

SENATE BILL No. 873

December 2, 2003, Introduced by Senators ALLEN, TOY, VAN WOERKOM, SANBORN, GOSCHKA, BISHOP, BIRKHOLZ, CROPSEY, HAMMERSTROM, SIKKEMA, KUIPERS, JOHNSON, HARDIMAN, JELINEK, GEORGE and GILBERT and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1978 PA 255, entitled
 "Commercial redevelopment act,"
 by amending section 12 (MCL 207.662), as amended by 1998 PA 243.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) Except as provided in ~~subsection~~ **subsections**
 2 (9) **and (11)**, there is levied upon every owner of a new,
 3 replacement, or restored facility to which a commercial
 4 facilities exemption certificate is issued a specific tax to be
 5 known as the commercial facilities tax.

6 (2) The amount of the commercial facilities tax, in each
 7 year, in the case of a restored facility shall be determined by
 8 multiplying the total mills levied as ad valorem taxes for that
 9 year by all taxing units within which the facility is located by
 10 the state equalized valuation of the obsolete commercial property
 11 for the tax year immediately preceding the effective date of the

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1 commercial facilities exemption certificate after deducting the
2 state equalized valuation of the land and of personal property
3 other than personal property assessed pursuant to section 14(6)
4 of the general property tax act, 1893 PA 206, MCL 211.14.

5 (3) The amount of the commercial facilities tax, in each
6 year, in the case of a new or replacement facility shall be
7 determined by multiplying the state equalized valuation of the
8 facility excluding the land and personal property other than
9 personal property assessed pursuant to section 14(6) of the
10 general property tax act, 1893 PA 206, MCL 211.14, by the sum of
11 1/2 of the total mills levied as ad valorem taxes for that year
12 by all taxing units within which the facility is located other
13 than mills levied for school operating purposes by a local or
14 intermediate school district within which the facility is located
15 or mills levied under the state education tax act, 1993 PA 331,
16 MCL 211.901 to 211.906, plus 1/2 of the number of mills levied
17 for school operating purposes in 1993.

18 (4) The commercial facilities tax shall be collected,
19 disbursed, and assessed in accordance with this act.

20 (5) The commercial facilities tax is an annual tax, payable
21 at the same times, in the same installments, and to the same
22 officer or officers as taxes imposed under the general property
23 tax act, 1893 PA 206, MCL 211.1 to 211.157, are payable. Except
24 as otherwise provided in this section, the officer or officers
25 shall disburse the commercial facilities tax payments received by
26 the officer or officers each year to and among the state, cities,
27 townships, villages, school districts, counties, and authorities,

1 at the same times and in the same proportions as required by law
2 for the disbursement of taxes collected under the general
3 property tax act, 1893 PA 206, MCL 211.1 to 211.157. To
4 determine the proportion for the disbursement of taxes under this
5 subsection and for attribution of taxes under subsection (7) for
6 taxes collected pursuant to commercial facilities exemption
7 certificates issued before January 1, 1994, the number of mills
8 levied for local school district operating purposes to be used in
9 the calculation shall equal the number of mills for local school
10 district operating purposes levied in 1993 minus the number of
11 mills levied under the state education tax act, 1993 PA 331, MCL
12 211.901 to 211.906, for the year for which the disbursement is
13 calculated.

14 (6) Except as provided in subsection (7), for intermediate
15 school districts receiving state aid under sections 56, 62, and
16 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656,
17 388.1662, and 388.1681, of the amount that would otherwise be
18 disbursed to an intermediate school district, all or a portion,
19 to be determined on the basis of the tax rates being utilized to
20 compute the amount of state aid, shall be paid to the state
21 treasury to the credit of the state school aid fund established
22 by section 11 of article IX of the state constitution of 1963.
23 If the sum of any industrial facility taxes prescribed by 1974 PA
24 198, 207.551 to 207.572, and the commercial facilities taxes paid
25 to the state treasury to the credit of the state school aid fund
26 that would otherwise be disbursed to the local or intermediate
27 school district, pursuant to section 11 of 1974 PA 198, MCL

1 207.561, and this section, exceeds the amount received by the
2 local or intermediate school district under sections 56, 62, and
3 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656,
4 388.1662, and 388.1681, the department of treasury shall allocate
5 to each eligible local or intermediate school district an amount
6 equal to the difference between the sum of the industrial
7 facility taxes and the commercial facilities taxes paid to the
8 state treasury to the credit of the state school aid fund and the
9 amount the local or intermediate school district received under
10 sections 56, 62, and 81 of the state school aid act of 1979, 1979
11 PA 94, MCL 388.1656, 388.1662, and 388.1681. This subsection
12 applies to taxes levied before 1994.

13 (7) For commercial facilities taxes levied after 1993 for
14 school operating purposes, the amount that would otherwise be
15 disbursed to a local school district shall be paid instead to the
16 state treasury and credited to the state school aid fund
17 established by section 11 of article IX of the state constitution
18 of 1963.

19 (8) The officer or officers shall send a copy of the amount
20 of disbursement made to each unit under this section to the
21 commission on a form provided by the commission.

22 (9) A new, replacement, or restored facility located in a
23 renaissance zone under the Michigan renaissance zone act, 1996 PA
24 376, MCL 125.2681 to 125.2696, is exempt from the commercial
25 facilities tax levied under this act to the extent and for the
26 duration provided pursuant to the Michigan renaissance zone act,
27 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of

1 the commercial facilities tax attributable to a special
2 assessment or a tax described in section 7ff(2) of the general
3 property tax act, 1893 PA 206, MCL 211.7ff. The commercial
4 facilities tax calculated under this subsection shall be
5 disbursed proportionately to the local taxing unit or units that
6 levied the special assessment or the tax described in
7 section 7ff(2) of the general property tax act, 1893 PA 206, MCL
8 211.7ff.

9 (10) As used in this act, facility does not include a
10 casino. As used in this subsection, "casino" means a casino or a
11 parking lot, hotel, motel, or retail store owned or operated by a
12 casino, an affiliate, or an affiliated company, regulated by this
13 state pursuant to the Michigan gaming control and revenue act,
14 the Initiated Law of 1996, MCL 432.201 to ~~432.216~~ 432.226.

15 (11) A new, replacement, or restored facility owned or
16 operated by a qualified start-up business is exempt from the
17 commercial facilities tax levied under this act, except for that
18 portion or the commercial facilities tax attributable to a tax
19 described in section 7ff(2) of the general property tax act, 1893
20 PA 206, MCL 211.7ff, for 5 years beginning on the December 31 in
21 the year in which the qualified start-up business first claimed
22 the credit under section 31a of the single business tax act, 1975
23 PA 228, MCL 208.31a. The commercial facilities tax calculated
24 under this subsection shall be disbursed proportionately to the
25 taxing unit or units that levied the tax described in section
26 7ff(2) of the general property tax act, 1893 PA 206,
27 MCL 211.7ff. As used in this subsection, "qualified start-up

1 business" means that term as defined in section 31a of the single
2 business tax act, 1975 PA 228, MCL 208.31a.