

HOUSE BILL No. 4411

February 28, 1991, Introduced by Rep. Jondahl and referred to the Committee on Taxation.

A bill to amend section 11 of Act No. 198 of the Public Acts of 1974, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

as amended by Act No. 122 of the Public Acts of 1984, being section 207.561 of the Michigan Compiled Laws; and to add sections 8a and 14a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 11 of Act No. 198 of the Public Acts of
2 1974, as amended by Act No. 122 of the Public Acts of 1984, being
3 section 207.561 of the Michigan Compiled Laws, is amended and
4 sections 8a and 14a are added to read as follows:

1 SEC. 8A. (1) SUBJECT TO SUBSECTION (2), A FACILITY FOR
2 WHICH AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE IS IN
3 EFFECT, BUT NOT THE LAND ON WHICH THE FACILITY IS LOCATED OR TO
4 BE LOCATED OR THE INVENTORY OF THE FACILITY, FOR THE PERIOD ON
5 AND AFTER THE EFFECTIVE DATE OF THE CERTIFICATE AND CONTINUING SO
6 LONG AS THE INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE IS IN
7 FORCE IS EXEMPT FROM AD VALOREM REAL AND PERSONAL PROPERTY TAXES
8 IMPOSED UNDER THE GENERAL PROPERTY TAX ACT, ACT NO. 206 OF THE
9 PUBLIC ACTS OF 1893, BEING SECTIONS 211.1 TO 211.157 OF THE
10 MICHIGAN COMPILED LAWS, AND THE LESSEE, OCCUPANT, USER, OR PERSON
11 IN POSSESSION OF A FACILITY FOR THE SAME PERIOD IS EXEMPT FROM AD
12 VALOREM TAXES IMPOSED UNDER ACT NO. 189 OF THE PUBLIC ACTS OF
13 1953, BEING SECTIONS 211.181 AND 211.182 OF THE MICHIGAN COMPILED
14 LAWS.

15 (2) THIS SECTION APPLIES ONLY IF THE OWNER OF THE FACILITY
16 OR, AS THE CASE MAY BE, THE LESSEE, OCCUPANT, USER, OR PERSON IN
17 POSSESSION OF THE FACILITY, IS SUBJECT TO THE INDUSTRIAL FACILITY
18 TAX AS DETERMINED UNDER SECTION 14A.

19 Sec. 11. (1) There is levied upon every owner of a specula-
20 tive building, a new facility, or a replacement facility to which
21 an industrial facilities exemption certificate is issued a spe-
22 cific tax to be known as the industrial facility tax.

23 (2) The industrial facility tax ~~shall be~~ IS an annual tax,
24 payable at the same times, in the same installments, and to the
25 same officer or officers as taxes imposed under the general prop-
26 erty tax act, Act No. 206 of the Public Acts of 1893, as amended,
27 being sections 211.1 to 211.157 of the Michigan Compiled Laws,

1 are payable. The officer or officers shall disburse the
2 industrial facility tax payments received each year to and among
3 the same cities, townships, villages, school districts, counties,
4 and authorities, at the same times and in the same proportions as
5 required by law for the disbursement of taxes collected under Act
6 No. 206 of the Public Acts of 1893, as amended. FOR TAXES DETER-
7 MINED UNDER SECTION 14(2), THE PROPORTION OF TAXES TO BE DIS-
8 BURSED TO A TAXING UNIT SHALL BE A FRACTION, THE DENOMINATOR OF
9 WHICH IS THE NUMBER OF MILLS BY WHICH THE STATE EQUALIZED VALUA-
10 TION IS MULTIPLIED TO COMPUTE THE TAX UNDER SECTION 14 AND THE
11 NUMERATOR OF WHICH IS THE NUMBER OF MILLS OF THE TAXING UNIT
12 INCLUDED IN THE DENOMINATOR. However, except as provided by sub-
13 section (3), ~~in the case of~~ FOR a local or intermediate school
14 district receiving state aid under section 21(1), 56, 62, or 81
15 of the state school aid act of 1979, Act No. 94 of the Public
16 Acts of 1979, being section 388.1621, 388.1656, 388.1662, or
17 388.1681 of the Michigan Compiled Laws, of the amount that would
18 otherwise be disbursed to or retained by the local or intermedi-
19 ate school district, all or a portion, to be determined on the
20 basis of the tax rates being utilized to compute the amount of
21 the state school aid, shall be paid instead to the state treasury
22 to the credit of the state school aid fund established by section
23 11 of article IX of the state constitution of 1963. If the sum
24 of any commercial facilities taxes prescribed by Act No. 255 of
25 the Public Acts of 1978, being sections 207.651 to 207.668 of the
26 Michigan Compiled Laws, and the industrial facility taxes paid to
27 the state treasury to the credit of the state school aid fund

1 that would otherwise be disbursed to the local or intermediate
2 school district, pursuant to section 12 of Act No. 255 of the
3 Public Acts of 1978, BEING SECTION 207.662 OF THE MICHIGAN
4 COMPILED LAWS, and this section, exceeds the amount received by
5 the local or intermediate school district under sections 21(1),
6 56, 62, and 81 of Act No. 94 of the ~~Public~~ PUBLIC Acts of 1979,
7 the department of treasury shall allocate to each eligible local
8 or intermediate school district an amount equal to the difference
9 between the sum of the commercial facilities taxes and the indus-
10 trial facility taxes paid to the state treasury to the credit of
11 the state school aid fund and the amount the local or intermedi-
12 ate school district received under sections 21(1), 56, 62, and 81
13 of Act No. 94 of the Public Acts of 1979.

14 (3) A local or intermediate school district shall receive or
15 retain its industrial facility tax payment that is levied in any
16 year and becomes a lien before December 1 of the year if the dis-
17 trict files a statement with the state treasurer not later than
18 June 30 of the year certifying that the district does not expect
19 to receive state school aid payments under section 21(1), 56, 62,
20 or 81 of Act No. 94 of the Public Acts of 1979 in the state
21 fiscal year commencing in the year this statement is filed and if
22 the district did not receive state school aid payments under sec-
23 tion 21(1), 56, 62, or 81 of Act No. 94 of the Public Acts of
24 1979 for the state fiscal year concluding in the year the state-
25 ment required by this subsection is filed. However, if a local
26 or intermediate school district receives or retains its summer
27 industrial facility tax payment pursuant to this subsection and

1 becomes entitled to receive state school aid payments under
2 section 21(1), 56, 62, or 81 of Act No. 94 of the Public Acts of
3 1979 in the state fiscal year commencing in the year in which it
4 filed the statement required by this subsection, the district
5 immediately shall pay to the state treasury to the credit of the
6 state school aid fund an amount of the summer industrial facility
7 tax payments that would have been paid to the state treasury to
8 the credit of the state school aid fund under subsection (2) had
9 not this subsection allowed the district to receive or retain the
10 summer industrial facility tax payment.

11 SEC. 14A. (1) THE AMOUNT OF THE INDUSTRIAL FACILITY TAX IN
12 EACH YEAR FOR A REPLACEMENT FACILITY IS DETERMINED BY MULTIPLYING
13 THE TOTAL MILLS LEVIED AS AD VALOREM TAXES FOR THAT YEAR BY ALL
14 TAXING UNITS WITHIN WHICH THE FACILITY IS SITUATED BY THE STATE
15 EQUALIZED VALUATION OF THE REAL AND PERSONAL PROPERTY OF THE
16 OBSOLETE INDUSTRIAL PROPERTY FOR THE TAX YEAR IMMEDIATELY PRECED-
17 ING THE EFFECTIVE DATE OF THE INDUSTRIAL FACILITIES EXEMPTION
18 CERTIFICATE AFTER DEDUCTING THE STATE EQUALIZED VALUATION OF THE
19 LAND AND OF THE INVENTORY AS SPECIFIED IN SECTION 19.

20 (2) BEGINNING JANUARY 1, 1991, THE AMOUNT OF THE INDUSTRIAL
21 FACILITY TAX IN EACH YEAR FOR A NEW FACILITY OR A SPECULATIVE
22 BUILDING IS DETERMINED BY SUBTRACTING 1/2 THE NUMBER OF MILLS
23 LEVIED AS AD VALOREM PROPERTY TAXES FOR THAT YEAR BY ALL TAXING
24 UNITS OTHER THAN THE LOCAL SCHOOL DISTRICT WITHIN WHICH THE
25 FACILITY IS LOCATED FROM THE TOTAL NUMBER OF MILLS LEVIED AS AD
26 VALOREM PROPERTY TAXES FOR THAT YEAR BY ALL TAXING UNITS WITHIN
27 WHICH THE FACILITY IS LOCATED AND MULTIPLYING THE DIFFERENCE BY

1 THE STATE EQUALIZED VALUATION OF THE FACILITY EXCLUDING THE LAND
2 AND THE INVENTORY PERSONAL PROPERTY.

3 (3) IN THE EVENT OF A TERMINATION OR REVOCATION OF ONLY THE
4 REAL PROPERTY COMPONENT, OR ONLY THE PERSONAL PROPERTY COMPONENT,
5 OF AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AS PROVIDED IN
6 THIS ACT, THE VALUATION AND THE TAX DETERMINED UNDER THIS SECTION
7 SHALL BE REDUCED PROPORTIONATELY TO REFLECT THE EXCLUSION OF THE
8 COMPONENT WITH RESPECT TO WHICH THE TERMINATION OR REVOCATION HAS
9 OCCURRED.