

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6348**

A bill to amend 2014 PA 86, entitled
"Local community stabilization authority act,"
by amending sections 17 and 18 (MCL 123.1357 and 123.1358), as
amended by 2018 PA 248.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17. (1) The legislature shall appropriate funds for all
2 of the following purposes:

3 (a) For fiscal year 2014-2015 and fiscal year 2015-2016, to
4 the authority, an amount equal to all debt loss for municipalities
5 that are not a local school district, intermediate school district,
6 or tax increment finance authority, an amount equal to all school
7 debt loss for municipalities that are a local school district or
8 intermediate school district, and an amount equal to all tax

1 increment small taxpayer loss for municipalities that are a tax
 2 increment finance authority. Funds appropriated under this
 3 subdivision for fiscal year 2015-2016 may be used to pay a
 4 corrected tax increment small taxpayer exemption loss for 2014 if a
 5 tax increment finance authority submits before June 1, 2016 a
 6 correction to a report that was filed under section 16a before
 7 October 1, 2014.

8 (b) For fiscal ~~year 2014-2015 through fiscal year 2018-2019~~
 9 **YEARS AFTER 2013-2014, TO THE DEPARTMENT**, an amount equal to the
 10 necessary expenses incurred by the department in implementing this
 11 act.

12 (c) Beginning in fiscal year 2019-2020 and each fiscal year
 13 thereafter, an amount ~~equal to the necessary expenses incurred by~~
 14 ~~the authority and the department in implementing this~~
 15 ~~act.~~ **SUFFICIENT TO ALLOW THE AUTHORITY TO CONTINUE EXERCISING ITS**
 16 **POWERS, DUTIES, FUNCTIONS, AND RESPONSIBILITIES UNDER SECTION**
 17 **11(1) (B), INCLUDING, FOR FISCAL YEAR 2019-2020, AN AMOUNT**
 18 **SUFFICIENT FOR THE CREATION OF A DATABASE.**

19 (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the
 20 authority shall distribute to municipalities those funds
 21 appropriated under subsection (1)(a). However, in fiscal year 2014-
 22 2015, if the authority is not able to make the distribution under
 23 this subsection, the department shall make the distribution under
 24 this subsection on behalf of the authority.

25 (3) For calendar years 2014 and 2015, the authority shall
 26 distribute local community stabilization share revenue to each city
 27 in an amount determined by multiplying the sum of the local

1 community stabilization share revenue for the calendar years and
2 the amounts calculated under section 14(3)(e) and (f) by a
3 fraction, the numerator of which is that city's amount calculated
4 under section 14(3)(d) and the denominator of which is the total
5 amount calculated under section 14(3)(d), and subtracting from the
6 result each city's amounts calculated under section 14(3)(e) and
7 (f).

8 (4) Beginning for calendar year 2016, the authority shall
9 distribute local community stabilization share revenue as follows
10 in the following order of priority:

11 (a) The authority shall distribute to each municipality an
12 amount equal to all of the following:

13 (i) 100% of that municipality's school debt loss in the
14 current year as calculated under section 13(4) and 100% of its
15 amount calculated under section 15.

16 (ii) 100% of that municipality's amount calculated under
17 section 16.

18 (iii) 100% of that municipality's school operating loss not
19 reimbursed by the school aid fund in the current year, calculated
20 by multiplying the operating millage rate reported under section
21 13(4) or the operating millage rate calculated under section 13(5)
22 by the local school district's personal property exemption loss for
23 the personal property subject to the respective millage reimbursed
24 under this subparagraph.

25 (iv) 100% of the amount calculated in section 14(2). For
26 calendar years 2016 and 2017 only, however, the amount distributed
27 to a municipality under this subparagraph shall not exceed the

1 amount calculated in section 14(1)(d). For all calendar years, all
2 distributions under this subparagraph shall be used to fund
3 essential services.

4 (v) For a municipality that is a tax increment finance
5 authority, 100% of its amount calculated under section 16a(2), as
6 confirmed or adjusted by the department. For calculations made
7 under section 16a(2), as modified by section 16b(2), in calendar
8 years 2016 and 2017 only, amounts claimed for increased captured
9 value shall be included as claimed.

10 (vi) 100% of that municipality's amount calculated under
11 section 14(4).

12 (vii) BEGINNING FOR CALENDAR YEAR 2019, FOR MUNICIPALITIES
13 WITH STATE FACILITIES UNDER 1977 PA 289, MCL 141.951 TO 141.956,
14 100% OF THE AMOUNT CALCULATED UNDER 1977 PA 289, MCL 141.951 TO
15 141.956. THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS SHALL
16 CERTIFY TO THE DEPARTMENT AND THE AUTHORITY THE AMOUNT TO BE PAID
17 TO EACH MUNICIPALITY UNDER THIS SUBPARAGRAPH.

18 (viii) BEGINNING FOR CALENDAR YEAR 2019, FOR MUNICIPALITIES
19 THAT INCUR CERTAIN REASONABLE AND ALLOWABLE COSTS OF REQUIRED AND
20 ALLOWABLE HEALTH SERVICES DESCRIBED IN SECTION 2475 OF THE PUBLIC
21 HEALTH CODE, 1978 PA 368, MCL 333.2475, \$10,000,000.00 OF THOSE
22 COSTS NOT OTHERWISE REIMBURSED PURSUANT TO SECTION 2475 OF THE
23 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.2475, OR OTHER
24 APPROPRIATION. THE DEPARTMENT OF HEALTH AND HUMAN SERVICES SHALL
25 CERTIFY TO THE DEPARTMENT AND THE AUTHORITY THE AMOUNT TO BE PAID
26 TO EACH MUNICIPALITY UNDER THIS SUBPARAGRAPH.

27 (b) Beginning for calendar year 2021, after the distributions

1 under subdivision (a), and subject to subparagraph (viii), the
2 authority shall distribute an amount equal to ~~15%~~ **10%** of the total
3 qualified loss for the current calendar year to each municipality
4 that is not a local school district, intermediate school district,
5 or tax increment finance authority in an amount determined as
6 follows:

7 (i) Calculate the total acquisition cost of all eligible
8 personal property in the municipality.

9 (ii) Multiply the result of the calculation in subparagraph
10 (i) by each individual millage levied by the municipality as
11 calculated under section 13(5) that is not used to calculate a
12 distribution under subdivision (a) (i) to (iv).

13 (iii) Divide the sum of the amounts calculated under
14 subparagraph (ii) for all municipalities subject to the calculation
15 by total qualified loss.

16 (iv) Multiply the result of the calculation in subparagraph
17 (iii) by the difference between the amount calculated under section
18 16a(2) for captured taxes for each individual millage levied by the
19 municipality not including taxes attributable to increased captured
20 value and the subtraction amounts calculated under section
21 14(2) (d), (2) (f), and (4) (d) for that millage.

22 (v) Subtract from the amount calculated under subparagraph
23 (ii) the amount calculated under subparagraph (iv) for the
24 individual millage levied.

25 (vi) Divide the result of the calculation in subparagraph (v)
26 by the sum of the calculation under subparagraph (v) for all
27 millages for all municipalities.

(vii) Multiply the result of the calculation in subparagraph (vi) by the amount to be distributed under this subdivision.

(viii) For calendar year 2022, and each calendar year thereafter, the percentage amount described in this subdivision shall be increased an additional ~~5%~~ **10%** each year, not to exceed 100%.

(c) For calendar years 2016 and 2017, after the distributions in subdivision (a), the authority shall distribute the remaining balance of the local community stabilization share fund for a calendar year to each municipality in an amount determined by multiplying the remaining balance by a fraction, the numerator of which is that municipality's qualified loss and the denominator of which is the total qualified loss. Beginning for calendar year 2018, after the distributions in subdivisions (a) and (b), the authority shall distribute local community stabilization share revenue under this subdivision to each municipality in an amount determined by multiplying total qualified loss minus the total amount distributed in subdivision (b) for a calendar year by a fraction, the numerator of which is that municipality's qualified loss and the denominator of which is the total qualified loss.

(d) After the distributions under subdivisions (a) to (c), beginning for calendar year 2018, the department shall adjust the amounts calculated under subdivisions (b) and (c) for a municipality that is a county, township, village, city, or community college district by the amount of any overpayment to that municipality under those subdivisions for that calendar year and the authority shall distribute the following:

1 (i) To a municipality, the amount of any underpayment
2 calculated under subsection (5) for calendar years after 2016.

3 (ii) ~~A~~**FOR CALENDAR YEAR 2018 ONLY, A** total of \$13,600,000.00
4 to municipalities with state facilities under 1977 PA 289, MCL
5 141.951 to 141.956. The department of licensing and regulatory
6 affairs shall certify to the department the amount to be paid to
7 each municipality under this subparagraph.

8 (e) Except as otherwise provided in this subdivision, after
9 the distributions under subdivisions (a) to (d), the authority
10 shall distribute the remaining balance of the local community
11 stabilization share fund for the calendar year to each municipality
12 that is a county, township, village, city, or community college
13 district in an amount determined by multiplying the remaining
14 balance by a fraction, the numerator of which is the sum of that
15 municipality's amount received under subdivisions (b), (c), and
16 (d), only to the extent that the distribution under subdivision (d)
17 is for an underpayment of the current calendar year's subdivision
18 (b) or (c) amount, and the overpayment adjustment under subdivision
19 (d), and the denominator of which is the sum of the total amount
20 distributed to all counties, townships, villages, cities, and
21 community college districts under subdivisions (b), (c), and (d),
22 only to the extent that the distribution under subdivision (d) is
23 for an underpayment of the current calendar year's subdivision (b)
24 or (c) amount, and the total overpayment adjustments for all
25 counties, townships, villages, cities, and community college
26 districts under subdivision (d). For any municipality that, in
27 total, was overpaid under subdivisions (a), (b), and (c), the

1 distribution under this subdivision, which for purposes of this
2 calculation for any municipality other than a county, township,
3 village, city, or community college district shall be \$0, shall be
4 reduced by any positive amount determined by subtracting the
5 corrected amounts under subdivisions (a) to (c) for that
6 municipality from the distributed amounts under subdivisions (a) to
7 (c) for that municipality and subtracting \$10,000.00. If the
8 resulting distribution amount is negative, the municipality has
9 been overpaid for the year by the amount of the negative balance.
10 The municipality shall pay to the authority the amount of the
11 overpayment in 3 equal annual payments, due by September 20 1 year
12 following notice of the overpayment and by September 20 of the
13 subsequent 2 years. A municipality may pay the amount of the
14 overpayment at any time during the 3-year period. If a municipality
15 fails to repay the amount of the overpayment as provided in this
16 subdivision, the authority shall add interest to the entire amount
17 of the original overpayment from the date of notice of the
18 overpayment and may reduce subsequent distributions to the
19 municipality under this section to recover the outstanding balance
20 of the overpayment and interest. Interest added under this
21 subdivision shall be at the rate determined under section 23 of
22 1941 PA 122, MCL 205.23. Any overpayment amounts repaid to the
23 authority under this subdivision by September 30 of each year shall
24 be added to the local community stabilization share revenue
25 available for distribution for the calendar year. If reductions to
26 distributions calculated under this section result in the authority
27 having a year-end balance of local community stabilization share

1 revenue, that revenue shall be added to the local community
2 stabilization share revenue available for distribution for the
3 subsequent calendar year.

4 (5) The department and authority shall administer overpayments
5 and underpayments as follows:

6 (a) For calendar years before 2016, if a municipality received
7 an overpayment under this section due to an error in reporting or
8 calculation, the authority may reduce a subsequent payment to the
9 municipality or bill the municipality to recover the overpayment.

10 (b) Before November 7, 2017, the department shall recalculate
11 2016 payments to correct any errors in reporting under section
12 13(3) or (4) and any calculation errors made by the department, and
13 adjust the 2017 payment to each municipality for any change in its
14 2016 payment.

15 (c) For calendar year 2018, for any errors in reporting under
16 section 13(3) or (4) in calendar year 2017 or 2018, any calculation
17 errors made by the department in calendar year 2017 or 2018, or any
18 prior year error adjustment used in the calculation of the calendar
19 year 2017 distributions, that resulted in an underpayment or
20 overpayment under this section to a municipality for the prior
21 calendar year or current calendar year, the department shall
22 calculate the amount of underpayment or overpayment. For each
23 municipality, the department shall add together the calendar year
24 2016 and calendar year 2017 underpayment and overpayment amounts.
25 If a municipality has a net underpayment for calendar years 2016
26 and 2017, the amount of the net underpayment shall be added to the
27 calendar year 2018 underpayment or overpayment amount for that

1 municipality. If a municipality has a net overpayment for calendar
2 years 2016 and 2017, the amount of the net overpayment shall be
3 excused by the authority and shall not be added to the calendar
4 year 2018 underpayment or overpayment amount for that municipality.
5 The following apply to determining underpayment or overpayment
6 amounts:

7 (i) For calendar year 2016, the underpayment or overpayment of
8 a municipality's qualified loss shall be calculated by multiplying
9 the municipality's qualified loss by 261.3820%.

10 (ii) For calendar year 2017, the underpayment or overpayment
11 of a municipality's qualified loss shall be calculated by
12 multiplying the municipality's qualified loss by 292.4677%.

13 (d) Beginning for calendar year 2019, for any errors in
14 reporting under section 13(3) or (4), and for any calculation
15 errors made by the department, that resulted in an underpayment or
16 overpayment under this section to a municipality for the current
17 calendar year, the department shall calculate the amount of
18 underpayment or overpayment. A calculation made under this
19 subdivision shall not recalculate a prior year payment.

20 (e) Except as provided in subsection (6), any underpayment
21 shall be paid to the municipality as provided in subsection (4)(d).
22 Any underpayment amount determined by the department to be the
23 fault of that municipality, by either the municipality reporting
24 inaccurate information or filing information after the reporting
25 due dates, shall not be included in any payment made under
26 subsection (4)(d) or (6).

27 (f) For any overpayment for which the state treasurer

1 determines that the municipality was at fault and acted in bad
2 faith, the department may calculate the amount of the overpayment
3 for all years to which the bad faith applied without any adjustment
4 and the municipality shall immediately repay the amount of the
5 overpayment and interest to the authority within 30 days following
6 notice of the overpayment. If a municipality fails to repay the
7 amount of the overpayment and interest to the authority, the
8 authority shall reduce subsequent payments to the municipality
9 under this section to recover the outstanding balance of the
10 overpayment and interest. Interest added under this subsection
11 shall be at the rate determined under section 23 of 1941 PA 122,
12 MCL 205.23. Any overpayment amounts repaid to the authority under
13 this subsection by September 30 of each year shall be added to the
14 local community stabilization share revenue available for
15 distribution for the calendar year. Any reduction of subsequent
16 payments due to municipalities failing to repay the amount of the
17 overpayment and interest shall be added to the local community
18 stabilization share revenue available for distribution for the
19 subsequent calendar year.

20 (6) If a municipality received an underpayment under this
21 section of \$500,000.00 or more for calendar year 2017 due to an
22 error in reporting under section 13(3) or (4), or a calculation
23 error made by the department, including a prior year error
24 adjustment used in the calculation of the calendar year 2017
25 distributions, the municipality may notify the department of any
26 errors identified by providing substantiating documentation to
27 support an adjustment to the payment amount by August 1, 2018. Upon

1 the department's review of the substantiating documentation and
2 verification of the errors, the department shall calculate an
3 underpayment amount in accordance with subsection (5)(c). The
4 underpayment amount shall be calculated using the appropriate
5 proration factor provided for under subsection (5)(c). The
6 department shall determine if the substantiating documentation is
7 sufficient. The department shall notify the authority to make an
8 advance 2018 payment to the municipality for the amount of the 2017
9 underpayment. The advance payment shall be deducted from the
10 municipality's payment for calendar year 2018 that includes the
11 distribution under subsection (4)(d).

12 (7) For payments received beginning October 20, 2018, a
13 municipality shall do all of the following:

14 (a) Allocate payments received, up to 100% reimbursement,
15 under this section based on the portion of the municipality's
16 payment attributable to each millage levied by the municipality.
17 The portion of the payment allocated to each millage other than the
18 general operating millage shall be considered restricted and
19 recorded by the municipality in the same manner as the millage
20 levied. As used in this subsection, "100% reimbursement" means the
21 amounts received under subsection ~~(4)(a)~~, **(4) (A) (i) TO (vi)**, (b),
22 (c), and (d) (i), only to the extent that the distribution under
23 subsection (4)(d) (i) is for an underpayment of the current calendar
24 year's subsection ~~(4)(a)~~, **(4) (A) (i) TO (vi)**, (b), or (c) amount.

25 (b) For millage levied by a county under section 20b of 1909
26 PA 283, MCL 224.20b, the governing bodies of the cities and
27 villages in the county and the board of county road commissioners

1 shall agree to a formula that allocates a portion of the payments
 2 under this section to each city and village based on the city and
 3 village share of the losses and acquisition cost used to calculate
 4 the payment to the county described in this subdivision and each
 5 city's and village's portion of that share. The formula once
 6 established will be in effect until the effective date of any
 7 subsequent agreement. If the governing bodies of the cities and
 8 villages and the board of county road commissioners described in
 9 this subdivision do not agree on a formula by March 31 following
 10 the receipt of the subsection (8)(b) payment, the department may
 11 prescribe a formula for allocating the payments under this section.

12 (c) Payments under this section, except for the payments under
 13 subsection ~~(4)(d)(ii)~~, **(4) (A) (vii) AND (viii) AND SUBSECTION**
 14 **(4) (D) (ii)**, to a municipality that is participating in an
 15 intergovernmental conditional transfer by contract under 1984 PA
 16 425, MCL 124.21 to 124.30, or any other interlocal agreement that
 17 provides for a millage-based sharing of revenue, shall be allocated
 18 between the parties based on the proportionate share of the payment
 19 as it is attributable to the area subject to the agreement.

20 (8) The authority shall make the payments required by
 21 subsection (3) not later than June 20, 2016, payments required by
 22 subsection (6) not later than October 20, 2018, and payments
 23 required by subsection (4) not later than on the following dates:

24 (a) Except as provided in subdivision (d), for county
 25 allocated millage, November 20, 2017, and thereafter October 20 of
 26 the year the millage is levied.

27 (b) Except as provided in subdivision (d), for county extra-

1 voted millage, township millage, and other millages levied 100% in
2 December of a year, February 20 of the following year.

3 (c) Except as provided in subdivision (d), for other millages,
4 November 20, 2017, and thereafter October 20 of the year the
5 millage is levied.

6 (d) ~~Payment~~ **FOR PAYMENT** under subsection (4) (d) (i) and (e),
7 ~~shall be made on~~ May 20 of the year following the calendar year for
8 which the payments are calculated.

9 (e) ~~Payment~~ **FOR PAYMENT** under subsection (4) (d) (ii), ~~shall be~~
10 ~~made on~~ **NOVEMBER 30, 2018, AND FOR PAYMENT UNDER SUBSECTION**
11 **(4) (A) (vii) AND (viii)**, November 30 every year.

12 (9) If the authority has insufficient funds to make the
13 payments on the dates required in subsection (8), the department
14 shall advance to the authority the amount necessary for the
15 authority to make the required payments. The authority shall repay
16 the advance to the department from the local community
17 stabilization share.

18 (10) For each fiscal year from fiscal year 2015-2016 through
19 fiscal year 2018-2019, the authority may use up to \$300,000.00 of
20 the local community stabilization share revenue for purposes
21 consistent with implementing and administering this act. **FOR EACH**
22 **FISCAL YEAR AFTER FISCAL YEAR 2018-2019, THE AUTHORITY MAY USE, FOR**
23 **PURPOSES CONSISTENT WITH IMPLEMENTING AND ADMINISTERING THIS ACT,**
24 **LOCAL COMMUNITY STABILIZATION SHARE REVENUE UP TO THE AMOUNT OF**
25 **LOCAL COMMUNITY STABILIZATION SHARE REVENUE AUTHORIZED FOR USE**
26 **UNDER THIS SUBSECTION FOR THE PRIOR FISCAL YEAR MULTIPLIED BY 1.01.**

27 (11) The authority shall distribute local community

1 stabilization share revenue under this section as follows:

2 (a) From fiscal year 2015-2016 local community stabilization
3 share revenue, \$19,200,000.00 for calendar years 2014 and 2015 and
4 \$76,900,000.00 for calendar year 2016.

5 (b) From fiscal year 2016-2017 local community stabilization
6 share revenue, \$297,400,000.00 for calendar year 2016 and
7 \$83,200,000.00 for calendar year 2017.

8 (c) From fiscal year 2017-2018 local community stabilization
9 share revenue, \$321,500,000.00 for calendar year 2017 and
10 \$89,000,000.00 for calendar year 2018.

11 (d) From fiscal year 2018-2019 local community stabilization
12 share revenue, \$341,800,000.00 for calendar year 2018 and
13 \$95,900,000.00 for calendar year 2019.

14 (e) From fiscal year 2019-2020 local community stabilization
15 share revenue, \$364,500,000.00 for calendar year 2019 and
16 \$101,400,000.00 for calendar year 2020.

17 (f) From fiscal year 2020-2021 local community stabilization
18 share revenue, \$383,500,000.00 for calendar year 2020 and
19 \$108,000,000.00 for calendar year 2021.

20 (g) From fiscal year 2021-2022 local community stabilization
21 share revenue, \$405,700,000.00 for calendar year 2021 and
22 \$115,600,000.00 for calendar year 2022.

23 (h) From fiscal year 2022-2023 local community stabilization
24 share revenue, \$428,300,000.00 for calendar year 2022 and
25 \$119,700,000.00 for calendar year 2023.

26 (i) From fiscal year 2023-2024 local community stabilization
27 share revenue, \$438,900,000.00 for calendar year 2023 and

1 \$122,800,000.00 for calendar year 2024.

2 (j) From fiscal year 2024-2025 local community stabilization
3 share revenue, \$445,800,000.00 for calendar year 2024 and
4 \$124,000,000.00 for calendar year 2025.

5 (k) From fiscal year 2025-2026 local community stabilization
6 share revenue, \$447,100,000.00 for calendar year 2025 and
7 \$124,300,000.00 for calendar year 2026.

8 (l) From fiscal year 2026-2027 local community stabilization
9 share revenue, \$447,700,000.00 for calendar year 2026 and
10 \$124,500,000.00 for calendar year 2027.

11 (m) From fiscal year 2027-2028 local community stabilization
12 share revenue, \$448,000,000.00 for calendar year 2027 and
13 \$124,600,000.00 for calendar year 2028.

14 (n) From the local community stabilization share revenue for
15 fiscal year 2028-2029 and each fiscal year thereafter, the
16 authority shall increase the prior fiscal year's 2 distribution
17 amounts under this subsection by the personal property growth
18 factor, the first amount for the calendar year in which the fiscal
19 year begins and the second amount for the calendar year in which
20 the fiscal year ends. As used in this subdivision, "personal
21 property growth factor" means that term as defined in section 2c of
22 the use tax act, 1937 PA 94, MCL 205.92c.

23 Sec. 18. (1) Beginning in fiscal year 2015-2016, and each
24 fiscal year thereafter, the department shall determine the amount
25 of the distributions under this act, except for the payments under
26 section ~~17(4)(d)(ii)~~ **17(4)(A)(vii) AND (viii) AND SECTION**
27 **17(4)(D)(ii) .**

1 (2) Each municipality shall submit to the department
2 sufficient information for the department to make its calculations
3 under this act, except for the payments under section ~~17(4)(d)(ii)~~,
4 **17(4)(A)(vii) AND (viii) AND SECTION 17(4)(D)(ii)**, as determined by
5 the department.

6 (3) The department shall annually make the distribution
7 calculations, except for the payments under section ~~17(4)(d)(ii)~~,
8 **17(4)(A)(vii) AND (viii) AND SECTION 17(4)(D)(ii)**, and the
9 commercial personal property and industrial personal property
10 taxable values available on the internet.

11 (4) For calendar year 2018, each municipality may review the
12 prior year distribution calculations that the department posted on
13 the internet to determine if there are any errors in reporting
14 under section 13(4) or any calculation errors made by the
15 department. For calendar year 2018 and subsequent calendar years,
16 each municipality may review the current year distribution
17 calculations that the department posted on the internet to
18 determine if there are any errors in reporting under section 13(4)
19 or any calculation errors made by the department. A municipality
20 may notify the department of any errors identified by providing
21 substantiating documentation to support an adjustment to the
22 payment amount by March 31 of the year following the calendar year
23 for which the payments are calculated, except that for errors
24 identified in calculations under section 13(5) for the current
25 calendar year, a municipality shall notify the department by August
26 1 of the calendar year for which the payments are calculated. Upon
27 the department's review of the substantiating documentation and

1 verification of the errors, the department shall calculate an
2 underpayment or overpayment amount in accordance with section
3 17(5). The department shall determine if the substantiating
4 documentation is sufficient.

5 (5) Each municipality may review the annual commercial
6 personal property and industrial personal property taxable values
7 posted by the department on the internet to determine if there are
8 any errors in reporting under section 13(3) or any calculation
9 errors made by the department. A municipality may notify the
10 department of any errors identified by providing substantiating
11 documentation to support an adjustment to the payment amount, as
12 described in subdivisions (a) to (e). Upon the department's review
13 of the substantiating documentation and verification of the errors,
14 the department shall calculate an underpayment or overpayment
15 amount in accordance with section 17(5). The department shall
16 determine if the substantiating documentation is sufficient. Error
17 notifications under this subsection are subject to the following,
18 as applicable:

19 (a) For the 2013, 2014, and 2015 commercial personal property
20 and industrial personal property taxable values, as reported by the
21 county equalization director in calendar year 2015 under section
22 13(3), municipalities must report any inaccurate commercial
23 personal property and industrial personal property taxable values
24 to the county equalization director by August 1, 2018, except as
25 provided in section 17(6). County equalization directors shall
26 notify the department by August 13, 2018, of any corrected 2013,
27 2014, and 2015 commercial personal property and industrial personal

1 property taxable values, by providing substantiating documentation
2 to support the corrected values.

3 (b) For the 2013 and 2016 commercial personal property and
4 industrial personal property taxable values, as reported by the
5 county equalization director in calendar year 2016 under section
6 13(3), municipalities must report any inaccurate commercial
7 personal property and industrial personal property taxable values
8 to the county equalization director by February 28, 2019, except as
9 provided in section 17(6). County equalization directors shall
10 notify the department by March 29, 2019, of any corrected 2013 and
11 2016 commercial personal property and industrial personal property
12 taxable values by providing substantiating documentation to support
13 the corrected values.

14 (c) For the 2013, 2014, 2015, and 2016 commercial personal
15 property and industrial personal property taxable values, as
16 reported on July 10, 2017, under section 151(1) of the state school
17 aid act of 1979, 1979 PA 94, MCL 388.1751, municipalities must
18 report any inaccurate commercial personal property and industrial
19 personal property taxable values to the county treasurer by
20 February 28, 2019, except as provided in section 17(6). County
21 treasurers shall notify the department by March 29, 2019, of any
22 corrected 2013, 2014, 2015, and 2016 commercial personal property
23 and industrial personal property taxable values by providing
24 substantiating documentation to support the corrected values. For
25 purposes of this subdivision, the corrected 2013, 2014, 2015, and
26 2016 commercial personal property and industrial personal property
27 taxable values shall be the current taxable values on July 10,

1 2017.

2 (d) For the 2013 and 2017 commercial personal property and
3 industrial personal property taxable values, as reported by the
4 county equalization director in calendar year 2017 under section
5 13(3), municipalities must report any inaccurate commercial
6 personal property and industrial personal property taxable values
7 to the county equalization director by February 28, 2019, except as
8 provided in section 17(6). County equalization directors shall
9 notify the department by March 29, 2019, of any corrected 2013 and
10 2017 commercial personal property and industrial personal property
11 taxable values by providing substantiating documentation to support
12 the corrected values.

13 (e) For 2018 and subsequent years' commercial personal
14 property and industrial personal property taxable values, as
15 reported by the county equalization director by May 31 of each year
16 under section 13(3), municipalities must report any inaccurate
17 commercial personal property and industrial personal property
18 taxable values for the current year to the county equalization
19 director by February 28 of the following year. County equalization
20 directors shall notify the department by March 31 of each year of
21 any corrected prior year commercial personal property and
22 industrial personal property taxable values, by providing
23 substantiating documentation to support the corrected values.