

Act No. 340
Public Acts of 1993
Approved by the Governor
December 31, 1993
Filed with the Secretary of State
December 31, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Reps. Kukuk, Hammerstrom, Vorva and Fitzgerald

ENROLLED HOUSE BILL No. 5224

AN ACT to amend sections 9 and 12 of Act No. 255 of the Public Acts of 1978, entitled "An act to provide for the establishment of commercial redevelopment 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 remedies and penalties," section 9 as amended by Act No. 342 of the Public Acts of 1984 and section 12 as amended by Act No. 135 of the Public Acts of 1984, being sections 207.659 and 207.662 of the Michigan Compiled Laws; and to add section 12a.

The People of the State of Michigan enact:

Section 1. Sections 9 and 12 of Act No. 255 of the Public Acts of 1978, section 9 as amended by Act No. 342 of the Public Acts of 1984 and section 12 as amended by Act No. 135 of the Public Acts of 1984, being sections 207.659 and 207.662 of the Michigan Compiled Laws, are amended and section 12a is added to read as follows:

Sec. 9. (1) A facility for which a commercial facilities exemption certificate is in effect, but not the land on which the facility is located or to be located, or personal property other than personal property assessed pursuant to section 14(6) of the general property tax act, Act No. 206 of the Public Acts of 1893, as amended, being section 211.14 of the Michigan Compiled Laws, for the period on and after the effective date of the certificate and continuing so long as the commercial facilities exemption certificate is in force, is exempt from ad valorem property taxes. A lessee, occupant, user, or person in possession of the facility for the same period is exempt from ad valorem taxes imposed under Act No. 189 of the Public Acts of 1953, as amended, being sections 211.181 to 211.182 of the Michigan Compiled Laws.

(2) Unless earlier revoked as provided in section 15, a commercial facilities exemption certificate shall remain in force and effect for a period to be determined by the legislative body of the local governmental unit. The certificate may be issued for a period of at least 1 year, but not to exceed 12 years. If the number of years determined is less than 12, the certificate may be subject to review by the legislative body of the local governmental unit and the certificate may be extended. The total amount of time determined for the certificate including any extensions shall not exceed 12 years after the completion of the facility. The certificate shall commence with its effective date and end on the December 31 next following the last day of the number of years determined. The date of issuance of a certificate of occupancy, if required by appropriate authority, shall be the date of completion of the facility.

(3) If the number of years determined by the legislative body of the local governmental unit for the period a certificate remains in force is less than 12 years, the review of the certificate for the purpose of determining an extension shall be based upon factors, criteria and objectives that shall be placed in writing, approved at the time the certificate is approved by the legislative body of the local governmental unit and sent to the applicant and commission.

Sec. 12. (1) There is levied upon every owner of a new, replacement, or restored facility to which a commercial facilities exemption certificate is issued a specific tax to be known as the commercial facilities tax.

(2) The amount of the commercial facilities tax, in each year, in the case of a restored facility shall be determined by multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located by the state equalized valuation of the obsolete commercial property for the tax year immediately preceding the effective date of the commercial facilities exemption certificate after deducting the state equalized valuation of the land and of personal property other than personal property assessed pursuant to section 14(6) of the general property tax act, Act No. 206 of the Public Acts of 1893, as amended, being section 211.14 of the Michigan Compiled Laws.

(3) The amount of the commercial facilities tax, in each year, in the case of a new or replacement facility shall be determined by multiplying the state equalized valuation of the facility excluding the land and personal property other than personal property assessed pursuant to section 14(6) of Act No. 206 of the Public Acts of 1893, as amended, being section 211.14 of the Michigan Compiled Laws, by the sum of 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located other than mills levied for school operating purposes by a local or intermediate school district within which the facility is located or mills levied under the state education tax act, plus 1/2 of the number of mills levied for school operating purposes in 1993.

(4) The commercial facilities tax shall be collected, disbursed, and assessed in accordance with this act.

(5) The commercial facilities tax is an annual tax, payable at the same times, in the same installments, and to the same officer or officers as taxes imposed under Act No. 206 of the Public Acts of 1893, as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws, are payable. Except as otherwise provided in this section, the officer or officers shall disburse the commercial facilities tax payments received by the officer or officers each year to and among the state, cities, townships, villages, school districts, counties, and authorities, at the same times and in the same proportions as required by law for the disbursement of taxes collected under Act No. 206 of the Public Acts of 1893, as amended.

(6) Except as provided in subsection 7, for intermediate school districts receiving state aid under sections 56, 62, and 81(1) of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1656, 388.1662, and 388.1681 of the Michigan Compiled Laws, of the amount that would otherwise be disbursed to an intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, shall be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963. If the sum of any industrial facility taxes prescribed by Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, and the commercial facilities taxes paid to the state treasury to the credit of the state school aid fund that would otherwise be disbursed to the local or intermediate school district, pursuant to section 11 of Act No. 198 of the Public Acts of 1974, being section 207.561 of the Michigan Compiled Laws, and this section, exceeds the amount received by the local or intermediate school district under sections 56, 62, and 81(1) of Act No. 94 of the Public Acts of 1979, the department of treasury shall allocate to each eligible local or intermediate school district an amount equal to the difference between the sum of the industrial facility taxes and the commercial facilities taxes paid to the state treasury to the credit of the state school aid fund and the amount the local or intermediate school district received under sections 56, 62, and 81(1) of Act No. 94 of the Public Acts of 1979. This subsection applies to taxes levied before 1994.

(7) Beginning in 1994, the amount to be disbursed to a local school district, except for that amount of tax attributable to mills levied under section 1211(3) of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws, shall be paid to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(8) The officer or officers shall send a copy of the amount of disbursement made to each unit under this section to the commission on a form provided by the commission.

Sec. 12a. Notwithstanding any other provision of this act, if the sales tax is levied at a rate of 4% under the general sales tax act, Act No. 167 of the Public Acts of 1933, being sections 205.51 to 205.78 of the Michigan Compiled Laws, a local governmental unit may establish a commercial redevelopment district for property classified as commercial property under section 34c of the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, and may issue an exemption certificate. The tax imposed upon property for which an exemption certificate under this section is issued shall equal 1/2 of the number of mills levied under the state education tax act, plus the total number of mills levied by all taxing jurisdictions in which the facility is located other than mills levied under the state education tax act. This section does not apply unless the property is located in a local school district that has a 1994-95 foundation allowance greater than \$6,500.00 calculated under section 20(3) of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being section 388.1620 of the Michigan Compiled Laws, and is not levying an additional tax under section 1211(3) of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws.

Section 2. This amendatory act shall not take effect unless Senate Joint Resolution S is submitted to the voters and the following bills are enacted into law:

- (a) House Bill No. 5109.
- (b) House Bill No. 5110.
- (c) House Bill No. 5116.
- (d) House Bill No. 5009.
- (e) House Bill No. 5010.
- (f) House Bill No. 5118.
- (g) House Bill No. 5097.
- (h) House Bill No. 5123.
- (i) House Bill No. 4279.
- (j) House Bill No. 5102.
- (k) House Bill No. 5103.
- (l) House Bill No. 5104.
- (m) House Bill No. 5106.
- (n) House Bill No. 5111.
- (o) House Bill No. 5115.
- (p) House Bill No. 5112.
- (q) House Bill No. 5120.
- (r) House Bill No. 5129.

This act is ordered to take immediate effect.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.