



# HOUSE BILL No. 5943

November 10, 1994 Introduced by Reps Brackenridge and Bullard and referred to the Committee on Taxation

A bill to amend section 9 of Act No 147 of the Public Acts of 1992, entitled

Neighborhood enterprise zone act

being section 207 779 of the Michigan Compiled Laws

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 9 of Act No 147 of the Public Acts of  
2 1992 being section 207 779 of the Michigan Compiled Laws is  
3 amended to read as follows

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

8 (2) A new facility or a rehabilitated facility for which a  
9 neighborhood enterprise zone certificate is in effect but not  
10 the land on which the facility is located is exempt from ad

1 valorem real property taxes levied under the general property tax  
2 act Act No 206 of the Public Acts of 1893 being sections 211 1  
3 to 211 157 of the Michigan Compiled Laws

4 (3) The amount of the neighborhood enterprise zone tax on a  
5 new facility is determined each year by multiplying the state  
6 equalized valuation of the facility not including the land by  
7 1/2 of the average rate of taxation levied upon all property upon  
8 which ad valorem taxes are assessed as determined for the immedi-  
9 ately preceding calendar year by the state board of assessors  
10 under section 13 of Act No 282 of the Public Acts of 1905 being  
11 section 207 13 of the Michigan Compiled Laws

12 (4) The amount of the neighborhood enterprise zone tax on a  
13 rehabilitated facility is determined each year by multiplying the  
14 state equalized valuation of the rehabilitated facility not  
15 including the land for the tax year immediately preceding the  
16 effective date of the neighborhood enterprise zone certificate by  
17 the total mills levied under Act No 206 of the Public Acts of  
18 1893 for the current year by all taxing units within which the  
19 rehabilitated facility is located

20 (5) The neighborhood enterprise zone tax is an annual tax  
21 payable at the same times in the same installments and to the  
22 same officer or officers as taxes imposed under Act No 206 of  
23 the Public Acts of 1893 being sections 211 1 to 211 157 of the  
24 Michigan Compiled Laws are payable ~~The~~ EXCEPT AS OTHERWISE  
25 PROVIDED IN THIS SECTION THE officer or officers shall disburse  
26 the neighborhood enterprise zone tax received by the officer or  
27 officers each year to the ~~same~~ STATE cities townships

1 villages school districts counties and authorities at the same  
 2 times and in the same proportions as required for the disburse-  
 3 ment of taxes collected under Act No 206 of the Public Acts of  
 4 1893 ~~However, if a local or~~ TO DETERMINE THE PROPORTION FOR  
 5 THE DISBURSEMENT OF TAXES UNDER THIS SUBSECTION AND FOR ATTRIBU-  
 6 TION OF TAXES UNDER SUBSECTION (7) FOR TAXES COLLECTED PURSUANT  
 7 TO NEIGHBORHOOD ENTERPRISE ZONE EXEMPTION CERTIFICATES ISSUED  
 8 BEFORE JANUARY 1 1994 THE NUMBER OF MILLS LEVIED FOR LOCAL  
 9 SCHOOL DISTRICT OPERATING PURPOSES TO BE USED IN THE CALCULATION  
 10 SHALL EQUAL THE NUMBER OF MILLS FOR LOCAL SCHOOL DISTRICT OPERAT-  
 11 ING PURPOSES LEVIED IN 1993

12 (6) AN intermediate school district ~~receives~~ RECEIVING  
 13 state aid under sections ~~2+(1)~~ 56 62 and 81 of the state  
 14 school aid act of 1979 Act No 94 of the Public Acts of 1979  
 15 being sections ~~388 1621~~ 388 1656 388 1662 and 388 1681 of  
 16 the Michigan Compiled Laws of the amount that would otherwise be  
 17 disbursed to ~~a local~~ or RETAINED BY THE intermediate school  
 18 district all or a portion to be determined on the basis of the  
 19 tax rates being utilized to compute the amount of state aid  
 20 shall be paid to the state treasury to the credit of the state  
 21 school aid fund established by section 11 of article IX of the  
 22 state constitution of 1963 If and for the period that the state  
 23 school aid act of 1979 Act No 94 of the Public Acts of 1979  
 24 being sections 388 1601 to 388 1772 of the Michigan Compiled  
 25 Laws is amended or its successor act is enacted or amended to  
 26 include a provision that provides for adjustments in state school  
 27 aid to account for the receipt of revenues provided under this

1 act in place of exempted ad valorem property tax revenues  
2 required to be remitted or returned to the state treasury to the  
3 credit of the state school aid fund shall be distributed instead  
4 to the ~~local~~ INTERMEDIATE school districts If the sum of any  
5 industrial facility tax levied under Act No 198 of the Public  
6 Acts of 1974 being sections 207 551 to ~~207 571~~ 207 572 of the  
7 Michigan Compiled Laws the commercial facilities tax levied  
8 under the commercial redevelopment act Act No 255 of the Public  
9 Acts of 1978 being sections 207 651 to 207 668 of the Michigan  
10 Compiled Laws and the neighborhood enterprise zone tax paid to  
11 the state treasury to the credit of the state school aid fund  
12 that would otherwise be disbursed to the ~~local or~~ intermediate  
13 school district exceeds the amount received by the ~~local or~~  
14 intermediate school district under sections ~~21(1)~~ 56 62 and  
15 81 of Act No 94 of the Public Acts of 1979 the department of  
16 treasury shall allocate to each eligible ~~local or~~ intermediate  
17 school district an amount equal to the difference between the sum  
18 of the industrial facility tax the commercial facilities tax  
19 and the neighborhood enterprise zone tax paid to the state trea-  
20 sury to the credit of the state school aid fund and the amount  
21 the ~~local or~~ intermediate school district received under  
22 sections ~~21(1)~~ 56 62 and 81 of Act No 94 of the Public Acts  
23 of 1979

24 (7) BEGINNING IN 1994 THE AMOUNT TO BE DISBURSED TO A LOCAL  
25 SCHOOL DISTRICT EXCEPT FOR THAT AMOUNT OF TAX ATTRIBUTABLE TO  
26 MILLS LEVIED UNDER SECTION 1211(2) OR 1211C OF THE SCHOOL CODE OF  
27 1976 ACT NO 451 OF THE PUBLIC ACTS OF 1976 BEING SECTIONS

1 380 1211 AND 380 1211C OF THE MICHIGAN COMPILED LAWS AND MILLS  
2 THAT ARE NOT INCLUDED AS MILLS LEVIED FOR SCHOOL OPERATING PUR-  
3 POSES UNDER SECTION 1211 OF ACT NO 451 OF THE PUBLIC ACTS OF  
4 1976, BEING SECTION 380 1211 OF THE MICHIGAN COMPILED LAWS SHALL  
5 BE PAID TO THE STATE TREASURY AND CREDITED TO THE STATE SCHOOL  
6 AID FUND ESTABLISHED BY SECTION 11 OF ARTICLE IX OF THE STATE  
7 CONSTITUTION OF 1963

8 (8) The officer or officer shall send a copy of the amount  
9 of disbursement made to each unit under this section to the com-  
10 mission on a form provided by the commission The neighborhood  
11 enterprise zone tax is a lien on the real property upon which the  
12 new facility or rehabilitated facility subject to the certificate  
13 is located until paid The continuance of a certificate is con-  
14 ditional upon the annual payment of the neighborhood enterprise  
15 zone tax and the ad valorem tax on the land under Act No 206 of  
16 the Public Acts of 1893

17 (9) ~~-(6)-~~ If payment of the tax under this act is not made  
18 by the March 1 following the levy of the tax the tax shall be  
19 turned over to the county treasurer and collected in the same  
20 manner as a delinquent tax under Act No 206 of the Public Acts  
21 of 1893