

SENATE BILL NO. 585

June 5, 1997, Introduced by Senators SCHUETTE, STEIL and
ROGERS and referred to the Committee on Gaming and
Casino Oversight.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending section 9 (MCL 207.779), as amended by 1996 PA 449.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) Except as provided in subsection (10), there is
2 levied on the owner of a new facility or a rehabilitated facility
3 to which a neighborhood enterprise zone certificate is issued a
4 specific tax known as the neighborhood enterprise zone tax.
5 (2) A new facility or a rehabilitated facility for which a
6 neighborhood enterprise zone certificate is in effect, but not
7 the land on which the facility is located, is exempt from ad
8 valorem real property taxes levied under the general property tax
9 act, ~~Act No. 206 of the Public Acts of 1893, being~~
10 ~~sections 211.1 to 211.157 of the Michigan Compiled Laws 1893~~
11 PA 206, MCL 211.1 TO 211.157.

1 (3) The amount of the neighborhood enterprise zone tax on a
2 new facility is determined each year by multiplying the state
3 equalized valuation of the facility, not including the land, by 1
4 of the following:

5 (a) For property that would otherwise meet the definition of
6 a homestead under section 7dd of ~~Act No. 206 of the Public Acts~~
7 ~~of 1893, being section 211.7dd of the Michigan Compiled Laws~~ THE
8 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7DD, if that prop-
9 erty was not exempt from ad valorem property taxes under this
10 act, 1/2 of the average rate of taxation levied in this state in
11 the immediately preceding calendar year on homestead property and
12 qualified agricultural property as defined in section 7dd of ~~Act~~
13 ~~No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT,
14 1893 PA 206, MCL 211.7DD. However, in 1994 only, the average
15 rate of taxation shall be the average rate of taxation levied in
16 1993 upon all property in this state upon which ad valorem taxes
17 are assessed.

18 (b) For property that is not a homestead under section 7dd
19 of ~~Act No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY
20 TAX ACT, 1893 PA 206, MCL 211.7DD, 1/2 of the average rate of
21 taxation levied upon commercial, industrial, and utility property
22 upon which ad valorem taxes are assessed as determined for the
23 immediately preceding calendar year by the state board of asses-
24 sors under section 13 of ~~Act No. 282 of the Public Acts of 1905,~~
25 ~~being section 207.13 of the Michigan Compiled Laws~~ 1905 PA 282,
26 MCL 207.13. However, in 1994 only, the average rate of taxation

1 shall be the average rate of taxation levied in 1993 upon all
2 property in this state upon which ad valorem taxes are assessed.

3 (4) The amount of the neighborhood enterprise zone tax on a
4 rehabilitated facility is determined each year by multiplying the
5 state equalized valuation of the rehabilitated facility, not
6 including the land, for the tax year immediately preceding the
7 effective date of the neighborhood enterprise zone certificate by
8 the total mills levied under ~~Act No. 206 of the Public Acts of~~
9 ~~1893~~ THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO
10 211.157, for the current year by all taxing units within which
11 the rehabilitated facility is located.

12 (5) The neighborhood enterprise zone tax is an annual tax,
13 payable at the same times, in the same installments, and to the
14 same officer or officers as taxes imposed under ~~Act No. 206 of~~
15 ~~the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT, 1893
16 PA 206, MCL 211.1 TO 211.157, are payable. Except as otherwise
17 provided in this section, the officer or officers shall disburse
18 the neighborhood enterprise zone tax received by the officer or
19 officers each year to the state, cities, townships, villages,
20 school districts, counties, and authorities at the same times and
21 in the same proportions as required for the disbursement of taxes
22 collected under ~~Act No. 206 of the Public Acts of 1893~~ THE GEN-
23 ERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.157. To
24 determine the proportion for the disbursement of taxes under this
25 subsection and for attribution of taxes under subsection (7) for
26 taxes collected after June 30, 1994, the number of mills levied
27 for local school district operating purposes to be used in the

1 calculation shall equal the number of mills for local school
2 district operating purposes levied in 1993 minus the number of
3 mills levied under the state education tax act, ~~Act No. 331 of~~
4 ~~the Public Acts of 1993, being sections 211.901 to 211.906 of the~~
5 ~~Michigan Compiled Laws~~ 1993 PA 331, MCL 211.901 TO 211.906, for
6 the year for which the disbursement is calculated.

7 (6) An intermediate school district receiving state aid
8 under sections 56, 62, and 81 of the state school aid act of
9 1979, ~~Act No. 94 of the Public Acts of 1979, being sections~~
10 ~~388.1656, 388.1662, and 388.1681 of the Michigan Compiled Laws~~
11 1979 PA 94, MCL 388.1656, 388.1662, AND 388.1681, of the amount
12 that would otherwise be disbursed to or retained by the interme-
13 diate school district, all or a portion, to be determined on the
14 basis of the tax rates being utilized to compute the amount of
15 state aid, shall be paid to the state treasury to the credit of
16 the state school aid fund established by section 11 of article IX
17 of the state constitution of 1963. If and for the period that
18 the state school aid act of 1979, ~~Act No. 94 of the Public Acts~~
19 ~~of 1979, being sections 388.1601 to 388.1772 of the Michigan~~
20 ~~Compiled Laws~~ 1979 PA 94, MCL 388.1601 TO 388.1772, is amended
21 or its successor act is enacted or amended to include a provision
22 that provides for adjustments in state school aid to account for
23 the receipt of revenues provided under this act in place of
24 exempted ad valorem property tax, revenues required to be remit-
25 ted or returned to the state treasury to the credit of the state
26 school aid fund shall be distributed instead to the intermediate
27 school districts. If the sum of any industrial facility tax

1 levied under ~~Act No. 198 of the Public Acts of 1974, being~~
2 ~~sections 207.551 to 207.572 of the Michigan Compiled Laws 1974~~
3 ~~PA 198, MCL 207.551 TO 207.572, the commercial facilities tax~~
4 ~~levied under the commercial redevelopment act, Act No. 255 of~~
5 ~~the Public Acts of 1978, being sections 207.651 to 207.668 of the~~
6 ~~Michigan Compiled Laws 1978 PA 255, MCL 207.651 TO 207.668, and~~
7 ~~the neighborhood enterprise zone tax paid to the state treasury~~
8 ~~to the credit of the state school aid fund that would otherwise~~
9 ~~be disbursed to the intermediate school district exceeds the~~
10 ~~amount received by the intermediate school district under~~
11 ~~sections 56, 62, and 81 of Act No. 94 of the Public Acts of~~
12 ~~1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1656,
13 388.1662, AND 388.1681, the department of treasury shall allocate
14 to each eligible intermediate school district an amount equal to
15 the difference between the sum of the industrial facility tax,
16 the commercial facilities tax, and the neighborhood enterprise
17 zone tax paid to the state treasury to the credit of the state
18 school aid fund and the amount the intermediate school district
19 received under sections 56, 62, and 81 of ~~Act No. 94 of the~~
20 ~~Public Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979
21 PA 94, MCL 388.1656, 388.1662, AND 388.1681.

22 (7) For neighborhood enterprise zone taxes levied after 1993
23 for school operating purposes, the amount that would otherwise be
24 disbursed to a local school district shall be paid instead to the
25 state treasury and credited to the state school aid fund estab-
26 lished by section 11 of article IX of the state constitution of
27 1963.

1 (8) The officer or officers shall send a copy of the amount
2 of disbursement made to each unit under this section to the com-
3 mission on a form provided by the commission. The neighborhood
4 enterprise zone tax is a lien on the real property upon which the
5 new facility or rehabilitated facility subject to the certificate
6 is located until paid. The continuance of a certificate is con-
7 ditional upon the annual payment of the neighborhood enterprise
8 zone tax and the ad valorem tax on the land under ~~Act No. 206 of~~
9 ~~the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT, 1893
10 PA 206, MCL 211.1 TO 211.157.

11 (9) If payment of the tax under this act is not made by the
12 March 1 following the levy of the tax, the tax shall be turned
13 over to the county treasurer and collected in the same manner as
14 a delinquent tax under ~~Act No. 206 of the Public Acts of 1893~~
15 THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.157.

16 (10) A new facility or a rehabilitated facility, EXCEPT A
17 CASINO, located in a renaissance zone under the Michigan renais-
18 sance zone act, ~~Act No. 376 of the Public Acts of 1996, being~~
19 ~~sections 125.2681 to 125.2696 of the Michigan Compiled Laws~~ 1996
20 PA 376, MCL 125.2681 TO 125.2696, is exempt from the neighborhood
21 enterprise zone tax levied under this act to the extent and for
22 the duration provided pursuant to ~~Act No. 376 of the Public Acts~~
23 ~~of 1996~~ THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376,
24 MCL 125.2681 TO 125.2696, except for that portion of the neigh-
25 borhood enterprise zone tax attributable to a special assessment
26 or a tax described in section 7ff(2) of the general property tax
27 act, ~~Act No. 206 of the Public Acts of 1893, being section~~

1 ~~211.7ff of the Michigan Compiled Laws~~ 1893 PA 206, MCL 211.7FF.
2 The neighborhood enterprise zone tax calculated under this sub-
3 section shall be disbursed proportionately to the local taxing
4 unit or units that levied the special assessment or the tax
5 described in section 7ff(2) of ~~Act No. 206 of the Public Acts of~~
6 ~~1893~~ THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7FF. AS
7 USED IN THIS SUBSECTION, "CASINO" MEANS A CASINO OR A PARKING
8 LOT, HOTEL, MOTEL, OR RETAIL STORE OWNED OR OPERATED BY A CASINO,
9 AN AFFILIATE, OR AN AFFILIATED COMPANY, REGULATED BY THIS STATE
10 PURSUANT TO THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE
11 INITIATED LAW OF 1996, MCL 432.201 TO 432.216.