

Act No. 369
Public Acts of 1994
Approved by the Governor
December 26, 1994
Filed with the Secretary of State
December 27, 1994

STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994

Introduced by Reps Brackenridge and Bullard

ENROLLED HOUSE BILL No. 5943

AN ACT to amend section 9 of Act No 147 of the Public Acts of 1992 entitled An act to provide for the development and rehabilitation of residential housing to provide for the creation of neighborhood enterprise zones to provide for obtaining neighborhood enterprise zone certificates for a period of time and to prescribe the contents of the certificates to provide for the exemption of certain taxes to provide for the levy and collection of a specific tax on the owner of certain facilities and to prescribe the powers and duties of certain officers of the state and local governmental units being section 207 779 of the Michigan Compiled Laws

The People of the State of Michigan enact

Section 1 Section 9 of Act No 147 of the Public Acts of 1992 being section 207 779 of the Michigan Compiled Laws is amended to read as follows

Sec 9 (1) There is levied on the owner of a new facility or a rehabilitated facility to which a neighborhood enterprise zone certificate is issued a specific tax known as the neighborhood enterprise zone tax

(2) A new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is in effect but not the land on which the facility is located is exempt from ad valorem real property taxes levied under 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

(3) The amount of the neighborhood enterprise zone tax on a new facility is determined each year by multiplying the state equalized valuation of the facility not including the land by 1 of the following

(a) For property that would otherwise meet the definition of a homestead under section 7dd of Act No 206 of the Public Acts of 1893 being section 211 7dd of the Michigan Compiled Laws if that property was not exempt from ad valorem property taxes under this act 1/2 of the average rate of taxation levied in this state in the immediately preceding calendar year on homestead property and qualified agricultural property as defined in section 7dd of Act No 206 of the Public Acts of 1893 However in 1994 only the average rate of taxation shall be the average rate of taxation levied in 1993 upon all property in this state upon which ad valorem taxes are assessed

(b) For property that is not a homestead under section 7dd of Act No 206 of the Public Acts of 1893 1/2 of the average rate of taxation levied upon commercial industrial and utility property upon which ad valorem taxes are assessed as determined for the immediately preceding calendar year by the state board of assessors under section 13 of Act No 282 of the Public Acts of 1905 being section 207 13 of the Michigan Compiled Laws However in 1994 only the average rate of taxation shall be the average rate of taxation levied in 1993 upon all property in this state upon which ad valorem taxes are assessed

(4) The amount of the neighborhood enterprise zone tax on a rehabilitated facility is determined each year by multiplying the state equalized valuation of the rehabilitated facility not including the land for the tax year immediately preceding the effective date of the neighborhood enterprise zone certificate by the total mills levied under Act No 206 of the Public Acts of 1893 for the current year by all taxing units within which the rehabilitated facility is located

(5) The neighborhood enterprise zone 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 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 neighborhood enterprise zone tax received by the officer or officers each year to the state cities townships villages school districts counties and authorities at the same times and in the same proportions as required for the disbursement of taxes collected under Act No 206 of the Public Acts of 1893 To determine the proportion for the disbursement of taxes under this subsection and for attribution of taxes under subsection (7) for taxes collected after June 30 1994 the number of mills levied for local school district operating purposes to be used in the calculation shall equal the number of mills for local school district operating purposes levied in 1993 minus the number of mills levied under the state education tax act Act No 331 of the Public Acts of 1993 being sections 211 901 to 211 906 of the Michigan Compiled Laws for the year for which the disbursement is calculated

(6) An intermediate school district receiving state aid under sections 56 62 and 81 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 or retained by the 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 and for the period that the state school aid act of 1979 Act No 94 of the Public Acts of 1979 being sections 388 1601 to 388 1772 of the Michigan Compiled Laws is amended or its successor act is enacted or amended to include a provision that provides for adjustments in state school aid to account for the receipt of revenues provided under this act in place of exempted ad valorem property tax revenues required to be remitted or returned to the state treasury to the credit of the state school aid fund shall be distributed instead to the intermediate school districts If the sum of any industrial facility tax levied under Act No 198 of the Public Acts of 1974 being sections 207 551 to 207 572 of the Michigan Compiled Laws the commercial facilities tax levied under the commercial redevelopment act Act No 255 of the Public Acts of 1978 being sections 207 651 to 207 668 of the Michigan Compiled Laws and the neighborhood enterprise zone tax paid to the state treasury to the credit of the state school aid fund that would otherwise be disbursed to the intermediate school district exceeds the amount received by the intermediate school district under sections 56 62 and 81 of Act No 94 of the Public Acts of 1979 the department of treasury shall allocate to each eligible intermediate school district an amount equal to the difference between the sum of the industrial facility tax the commercial facilities tax and the neighborhood enterprise zone tax paid to the state treasury to the credit of the state school aid fund and the amount the intermediate school district received under sections 56 62 and 81 of Act No 94 of the Public Acts of 1979

(7) For neighborhood enterprise zone taxes levied after 1993 for school operating purposes the amount that would otherwise be disbursed to a local school district shall be paid instead 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 The neighborhood enterprise zone tax is a lien on the real property upon which the new facility or rehabilitated facility subject to the certificate is located until paid The continuance of a certificate is conditional upon the annual payment of the neighborhood enterprise zone tax and the ad valorem tax on the land under Act No 206 of the Public Acts of 1893

(9) If payment of the tax under this act is not made by the March 1 following the levy of the tax the tax shall be turned over to the county treasurer and collected in the same manner as a delinquent tax under Act No 206 of the Public Acts of 1893

This act is ordered to take immediate effect

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor