



HOUSE BILL No. 5196

October 3, 1995, Introduced by Reps. Kaza, LeTarte, Jersevic, Gustafson, Ryan, Johnson, Byl, Hill, Randall, Brackenridge, Law, Hammerstrom and Llewellyn and referred to the Committee on Tax Policy.

A bill 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:

1 Section 1. Section 11 of Act No. 198 of the Public Acts of
2 1974, as amended by Act No. 132 of the Public Acts of 1995, being
3 section 207.561 of the Michigan Compiled Laws, is amended to read
4 as follows:

1 Sec. 11. (1) ~~There~~ EXCEPT AS PROVIDED IN SUBSECTION (6),
2 THERE is levied upon every owner of a speculative building, a new
3 facility, or a replacement facility to which an industrial facil-
4 ities exemption certificate is issued a specific tax to be known
5 as the industrial facility tax.

6 (2) The industrial facility tax is an annual tax, payable at
7 the same times, in the same installments, and to the same officer
8 or officers as taxes imposed under the general property tax act,
9 Act No. 206 of the Public Acts of 1893, being sections 211.1 to
10 211.157 of the Michigan Compiled Laws, are payable. Except as
11 otherwise provided in this section, the officer or officers shall
12 disburse the industrial facility tax payments received each year
13 to and among the state, cities, townships, villages, school dis-
14 tricts, counties, and authorities, at the same times and in the
15 same proportions as required by law for the disbursement of taxes
16 collected under Act No. 206 of the Public Acts of 1893. To
17 determine the proportion for the disbursement of taxes under this
18 subsection and for attribution of taxes under subsection (5) for
19 taxes collected under industrial facilities exemption certifi-
20 cates issued before January 1, 1994, the number of mills levied
21 for local school district operating purposes to be used in the
22 calculation shall equal the number of mills for local school dis-
23 trict operating purposes levied in 1993 minus the number of mills
24 levied under the state education tax act, Act No. 331 of the
25 Public Acts of 1993, being sections 211.901 to 211.906 of the
26 Michigan Compiled Laws, for the year for which the disbursement
27 is calculated.

1 (3) Except as provided by subsections (4) and (5), for an
2 intermediate school district receiving state aid under section
3 56, 62, or ~~81~~ 81 of the state school aid act of 1979, Act
4 No. 94 of the Public Acts of 1979, being sections 388.1656,
5 388.1662, and 388.1681 of the Michigan Compiled Laws, of the
6 amount that would otherwise be disbursed to or retained by the
7 intermediate school district, all or a portion, to be determined
8 on the basis of the tax rates being utilized to compute the
9 amount of the state school aid, shall be paid instead to the
10 state treasury to the credit of the state school aid fund estab-
11 lished by section 11 of article IX of the state constitution of
12 1963. If the sum of any commercial facilities taxes prescribed
13 by the commercial redevelopment act, Act No. 255 of the Public
14 Acts of 1978, being sections 207.651 to 207.668 of the Michigan
15 Compiled Laws, and the industrial facility taxes paid to the
16 state treasury to the credit of the state school aid fund that
17 would otherwise be disbursed to the local or intermediate school
18 district, under section 12 of Act No. 255 of the Public Acts of
19 1978, being section 207.662 of the Michigan Compiled Laws, and
20 this section, exceeds the amount received by the local or inter-
21 mediate school district under sections 56, 62, and ~~81~~ 81 of
22 Act No. 94 of the Public Acts of 1979, the department of treasury
23 shall allocate to each eligible local or intermediate school dis-
24 trict an amount equal to the difference between the sum of the
25 commercial facilities taxes and the industrial facility taxes
26 paid to the state treasury to the credit of the state school aid
27 fund and the amount the local or intermediate school district

1 received under sections 56, 62, and ~~81~~ 81 of Act No. 94 of
2 the Public Acts of 1979. This subsection does not apply to taxes
3 levied for either of the following:

4 (a) Mills allocated to an intermediate school district for
5 operating purposes as provided for under the property tax limita-
6 tion act, Act No. 62 of the Public Acts of 1933, being sections
7 211.201 to 211.217a of the Michigan Compiled Laws.

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

11 (4) For industrial facilities taxes levied before 1994, a
12 local or intermediate school district shall receive or retain its
13 industrial facility tax payment that is levied in any year and
14 becomes a lien before December 1 of the year if the district
15 files a statement with the state treasurer not later than June 30
16 of the year certifying that the district does not expect to
17 receive state school aid payments under section 56, 62, or
18 ~~81~~ 81 of Act No. 94 of the Public Acts of 1979 in the state
19 fiscal year commencing in the year this statement is filed and if
20 the district did not receive state school aid payments under sec-
21 tion 56, 62, or ~~81~~ 81 of Act No. 94 of the Public Acts of
22 1979 for the state fiscal year concluding in the year the state-
23 ment required by this subsection is filed. However, if a local
24 or intermediate school district receives or retains its summer
25 industrial facility tax payment under this subsection and becomes
26 entitled to receive state school aid payments under section 56,
27 62, or ~~81~~ 81 of Act No. 94 of the Public Acts of 1979 in the

1 state fiscal year commencing in the year in which it filed the
2 statement required by this subsection, the district immediately
3 shall pay to the state treasury to the credit of the state school
4 aid fund an amount of the summer industrial facility tax payments
5 that would have been paid to the state treasury to the credit of
6 the state school aid fund under subsection (3) had not this sub-
7 section allowed the district to receive or retain the summer
8 industrial facility tax payment.

9 (5) For industrial facilities taxes levied after 1993, the
10 amount to be disbursed to a local school district, except for
11 that amount of tax attributable to mills levied under section
12 1211(2) or 1211c of the school code of 1976, Act No. 451 of the
13 Public Acts of 1976, being sections 380.1211 and 380.1211c of the
14 Michigan Compiled Laws, and mills that are not included as mills
15 levied for school operating purposes under section 1211 of Act
16 No. 451 of the Public Acts of 1976, being section 380.1211 of the
17 Michigan Compiled Laws, shall be paid to the state treasury and
18 credited to the state school aid fund established by section 11
19 of article IX of the state constitution of 1963.

20 (6) A SPECULATIVE BUILDING, A NEW FACILITY, OR A REPLACEMENT
21 FACILITY LOCATED IN A RENAISSANCE ZONE UNDER THE MICHIGAN RENAISS-
22 SANCE ZONE ACT IS EXEMPT FROM THE INDUSTRIAL FACILITY TAX LEVIED
23 UNDER THIS ACT TO THE EXTENT AND FOR THE DURATION PROVIDED PURSU-
24 ANT TO THE MICHIGAN RENAISSANCE ZONE ACT.