

Act No. 446
Public Acts of 1996
Approved by the Governor
December 19, 1996
Filed with the Secretary of State
December 19, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

**Introduced by Reps. Kaza, LeTarte, Jersevic, Gustafson, Ryan, Johnson, Byl, Hill, Randall, Brackenridge,
Law, Hammerstrom and Llewellyn**

ENROLLED HOUSE BILL No. 5196

AN ACT to amend section 11 of Act No. 198 of the Public Acts of 1974, entitled "An act to provide for the establishment of plant rehabilitation districts and industrial development 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 penalties," as amended by Act No. 132 of the Public Acts of 1995, being section 207.561 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 11 of Act No. 198 of the Public Acts of 1974, as amended by Act No. 132 of the Public Acts of 1995, being section 207.561 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 11. (1) Except as provided in subsection (6), there is levied upon every owner of a speculative building, a new facility, or a replacement facility to which an industrial facilities exemption certificate is issued a specific tax to be known as the industrial facility tax.

(2) The industrial facility 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 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, are payable. Except as otherwise provided in this section, the officer or officers shall disburse the industrial facility tax payments received 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. To determine the proportion for the disbursement of taxes under this subsection and for attribution of taxes under subsection (5) for taxes collected under industrial facilities exemption certificates issued before January 1, 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.

(3) Except as provided by subsections (4) and (5), for an intermediate school district receiving state aid under section 56, 62, or 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 the state school aid, shall be paid instead 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 commercial facilities taxes prescribed by 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 industrial facility 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, under section 12 of Act No. 255 of the Public Acts of 1978, being section 207.662 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 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 commercial facilities taxes and the industrial facility 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 of Act No. 94 of the Public Acts of 1979. This subsection does not apply to taxes levied for either of the following:

(a) Mills allocated to an intermediate school district for operating purposes as provided for under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws.

(b) An intermediate school district that is not receiving state aid under section 56 or 62 of Act No. 94 of the Public Acts of 1979.

(4) For industrial facilities taxes levied before 1994, a local or intermediate school district shall receive or retain its industrial facility tax payment that is levied in any year and becomes a lien before December 1 of the year if the district files a statement with the state treasurer not later than June 30 of the year certifying that the district does not expect to receive state school aid payments under section 56, 62, or 81 of Act No. 94 of the Public Acts of 1979 in the state fiscal year commencing in the year this statement is filed and if the district did not receive state school aid payments under section 56, 62, or 81 of Act No. 94 of the Public Acts of 1979 for the state fiscal year concluding in the year the statement required by this subsection is filed. However, if a local or intermediate school district receives or retains its summer industrial facility tax payment under this subsection and becomes entitled to receive state school aid payments under section 56, 62, or 81 of Act No. 94 of the Public Acts of 1979 in the state fiscal year commencing in the year in which it filed the statement required by this subsection, the district immediately shall pay to the state treasury to the credit of the state school aid fund an amount of the summer industrial facility tax payments that would have been paid to the state treasury to the credit of the state school aid fund under subsection (3) had not this subsection allowed the district to receive or retain the summer industrial facility tax payment.

(5) For industrial facilities taxes levied after 1993, the amount to be disbursed to a local school district, except for that amount of tax attributable to mills levied under section 1211(2) or 1211c of the revised school code, Act No. 451 of the Public Acts of 1976, being sections 380.1211 and 380.1211c of the Michigan Compiled Laws, and mills that are not included as mills levied for school operating purposes under section 1211 of 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.

(6) A speculative building, a new facility, or a replacement facility located in a renaissance zone under the Michigan renaissance zone act, Act No. 376 of the Public Acts of 1996, being sections 125.2681 to 125.2696 of the Michigan Compiled Laws, is exempt from the industrial facility tax levied under this act to the extent and for the duration provided pursuant to Act No. 376 of the Public Acts of 1996, except for that portion of the industrial facility tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.7ff of the Michigan Compiled Laws. The industrial facility tax calculated under this subsection shall be disbursed proportionately to the local taxing unit or units that levied the special assessment or the tax described in section 7ff(2) of Act No. 206 of the Public Acts of 1893.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.