



HOUSE BILL No. 5224

November 29, 1993, Introduced by Reps. Kukuk, Hammerstrom, Vorva and Fitzgerald and referred to the Committee on Local Government.

A bill to amend sections 9 and 12 of Act No. 255 of the Public Acts of 1978, entitled "Commercial redevelopment act," 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.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 Sec. 9. (1) A facility for which a commercial facilities
7 exemption certificate is in effect, but not the land on which the

1 facility is located or to be located, or personal property other
2 than personal property assessed pursuant to section 14(6) of THE
3 GENERAL PROPERTY TAX ACT, Act No. 206 of the Public Acts of 1893,
4 as amended, ~~shall~~ BEING SECTION 211.14 OF THE MICHIGAN COMPILED
5 LAWS, for the period on and after the effective date of the cer-
6 tificate and continuing so long as the commercial facilities
7 exemption certificate is in force, ~~be~~ IS exempt from ad valorem
8 PROPERTY taxes. ~~imposed under Act No. 206 of the Public Acts of~~
9 ~~1893, as amended, being sections 211.1 to 211.157 of the Michigan~~
10 ~~Compiled Laws, and the~~ A lessee, occupant, user, or person in
11 possession of the facility ~~shall~~ for the same period ~~be~~ IS
12 exempt from ad valorem taxes imposed under Act No. 189 of the
13 Public Acts of 1953, as amended, being sections 211.181 to
14 211.182 of the Michigan Compiled Laws.

15 (2) Unless earlier revoked as provided in section 15, a com-
16 mercial facilities exemption certificate shall remain in force
17 and effect for a period to be determined by the legislative body
18 of the local governmental unit. The certificate may be issued
19 for a period of at least 1 year, but not to exceed 12 years. If
20 the number of years determined is less than 12, the certificate
21 may be subject to review by the legislative body of the local
22 governmental unit and the certificate may be extended. The total
23 amount of time determined for the certificate including any
24 extensions shall not exceed 12 years after the completion of the
25 facility. The certificate shall commence with its effective date
26 and end on the December 31 next following the last day of the
27 number of years determined. The date of issuance of a

1 certificate of occupancy, if required by appropriate authority,
2 shall be the date of completion of the facility.

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

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

15 (2) The amount of the commercial facilities tax, in each
16 year, in the case of a restored facility shall be determined by
17 multiplying the total mills levied as ad valorem taxes for that
18 year by all taxing units within which the facility is ~~situated~~
19 LOCATED by the state equalized valuation of the obsolete commer-
20 cial property for the tax year immediately preceding the effec-
21 tive date of the commercial facilities exemption certificate
22 after deducting the state equalized valuation of the land and of
23 personal property other than personal property assessed pursuant
24 to section 14(6) of THE GENERAL PROPERTY TAX ACT, Act No. 206 of
25 the Public Acts of 1893, as amended, being section 211.14 of the
26 Michigan Compiled Laws.

1 (3) The amount of the commercial facilities tax, in each
2 year, in the case of a new or replacement facility shall be
3 determined by multiplying ~~1/2 of the total mills levied as ad~~
4 ~~valorem taxes for that year by all taxing units within which the~~
5 ~~facility is situated by~~ the state equalized valuation of the
6 facility excluding the land and personal property other than per-
7 sonal property assessed pursuant to section 14(6) of Act No. 206
8 of the Public Acts of 1893, as amended, BEING SECTION 211.14 OF
9 THE MICHIGAN COMPILED LAWS, BY 1/2 OF THE TOTAL MILLS LEVIED AS
10 AD VALOREM PROPERTY TAXES FOR THAT YEAR BY ALL TAXING UNITS
11 WITHIN WHICH THE FACILITY IS LOCATED OTHER THAN MILLS LEVIED BY A
12 LOCAL SCHOOL DISTRICT WITHIN WHICH THE FACILITY IS LOCATED FOR
13 SCHOOL OPERATING PURPOSES OR MILLS LEVIED UNDER THE STATE EDUCA-
14 TION TAX ACT, PLUS THE LESSER OF THE FOLLOWING:

15 (A) THE SUM OF THE NUMBER OF MILLS LEVIED BY THAT LOCAL
16 SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES AND THE NUMBER OF
17 MILLS OF THE STATE EDUCATION TAX.

18 (B) ONE-HALF OF THE NUMBER OF MILLS LEVIED FOR SCHOOL OPER-
19 ATING PURPOSES IN 1993.

20 (4) The commercial facilities tax shall be collected, dis-
21 bursed, and assessed in accordance with this act.

22 (5) The commercial facilities tax ~~shall be~~ IS an annual
23 tax, payable at the same times, in the same installments, and to
24 the same officer or officers as taxes imposed under Act No. 206
25 of the Public Acts of 1893, as amended, being sections 211.1 to
26 211.157 of the Michigan Compiled Laws, are payable. The officer
27 or officers shall disburse the commercial facilities tax payments

1 received by the officer or officers each year to and among the
2 ~~same~~ STATE, cities, townships, villages, school districts,
3 counties, and authorities, at the same times and in the same pro-
4 portions as required by law for the disbursement of taxes col-
5 lected under Act No. 206 of the Public Acts of 1893, as amended,
6 except that in the case of ~~local and~~ intermediate school dis-
7 tricts receiving state aid under sections ~~21(1),~~ 56, 62, and
8 ~~81~~ 81(1) of the state school aid act of 1979, Act No. 94 of the
9 Public Acts of 1979, being sections ~~388.1621,~~ 388.1656,
10 388.1662, and 388.1681 of the Michigan Compiled Laws, of the
11 amount that would otherwise be disbursed to ~~a local or~~ AN
12 intermediate school district, all or a portion, to be determined
13 on the basis of the tax rates being utilized to compute the
14 amount of state aid, shall be paid to the state treasury to the
15 credit of the state school aid fund established by section 11 of
16 article IX of the state constitution of 1963. BEGINNING IN 1994,
17 THE AMOUNT TO BE DISBURSED TO LOCAL SCHOOL DISTRICTS SHALL BE
18 PAID TO THE STATE TREASURY AND CREDITED TO THE STATE SCHOOL AID
19 FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE CONSTI-
20 TUTION OF 1963. If the sum of any industrial facility taxes pre-
21 scribed by Act No. 198 of the Public Acts of 1974, being sections
22 207.551 to 207.571 of the Michigan Compiled Laws, and the commer-
23 cial facilities taxes paid to the state treasury to the credit of
24 the state school aid fund that would otherwise be disbursed to
25 the local or intermediate school district, pursuant to section 11
26 of Act No. 198 of the Public Acts of 1974, BEING SECTION 207.561
27 OF THE MICHIGAN COMPILED LAWS, and this section, exceeds the

1 amount received by the local or intermediate school district
2 under sections ~~21(1)~~, 56, 62, and ~~81~~ 81(1) of Act No. 94 of
3 the Public Acts of 1979, the department of treasury shall allo-
4 cate to each eligible local or intermediate school district an
5 amount equal to the difference between the sum of the industrial
6 facility taxes and the commercial facilities taxes paid to the
7 state treasury to the credit of the state school aid fund and the
8 amount the local or intermediate school district received under
9 sections ~~21(1)~~, 56, 62, and ~~81~~ 81(1) of Act No. 94 of the
10 Public Acts of 1979. The officer or officers shall send a copy
11 of the amount of disbursement made to each unit under this sec-
12 tion to the commission on a form provided by the commission.

13 Section 2. This amendatory act shall not take effect unless
14 both of the following occur:

15 (a) House Bill No. 5111 of the 87th Legislature is enacted
16 into law.

17 (b) House Joint Resolution Z of the 87th Legislature is sub-
18 mitted to the people at an election on February 14, 1994 as pro-
19 vided in section 1 of article XII of the state constitution of
20 1963.