

SENATE BILL NO. 589

June 6, 1997, Introduced by Senator EMMONS and referred to the Committee on Gaming and Casino Oversight.

A bill to amend 1974 PA 198, 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,"

by amending section 11 (MCL 207.561), as amended by 1996 PA 446.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) Except as provided in subsection (6), there is
2 levied upon every owner of a speculative building, a new facili-
3 ty, or a replacement facility to which an industrial facilities
4 exemption certificate is issued a specific tax to be known as the
5 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

1 or officers as taxes imposed under the general property tax act,
2 ~~Act No. 206 of the Public Acts of 1893, being sections 211.1 to~~
3 ~~211.157 of the Michigan Compiled Laws~~ 1893 PA 206, MCL 211.1 TO
4 211.157, are payable. Except as otherwise provided in this sec-
5 tion, the officer or officers shall disburse the industrial
6 facility tax payments received each year to and among the state,
7 cities, townships, villages, school districts, counties, and
8 authorities, at the same times and in the same proportions as
9 required by law for the disbursement of taxes collected under
10 ~~Act No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX
11 ACT, 1893 PA 206, MCL 211.1 TO 211.157. To determine the propor-
12 tion for the disbursement of taxes under this subsection and for
13 attribution of taxes under subsection (5) for taxes collected
14 under industrial facilities exemption certificates issued before
15 January 1, 1994, the number of mills levied for local school dis-
16 trict operating purposes to be used in the calculation shall
17 equal the number of mills for local school district operating
18 purposes levied in 1993 minus the number of mills levied under
19 the state education tax act, ~~Act No. 331 of the Public Acts of~~
20 ~~1993, being sections 211.901 to 211.906 of the Michigan Compiled~~
21 ~~Laws~~ 1993 PA 331, MCL 211.901 TO 211.906, for the year for which
22 the disbursement is calculated.

23 (3) Except as provided by subsections (4) and (5), for an
24 intermediate school district receiving state aid under section
25 56, 62, or 81 of the state school aid act of 1979, ~~Act No. 94 of~~
26 ~~the Public Acts of 1979, being sections 388.1656, 388.1662, and~~
27 ~~388.1681 of the Michigan Compiled Laws~~ 1979 PA 94, MCL 388.1656,

1 388.1662, AND 388.1681, of the amount that would otherwise be
2 disbursed to or retained by the intermediate school district, all
3 or a portion, to be determined on the basis of the tax rates
4 being utilized to compute the amount of the state school aid,
5 shall be paid instead to the state treasury to the credit of the
6 state school aid fund established by section 11 of article IX of
7 the state constitution of 1963. If the sum of any commercial
8 facilities taxes prescribed by the commercial redevelopment act,
9 ~~Act No. 255 of the Public Acts of 1978, being sections 207.651~~
10 ~~to 207.668 of the Michigan Compiled Laws~~ 1978 PA 255,
11 MCL 207.651 TO 207.668, and the industrial facility taxes paid to
12 the state treasury to the credit of the state school aid fund
13 that would otherwise be disbursed to the local or intermediate
14 school district, under section 12 of ~~Act No. 255 of the Public~~
15 ~~Acts of 1978, being section 207.662 of the Michigan Compiled~~
16 ~~Laws~~ THE COMMERCIAL REDEVELOPMENT ACT, 1978 PA 255, MCL 207.662,
17 and this section, exceeds the amount received by the local or
18 intermediate school district under sections 56, 62, and 81 of
19 ~~Act No. 94 of the Public Acts of 1979~~ THE STATE SCHOOL AID ACT
20 OF 1979, 1979 PA 94, MCL 388.1656, 388.1662, AND 388.1681, the
21 department of treasury shall allocate to each eligible local or
22 intermediate school district an amount equal to the difference
23 between the sum of the commercial facilities taxes and the indus-
24 trial facility taxes paid to the state treasury to the credit of
25 the state school aid fund and the amount the local or intermedi-
26 ate school district received under sections 56, 62, and 81 of
27 ~~Act No. 94 of the Public Acts of 1979~~ THE STATE SCHOOL AID ACT

1 OF 1979, 1979 PA 94, MCL 388.1656, 388.1662, AND 388.1681. This
2 subsection does not apply to taxes levied for either of the
3 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~~ 1933 PA 62,
8 MCL 211.201 TO 211.217A.

9 (b) An intermediate school district that is not receiving
10 state aid under section 56 or 62 of ~~Act No. 94 of the Public~~
11 ~~Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94,
12 MCL 388.1656 OR 388.1662.

13 (4) For industrial facilities taxes levied before 1994, a
14 local or intermediate school district shall receive or retain its
15 industrial facility tax payment that is levied in any year and
16 becomes a lien before December 1 of the year if the district
17 files a statement with the state treasurer not later than June 30
18 of the year certifying that the district does not expect to
19 receive state school aid payments under section 56, 62, or 81 of
20 ~~Act No. 94 of the Public Acts of 1979~~ THE STATE SCHOOL AID ACT
21 OF 1979, 1979 PA 94, MCL 388.1656, 388.1662, AND 388.1681, in the
22 state fiscal year commencing in the year this statement is filed
23 and if the district did not receive state school aid payments
24 under section 56, 62, or 81 of ~~Act No. 94 of the Public Acts of~~
25 ~~1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1656,
26 388.1662, AND 388.1681, for the state fiscal year concluding in
27 the year the statement required by this subsection is filed.

1 However, if a local or intermediate school district receives or
2 retains its summer industrial facility tax payment under this
3 subsection and becomes entitled to receive state school aid pay-
4 ments under section 56, 62, or 81 of ~~Act No. 94 of the Public~~
5 ~~Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94,
6 MCL 388.1656, 388.1662, AND 388.1681, in the state fiscal year
7 commencing in the year in which it filed the statement required
8 by this subsection, the district immediately shall pay to the
9 state treasury to the credit of the state school aid fund an
10 amount of the summer industrial facility tax payments that would
11 have been paid to the state treasury to the credit of the state
12 school aid fund under subsection (3) had not this subsection
13 allowed the district to receive or retain the summer industrial
14 facility tax payment.

15 (5) For industrial facilities taxes levied after 1993, the
16 amount to be disbursed to a local school district, except for
17 that amount of tax attributable to mills levied under section
18 1211(2) or 1211c of the revised school code, ~~Act No. 451 of the~~
19 ~~Public Acts of 1976, being sections 380.1211 and 380.1211c of the~~
20 ~~Michigan Compiled Laws~~ 1976 PA 451, MCL 380.1211 AND 380.1211C,
21 and mills that are not included as mills levied for school oper-
22 ating purposes under section 1211 of ~~Act No. 451 of the Public~~
23 ~~Acts of 1976, being section 380.1211 of the Michigan Compiled~~
24 ~~Laws~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211, shall
25 be paid to the state treasury and credited to the state school
26 aid fund established by section 11 of article IX of the state
27 constitution of 1963.

1 (6) A speculative building, a new facility, or a replacement
2 facility, EXCEPT A CASINO, located in a renaissance zone under
3 the Michigan renaissance zone act, ~~Act No. 376 of the Public~~
4 ~~Acts of 1996, being sections 125.2681 to 125.2696 of the Michigan~~
5 ~~Compiled Laws~~ 1996 PA 376, MCL. 125.2681 TO 125.2696, is exempt
6 from the industrial facility tax levied under this act to the
7 extent and for the duration provided pursuant to ~~Act No. 376 of~~
8 ~~the Public Acts of 1996~~ THE MICHIGAN RENAISSANCE ZONE ACT, 1996
9 PA 376, MCL 125.2681 TO 125.2696, except for that portion of the
10 industrial facility tax attributable to a special assessment or a
11 tax described in section 7ff(2) of the general property tax act,
12 ~~Act No. 206 of the Public Acts of 1893, being section 211.7ff of~~
13 ~~the Michigan Compiled Laws~~ 1893 PA 206, MCL 211.7FF. The indus-
14 trial facility tax calculated under this subsection shall be dis-
15 bursed proportionately to the local taxing unit or units that
16 levied the special assessment or the tax described in
17 section 7ff(2) of ~~Act No. 206 of the Public Acts of 1893~~ THE
18 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7FF. AS USED IN
19 THIS SUBSECTION, "CASINO" MEANS A CASINO OR A PARKING LOT, HOTEL,
20 MOTEL, OR RETAIL STORE OWNED OR OPERATED BY A CASINO, AN AFFILI-
21 ATE, OR AN AFFILIATED COMPANY, REGULATED BY THIS STATE PURSUANT
22 TO THE MICHIGAN GAMING CONTROL AND REVENUE ACT, THE INITIATED LAW
23 OF 1996, MCL 432.201 TO 432.216.