

Act No. 450
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. Kukuk, LeTarte, Voorhees, Weeks, Green, Hammerstrom, Jellema, Byl, Profit, Kaza, McNutt, Rocca, Hertel, Pitoniak and London

ENROLLED HOUSE BILL No. 5197

AN ACT to amend section 12 of Act No. 255 of the Public Acts of 1978, entitled "An act to provide for the establishment of commercial redevelopment 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 remedies and penalties," as amended by Act No. 368 of the Public Acts of 1994, being section 207.662 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 12 of Act No. 255 of the Public Acts of 1978, as amended by Act No. 368 of the Public Acts of 1994, being section 207.662 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 12. (1) Except as provided in subsection (9), there is levied upon every owner of a new, replacement, or restored facility to which a commercial facilities exemption certificate is issued a specific tax to be known as the commercial facilities tax.

(2) The amount of the commercial facilities tax, in each year, in the case of a restored facility shall be determined by multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located by the state equalized valuation of the obsolete commercial property for the tax year immediately preceding the effective date of the commercial facilities exemption certificate after deducting the state equalized valuation of the land and of personal property other than personal property assessed pursuant to section 14(6) of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.14 of the Michigan Compiled Laws.

(3) The amount of the commercial facilities tax, in each year, in the case of a new or replacement facility shall be determined by multiplying the state equalized valuation of the facility excluding the land and personal property other than personal property assessed pursuant to section 14(6) of Act No. 206 of the Public Acts of 1893, by the sum of 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located other than mills levied for school operating purposes by a local or intermediate school district within which the facility is located or 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, plus 1/2 of the number of mills levied for school operating purposes in 1993.

(4) The commercial facilities tax shall be collected, disbursed, and assessed in accordance with this act.

(5) The commercial facilities 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 commercial facilities tax payments received by the officer or officers 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 (7) for taxes collected pursuant to commercial 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 Act No. 331 of the Public Acts of 1993, for the year for which the disbursement is calculated.

(6) Except as provided in subsection (7), for intermediate school districts 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 an 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 the sum of any industrial facility taxes prescribed by Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.572 of the Michigan Compiled Laws, and the commercial facilities 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, pursuant to section 11 of Act No. 198 of the Public Acts of 1974, being section 207.561 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 industrial facility taxes and the commercial facilities 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 applies to taxes levied before 1994.

(7) For commercial facilities 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.

(9) A new, replacement, or restored 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 commercial facilities 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 commercial facilities 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 commercial facilities 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.