT THE APPLICATION OF THIS SECTION. IF ANY PART OF THIS SECTION IS HELD TO BE INVALID OR UNCONSTITUTIONAL, THE REMAINING PARTS OF THIS SECTION SHALL NOT BE AFFECTED BUT WILL REMAIN IN FULL FORCE AND EFFECT.

~~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.~~

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

Sec. 5. SECTION 5 OF ARTICLE IX OF THE CONSTITUTION OF 1963 IS HEREBY REPEALED. ~~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; I Limitation on general ad valorem taxes; adoption and alteration of separate taxES limitations; exceptions to limitations; property tax on school district extending into 2 or more counties.~~

Section 6. (1) ~~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, ANY PROPOSED AMENDMENT OR AMENDMENTS TO APPROVE A TOWNSHIP, CITY, OR COUNTYWIDE TAX 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 NO LESS THAN TWO THIRDS 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~~

(2) ~~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; dDistribution OF TAXES 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, 10% OF ALL TAXES IMPOSED ON RETAILERS ON TAXABLE SALES AT RETAIL OF TANGIBLE PERSONAL PROPERTY AT A RATE OF NOT MORE THAN 4% , 10% OF ALL TAXES ON INCOME AUTHORIZED BY SECTION 1 OF THIS ARTICLE AND AS PROVIDED BY LAW, 10% OF ALL TAX RECEIPT 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) FOR PURPOSES OF THIS SECTION 10:

(A) 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; AND.

(B) 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.

(4) 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.

§ 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, AND AN ADDITIONAL 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, 5, 10, AND 36.

SEC. 43. (1) THE LEGISLATURE SHALL FURTHER IMPLEMENT THE PROVISIONS OF SECTIONS 3, 5, 10, AND 36 OF THIS ARTICLE BY APPROPRIATE LEGISLATION. LEGISLATION IMPLEMENTING SECTIONS 3, 5, 10, AND 36 OF THIS ARTICLE MUST NOT LIMIT OR RESTRICT THE APPLICATION OF SECTIONS 3, 10 AND 36 OF THIS ARTICLE.

(2) IF LEGISLATION IMPLEMENTING THE PROVISIONS OF SECTIONS 3, 5, 10, AND 36 OF THIS ARTICLE IS NOT ENACTED BY DECEMBER 31, 2025, A RESIDENT OF THIS STATE MAY INITIATE A LEGAL ACTION IN THE SUPREME COURT AGAINST:

(A) THE LEGISLATURE AND THE GOVERNOR TO ENFORCE THE REQUIREMENTS OF THIS SECTION, AND

(B) THE LOCAL ASSESSING UNIT TO ENJOIN THE ASSESSMENT, ENFORCEMENT, AND COLLECTION OF ANY TAX IN VIOLATION OF SECTION 3 OF THIS ARTICLE.

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

§ 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.

§ 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.

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