



HOUSE BILL No. 5136

September 26, 1995, Introduced by Reps. Law, Cherry, Crissman, Voorhees, Pitoniak, Brewer, Perricone, Bullard, Brackenridge, Dalman, Gubow, Bankes, Hammerstrom, Gernaat and Llewellyn and referred to the Committee on Tax Policy.

A bill to amend section 14 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. 266 of the Public Acts of 1994, being section 207.564 of the Michigan Compiled Laws; and to add section 16a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 14 of Act No. 198 of the Public Acts of
2 1974, as amended by Act No. 266 of the Public Acts of 1994, being
3 section 207.564 of the Michigan Compiled Laws, is amended and
4 section 16a is added to read as follows:

1 Sec. 14. (1) The amount of the industrial facility tax ~~—~~
2 in each year for a replacement facility ~~—~~ shall be determined
3 by multiplying the total mills levied as ad valorem taxes for
4 that year by all taxing units within which the facility is situa-
5 ted by the state equalized valuation of the real and personal
6 property of the obsolete industrial property for the tax year
7 immediately preceding the effective date of the industrial facil-
8 ities exemption certificate after deducting the state equalized
9 valuation of the land and of the inventory as specified in sec-
10 tion 19.

11 (2) The amount of the industrial facility tax ~~—~~ in each
12 year for a new facility or a speculative building for which an
13 industrial facilities exemption certificate became effective
14 before January 1, 1994 ~~—~~ shall be determined by multiplying the
15 state equalized valuation of the facility excluding the land and
16 the inventory personal property by the sum of 1/2 of the total
17 mills levied as ad valorem taxes for that year by all taxing
18 units within which the facility is located other than mills
19 levied for school operating purposes by a local school district
20 within which the facility is located or mills levied under the
21 state education tax act, Act No. 331 of the Public Acts of 1993,
22 being sections 211.901 to 211.906 of the Michigan Compiled Laws,
23 plus 1/2 of the number of mills levied for local school district
24 operating purposes in 1993.

25 (3) The amount of the industrial facility tax in each year
26 for a new facility or a speculative building for which an
27 industrial facilities exemption certificate becomes effective

1 after December 31, 1993 ~~—~~ AND BEFORE DECEMBER 31, 1995 shall be
2 determined by multiplying the state equalized valuation of the
3 facility excluding the land and the inventory personal property
4 by the sum of $1/2$ of the total mills levied as ad valorem taxes
5 for that year by all taxing units within which the facility is
6 located other than mills levied under the state education tax
7 act, plus, subject to section 14a, the number of mills levied
8 under the state education tax act, Act No. 331 of the Public Acts
9 of 1993.

10 (4) THE AMOUNT OF THE INDUSTRIAL FACILITY TAX IN EACH YEAR
11 FOR A NEW FACILITY OR A SPECULATIVE BUILDING FOR WHICH AN INDUS-
12 TRIAL FACILITIES EXEMPTION CERTIFICATE BECOMES EFFECTIVE AFTER
13 DECEMBER 31, 1995 SHALL BE DETERMINED BY MULTIPLYING THE STATE
14 EQUALIZED VALUATION OF THE FACILITY EXCLUDING THE LAND AND THE
15 INVENTORY PERSONAL PROPERTY BY THE SUM OF NOT MORE THAN 50% OF
16 THE TOTAL MILLS LEVIED AS AD VALOREM TAXES FOR THAT YEAR BY ALL
17 TAXING UNITS WITHIN WHICH THE FACILITY IS LOCATED OTHER THAN
18 MILLS LEVIED UNDER THE STATE EDUCATION TAX ACT, ACT NO. 331 OF
19 THE PUBLIC ACTS OF 1993, PLUS, SUBJECT TO SECTION 14A, THE NUMBER
20 OF MILLS LEVIED UNDER ACT NO. 331 OF THE PUBLIC ACTS OF 1993.

21 (5) ~~-(4)-~~ For a termination or revocation of only the real
22 property component, or only the personal property component, of
23 an industrial facilities exemption certificate as provided in
24 this act, the valuation and the tax determined using that valua-
25 tion shall be reduced proportionately to reflect the exclusion of
26 the component with respect to which the termination or revocation
27 has occurred.

1 SEC. 16A. IF THE LEGISLATIVE BODY OF A LOCAL GOVERNMENTAL
2 UNIT APPROVES AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR
3 A NEW FACILITY OR A SPECULATIVE BUILDING AND BECOMES EFFECTIVE
4 AFTER DECEMBER 31, 1995, FOR A PERIOD SHORTER THAN THE MAXIMUM
5 PERIOD PERMITTED UNDER SECTION 16, THEN ALL OF THE FOLLOWING
6 APPLY:

7 (A) THE OWNER OR LESSEE OF THE NEW FACILITY OR SPECULATIVE
8 BUILDING MAY, WITHIN THE FINAL YEAR IN WHICH THE CERTIFICATE IS
9 EFFECTIVE, APPLY FOR ANOTHER CERTIFICATE UNDER THIS ACT.

10 (B) THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENTAL UNIT MAY
11 APPROVE AN APPLICATION FOR A SUBSEQUENT CERTIFICATE AT THE SAME
12 OR A DIFFERENT TAX RATE AS THE RATE IT APPROVED FOR AN EARLIER
13 CERTIFICATE ISSUED UNDER THIS ACT, SUBJECT TO SECTION 14.

14 (C) THE LEGISLATIVE BODY OF A LOCAL GOVERNMENTAL UNIT SHALL
15 NOT APPROVE CERTIFICATES THE SUM OF WHOSE PERIODS EXCEEDS THE
16 MAXIMUM PERMITTED UNDER SECTION 16 FOR THE USER OR LESSEE OF A
17 NEW FACILITY OR SPECULATIVE BUILDING.