



# HOUSE BILL No. 5940

November 10 1994 Introduced by Rep Profit and referred to the Committee on Taxation

A bill to amend section 4 of Act No 77 of the Public Acts of 1951, entitled as amended

"An act providing for the specific taxation of low grade iron ore, of low grade iron ore mining property, and of rights to minerals in lands containing low grade iron ores to provide for the collection and distribution of the specific tax to make an appropriation and to prescribe the powers and duties of the state geologist and township supervisors and treasurers with respect to the specific tax,

as amended by Act No 277 of the Public Acts of 1987 being section 211 624 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 4 of Act No 77 of the Public Acts of  
2 1951, as amended by Act No 277 of the Public Acts of 1987, being  
3 section 211 624 of the Michigan Compiled Laws, is amended to read  
4 as follows

1       Sec 4   (1) If the specific tax determined under section 3  
2 is less than the specific tax determined under section 2 then  
3 section 2 shall govern

4       (2) The township supervisor shall remove from the list of  
5 land descriptions assessed and taxed under the general property  
6 tax act, Act No 206 of the Public Acts of 1893, as amended,  
7 being sections 211 1 to 211 157 of the Michigan Compiled Laws,  
8 the land descriptions of property taxed under this act and shall  
9 enter the land descriptions on a separate roll The township  
10 supervisor shall spread the specific tax against the property and  
11 the township treasurer shall collect the specific tax at the same  
12 time, in the same manner, and subject to the same collection  
13 charges as general property taxes Property listed and taxed  
14 under this act shall be subject to return and sale for nonpayment  
15 of taxes in the same manner at the same time, and under the same  
16 penalties as property returned and sold for nonpayment of taxes  
17 levied under Act No 206 of the Public Acts of 1893 as  
18 amended A valuation shall not be determined for a description  
19 listed under this act and the property shall not be considered by  
20 the county board of commissioners or by the state board of equal-  
21 ization in connection with county or state equalization for taxa-  
22 tion purposes If a low grade iron ore mining property is  
23 located in more than 1 township, the state geologist shall deter-  
24 mine the portion attributable to each township ~~Sums~~ EXCEPT AS  
25 PROVIDED IN SUBSECTION (5) SUMS collected under this act shall  
26 be distributed by the township treasurer to school districts and  
27 governmental units in the same proportion as the general property

1 taxes are distributed The distribution calculations for 1987  
2 shall exclude the value of a power generating facility or a por-  
3 tion of a power generating facility that qualifies as low grade  
4 iron ore mining property The amounts distributed may be used by  
5 the school districts and governmental units for operating  
6 expenses for capital improvements, and for the accumulation of  
7 reserves in a building and site fund or for the payment of inter-  
8 est or principal on bonds

9 (3) The tax provided in this act shall be in lieu of an ad  
10 valorem tax on any of the following

11 (a) The low grade iron ore

12 (b) The low grade iron ore mining property

13 (c) The mining of the low grade iron ore mining property

14 (d) The production of iron ore pellets or other concentrated  
15 or agglomerated products

16 (e) The iron ore pellets or other concentrated or agglomer-  
17 ated merchantable products

18 (f) Land occupied by or used in connection with the mining  
19 transportation and beneficiation of the ore and shipping of iron  
20 ore pellets or other concentrated or agglomerated merchantable  
21 products

22 (4) BEGINNING IN 1994, TO DETERMINE THE PROPORTION FOR THE  
23 DISBURSEMENT OF TAXES UNDER THIS SECTION AND FOR ATTRIBUTION OF  
24 TAXES UNDER SUBSECTION (5) FOR THE SPECIFIC TAXES COLLECTED PUR-  
25 SUANT TO THIS ACT, THE NUMBER OF MILLS LEVIED FOR LOCAL SCHOOL  
26 DISTRICT OPERATING PURPOSES TO BE USED IN THE CALCULATION SHALL

1 EQUAL THE NUMBER OF MILLS FOR LOCAL SCHOOL DISTRICT OPERATING  
2 PURPOSES LEVIED IN 1993

3       (5) BEGINNING IN 1994, THE AMOUNT TO BE DISBURSED TO A LOCAL  
4 SCHOOL DISTRICT, EXCEPT FOR THAT AMOUNT OF TAX ATTRIBUTABLE TO  
5 MILLS LEVIED UNDER SECTION 1211(2) OR 1211C OF THE SCHOOL CODE OF  
6 1976, ACT NO 451 OF THE PUBLIC ACTS OF 1976, BEING SECTIONS  
7 380 1211 AND 380 1211C OF THE MICHIGAN COMPILED LAWS, AND MILLS  
8 THAT ARE NOT INCLUDED AS MILLS LEVIED FOR SCHOOL OPERATING PUR-  
9 POSES UNDER SECTION 1211 OF ACT NO 451 OF THE PUBLIC ACTS OF  
10 1976, BEING SECTION 380 1211 OF THE MICHIGAN COMPILED LAWS, SHALL  
11 BE PAID TO THE STATE TREASURY AND CREDITED TO THE STATE SCHOOL  
12 AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE  
13 CONSTITUTION OF 1963