



HOUSE BILL No. 5949

September 26, 2000, Introduced by Rep. Jamnick and referred to the Committee on Tax Policy.

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 the title and section 11 (MCL 207.561), section 11 as amended by 1996 PA 446.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

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 IMPOSE AND PROVIDE FOR THE DISPOSITION OF AN

1 ADMINISTRATIVE FEE; to provide for the disposition of the tax; to
2 provide for the obtaining and transferring of an exemption cer-
3 tificate and to prescribe the contents of those certificates; to
4 prescribe the powers and duties of the state tax commission and
5 certain officers of local governmental units; and to provide
6 penalties.

7 Sec. 11. (1) Except as provided in subsection (6), there is
8 levied upon every owner of a speculative building, a new facili-
9 ty, or a replacement facility to which an industrial facilities
10 exemption certificate is issued a specific tax to be known as the
11 industrial facility tax AND AN ADMINISTRATIVE FEE IN THE SAME
12 AMOUNT AND TO THE EXTENT AN ADMINISTRATIVE FEE IS CHARGED, AS
13 PROVIDED IN THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1
14 TO 211.157.

15 (2) The industrial facility tax ~~is an annual tax, payable~~
16 AND ADMINISTRATIVE FEE ARE TO BE PAID ANNUALLY, at the same
17 times, in the same installments, and to the same officer or offi-
18 cers as taxes AND ADMINISTRATIVE FEES, IF ANY, imposed under the
19 general property tax act, ~~Act No. 206 of the Public Acts of~~
20 ~~1893, being sections 211.1 to 211.157 of the Michigan Compiled~~
21 ~~Laws~~ 1893 PA 206, MCL 211.1 TO 211.157, are payable. Except as
22 otherwise provided in this section, the officer or officers shall
23 disburse the industrial facility tax payments received each year
24 to and among the state, cities, townships, villages, school dis-
25 tricts, counties, and authorities, at the same times and in the
26 same proportions as required by law for the disbursement of taxes
27 collected under ~~Act No. 206 of the Public Acts of 1893~~ THE

1 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.157. To
2 determine the proportion for the disbursement of taxes under this
3 subsection and for attribution of taxes under subsection (5) for
4 taxes collected under industrial facilities exemption certifi-
5 cates issued before January 1, 1994, the number of mills levied
6 for local school district operating purposes to be used in the
7 calculation shall equal the number of mills for local school dis-
8 trict operating purposes levied in 1993 minus the number of mills
9 levied under the state education tax act, ~~Act No. 331 of the~~
10 ~~Public Acts of 1993, being sections 211.901 to 211.906 of the~~
11 ~~Michigan Compiled Laws~~ 1993 PA 331, MCL 211.901 TO 211.906, for
12 the year for which the disbursement is calculated.

13 (3) Except as provided by subsections (4) and (5), for an
14 intermediate school district receiving state aid under section
15 56, 62, or 81 of the state school aid act of 1979, ~~Act No. 94 of~~
16 ~~the Public Acts of 1979, being sections 388.1656, 388.1662, and~~
17 ~~388.1681 of the Michigan Compiled Laws~~ 1979 PA 94, MCL 388.1656,
18 388.1662, AND 388.1681, of the amount that would otherwise be
19 disbursed to or retained by the intermediate school district, all
20 or a portion, to be determined on the basis of the tax rates
21 being utilized to compute the amount of the state school aid,
22 shall be paid instead to the state treasury to the credit of the
23 state school aid fund established by section 11 of article IX of
24 the state constitution of 1963. If the sum of any commercial
25 facilities taxes prescribed by the commercial redevelopment act,
26 ~~Act No. 255 of the Public Acts of 1978, being sections 207.651~~
27 ~~to 207.668 of the Michigan Compiled Laws~~ 1978 PA 255, MCL

1 207.651 TO 207.668, and the industrial facility taxes paid to the
2 state treasury to the credit of the state school aid fund that
3 would otherwise be disbursed to the local or intermediate school
4 district, under section 12 of ~~Act No. 255 of the Public Acts of~~
5 ~~1978, being section 207.662 of the Michigan Compiled Laws~~ THE
6 COMMERCIAL REDEVELOPMENT ACT, 1978 PA 255, MCL 207.662, and this
7 section, exceeds the amount received by the local or intermediate
8 school district under sections 56, 62, and 81 of ~~Act No. 94 of~~
9 ~~the Public Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979
10 PA 94, MCL 388.1656, 388.1662, AND 388.1681, the department of
11 treasury shall allocate to each eligible local or intermediate
12 school district an amount equal to the difference between the sum
13 of the commercial facilities taxes and the industrial facility
14 taxes paid to the state treasury to the credit of the state
15 school aid fund and the amount the local or intermediate school
16 district received under sections 56, 62, and 81 of ~~Act No. 94 of~~
17 ~~the Public Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979
18 PA 94, MCL 388.1656, 388.1662, AND 388.1681. This subsection
19 does not apply to taxes levied for either of the following:

20 (a) Mills allocated to an intermediate school district for
21 operating purposes as provided for under the property tax limita-
22 tion act, ~~Act No. 62 of the Public Acts of 1933, being sections~~
23 ~~211.201 to 211.217a of the Michigan Compiled Laws~~ 1933 PA 62,
24 MCL 211.201 TO 211.217A.

25 (b) An intermediate school district that is not receiving
26 state aid under section 56 or 62 of ~~Act No. 94 of the Public~~

1 ~~Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL
2 388.1656 AND 388.1662.

3 (4) For industrial facilities taxes levied before 1994, a
4 local or intermediate school district shall receive or retain its
5 industrial facility tax payment that is levied in any year and
6 becomes a lien before December 1 of the year if the district
7 files a statement with the state treasurer not later than June 30
8 of the year certifying that the district does not expect to
9 receive state school aid payments under section 56, 62, or 81 of
10 ~~Act No. 94 of the Public Acts of 1979~~ THE STATE SCHOOL AID ACT
11 OF 1979, 1979 PA 94, MCL 388.1656, 388.1662, AND 388.1681, in the
12 state fiscal year commencing in the year this statement is filed
13 and if the district did not receive state school aid payments
14 under section 56, 62, or 81 of ~~Act No. 94 of the Public Acts of~~
15 ~~1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1656,
16 388.1662, AND 388.1681, for the state fiscal year concluding in
17 the year the statement required by this subsection is filed.
18 However, if a local or intermediate school district receives or
19 retains its summer industrial facility tax payment under this
20 subsection and becomes entitled to receive state school aid pay-
21 ments under section 56, 62, or 81 of ~~Act No. 94 of the Public~~
22 ~~Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL
23 388.1656, 388.1662, AND 388.1681, in the state fiscal year com-
24 mencing in the year in which it filed the statement required by
25 this subsection, the district immediately shall pay to the state
26 treasury to the credit of the state school aid fund an amount of
27 the summer industrial facility tax payments that would have been

1 paid to the state treasury to the credit of the state school aid
2 fund under subsection (3) had not this subsection allowed the
3 district to receive or retain the summer industrial facility tax
4 payment.

5 (5) For industrial facilities taxes levied after 1993, the
6 amount to be disbursed to a local school district, except for
7 that amount of tax attributable to mills levied under section
8 1211(2) or 1211c of the revised school code, ~~Act No. 451 of the~~
9 ~~Public Acts of 1976, being sections 380.1211 and 380.1211c of the~~
10 ~~Michigan Compiled Laws~~ 1976 PA 451, MCL 380.1211 AND 380.1211C,
11 and mills that are not included as mills levied for school oper-
12 ating purposes under section 1211 of ~~Act No. 451 of the Public~~
13 ~~Acts of 1976, being section 380.1211 of the Michigan Compiled~~
14 ~~Laws~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211, shall
15 be paid to the state treasury and credited to the state school
16 aid fund established by section 11 of article IX of the state
17 constitution of 1963.

18 (6) A speculative building, a new facility, or a replacement
19 facility located in a renaissance zone under the Michigan renaiss-
20 sance zone act, ~~Act No. 376 of the Public Acts of 1996, being~~
21 ~~sections 125.2681 to 125.2696 of the Michigan Compiled Laws~~ 1996
22 PA 376, MCL 125.2681 TO 125.2696, is exempt from the industrial
23 facility tax levied under this act to the extent and for the
24 duration provided pursuant to ~~Act No. 376 of the Public Acts of~~
25 ~~1996~~ THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL
26 125.2681 TO 125.2696, except for that portion of the industrial
27 facility tax attributable to a special assessment or a tax

1 described in section 7ff(2) of the general property tax act, ~~Act~~
2 ~~No. 206 of the Public Acts of 1893, being section 211.7ff of the~~
3 ~~Michigan Compiled Laws~~ 1893 PA 206, MCL 211.7FF. The industrial
4 facility tax calculated under this subsection shall be disbursed
5 proportionately to the local taxing unit or units that levied the
6 special assessment or the tax described in section 7ff(2) of ~~Act~~
7 ~~No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT,
8 1893 PA 206, MCL 211.7FF.