

HOUSE BILL No. 5541

December 6, 2007, Introduced by Reps. Dean, Robert Jones, Bieda, Wenke, Condino, Corriveau and Angerer and referred to the Committee on Tax Policy.

A bill to amend 1980 PA 450, entitled
"The tax increment finance authority act,"
(MCL 125.1801 to 125.1830) by adding section 12b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 12B. (1) IF THE AMOUNT OF TAX INCREMENT REVENUES LOST AS
2 A RESULT OF THE PERSONAL PROPERTY TAX EXEMPTIONS PROVIDED BY
3 SECTION 1211(4) OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL
4 380.1211, SECTION 3 OF THE STATE EDUCATION TAX ACT, 1993 PA 331,
5 MCL 211.903, SECTION 14(4) OF 1974 PA 198, MCL 207.564, AND SECTION
6 9K OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.9K, WILL
7 REDUCE THE ALLOWABLE SCHOOL TAX CAPTURE RECEIVED IN A FISCAL YEAR
8 BY AN AUTHORITY UNDER SECTION 14 USED TO REPAY AN ADVANCE MADE
9 BEFORE JULY 12, 2007, OR TO PAY AN OBLIGATION ISSUED OR INCURRED

1 BEFORE JULY 12, 2007, THE LEGISLATURE SHALL APPROPRIATE AND
2 DISTRIBUTE TO THE AUTHORITY THE AMOUNT DESCRIBED IN SUBSECTION (5).

3 (2) NOT LESS THAN 30 DAYS BEFORE THE FIRST DAY OF A FISCAL
4 YEAR, AN AUTHORITY ELIGIBLE TO RETAIN TAX INCREMENT REVENUES FROM
5 TAXES LEVIED BY A LOCAL OR INTERMEDIATE SCHOOL DISTRICT OR THIS
6 STATE OR TO RECEIVE A DISTRIBUTION UNDER THIS SECTION FOR THAT
7 FISCAL YEAR SHALL FILE A CLAIM WITH THE DEPARTMENT OF TREASURY. THE
8 CLAIM SHALL INCLUDE THE FOLLOWING INFORMATION:

9 (A) THE PROPERTY TAX MILLAGE RATES EXPECTED TO BE LEVIED BY
10 LOCAL SCHOOL DISTRICTS WITHIN THE JURISDICTIONAL AREA OF THE
11 AUTHORITY FOR SCHOOL OPERATING PURPOSES FOR THAT FISCAL YEAR.

12 (B) THE TAX INCREMENT REVENUES ESTIMATED TO BE RECEIVED BY THE
13 AUTHORITY FOR THAT FISCAL YEAR BASED UPON ACTUAL PROPERTY TAX
14 LEVIES OF ALL TAXING JURISDICTIONS WITHIN THE JURISDICTIONAL AREA
15 OF THE AUTHORITY.

16 (C) THE TAX INCREMENT REVENUES THE AUTHORITY ESTIMATES IT
17 WOULD HAVE RECEIVED FOR THAT FISCAL YEAR IF THE PERSONAL PROPERTY
18 TAX EXEMPTIONS DESCRIBED IN SUBSECTION (1) WERE NOT IN EFFECT.

19 (D) A LIST AND DOCUMENTATION OF OBLIGATIONS ISSUED OR INCURRED
20 BEFORE JULY 12, 2007 AND ADVANCES MADE BEFORE JULY 12, 2007 AND THE
21 PAYMENTS DUE ON EACH OF THOSE OBLIGATIONS AND ADVANCES IN THAT
22 FISCAL YEAR, AND THE TOTAL AMOUNT OF ALL THE PAYMENTS DUE ON THOSE
23 OBLIGATIONS AND ADVANCES IN THAT FISCAL YEAR.

24 (E) THE AMOUNT OF MONEY, OTHER THAN TAX INCREMENT REVENUES,
25 ESTIMATED TO BE RECEIVED IN THAT FISCAL YEAR BY THE AUTHORITY THAT
26 IS PRIMARILY PLEDGED TO, AND TO BE USED FOR, THE PAYMENT OF AN
27 OBLIGATION ISSUED OR INCURRED BEFORE JULY 12, 2007 OR THE REPAYMENT

1 OF AN ADVANCE MADE BEFORE JULY 12, 2007. THAT AMOUNT SHALL NOT
2 INCLUDE EXCESS TAX INCREMENT REVENUES OF THE AUTHORITY THAT ARE
3 PERMITTED BY LAW TO BE RETAINED BY THE AUTHORITY FOR PURPOSES THAT
4 FURTHER THE DEVELOPMENT PROGRAM. HOWEVER, THAT AMOUNT SHALL INCLUDE
5 MONEY TO BE OBTAINED FROM SOURCES AUTHORIZED BY LAW, WHICH LAW IS
6 ENACTED ON OR AFTER DECEMBER 1, 1993, FOR USE BY THE MUNICIPALITY
7 OR AUTHORITY TO FINANCE A DEVELOPMENT PLAN.

8 (F) THE AMOUNT OF A DISTRIBUTION RECEIVED PURSUANT TO THIS ACT
9 FOR A FISCAL YEAR IN EXCESS OF OR LESS THAN THE DISTRIBUTION THAT
10 WOULD HAVE BEEN REQUIRED IF CALCULATED UPON ACTUAL TAX INCREMENT
11 REVENUES RECEIVED FOR THAT FISCAL YEAR.

12 (G) A LIST AND DOCUMENTATION OF OTHER PROTECTED OBLIGATIONS
13 AND THE PAYMENTS DUE ON EACH OF THOSE OTHER PROTECTED OBLIGATIONS
14 IN THAT FISCAL YEAR, AND THE TOTAL AMOUNT OF ALL THE PAYMENTS DUE
15 ON THOSE OTHER PROTECTED OBLIGATIONS IN THAT FISCAL YEAR.

16 (3) FOR THE FISCAL YEAR THAT COMMENCES AFTER SEPTEMBER 30,
17 2007 AND BEFORE OCTOBER 1, 2008, AN AUTHORITY MAY MAKE A CLAIM WITH
18 ALL INFORMATION REQUIRED BY SUBSECTION (2) AT ANY TIME AFTER MARCH
19 15, 2008.

20 (4) AFTER REVIEW AND VERIFICATION OF CLAIMS SUBMITTED UNDER
21 THIS SECTION, AMOUNTS APPROPRIATED BY THIS STATE IN COMPLIANCE WITH
22 THIS ACT SHALL BE DISTRIBUTED AS 2 EQUAL PAYMENTS ON MARCH 1 AND
23 SEPTEMBER 1 AFTER RECEIPT OF A CLAIM. AN AUTHORITY SHALL ALLOCATE A
24 DISTRIBUTION IT RECEIVES FOR AN ELIGIBLE OBLIGATION ISSUED ON
25 BEHALF OF A MUNICIPALITY TO THE MUNICIPALITY.

26 (5) SUBJECT TO SUBSECTIONS (6) AND (7), THE AGGREGATE AMOUNT
27 TO BE APPROPRIATED AND DISTRIBUTED UNDER THIS SECTION TO AN

1 AUTHORITY SHALL BE THE SUM OF THE AMOUNTS DETERMINED UNDER
2 SUBDIVISIONS (A) AND (B) MINUS THE AMOUNT DETERMINED UNDER
3 SUBDIVISION (C), AS FOLLOWS:

4 (A) THE AMOUNT BY WHICH THE TAX INCREMENT REVENUES THE
5 AUTHORITY WOULD HAVE RECEIVED FOR THE FISCAL YEAR, EXCLUDING TAXES
6 EXEMPT UNDER SECTION 7FF OF THE GENERAL PROPERTY TAX ACT, 1893 PA
7 206, MCL 211.7FF, IF THE PERSONAL PROPERTY TAX EXEMPTIONS DESCRIBED
8 IN SUBSECTION (1) WERE NOT IN EFFECT, EXCEED THE TAX INCREMENT
9 REVENUES THE AUTHORITY ACTUALLY RECEIVED FOR THE FISCAL YEAR.

10 (B) A SHORTFALL REQUIRED TO BE REPORTED UNDER SUBSECTION
11 (2) (F) THAT HAD NOT PREVIOUSLY INCREASED A DISTRIBUTION.

12 (C) AN EXCESS AMOUNT REQUIRED TO BE REPORTED UNDER SUBSECTION
13 (2) (F) THAT HAD NOT PREVIOUSLY DECREASED A DISTRIBUTION.

14 (6) IF THE PAYMENTS REQUIRED BY THIS SECTION EXCEED THE AMOUNT
15 APPROPRIATED FOR THAT PURPOSE, THE AMOUNTS DISTRIBUTED UNDER THIS
16 SECTION SHALL FIRST BE PAID TO AUTHORITIES FOR THE AMOUNT THAT THE
17 AMOUNT DESCRIBED IN SUBSECTION (2) (D) EXCEEDS THE SUM OF THE
18 AMOUNTS DESCRIBED IN SUBSECTION (2) (B) AND (E).

19 (7) A DISTRIBUTION UNDER THIS SECTION REPLACING TAX INCREMENT
20 REVENUES PLEDGED BY AN AUTHORITY OR A MUNICIPALITY IS SUBJECT TO
21 THE LIEN OF THE PLEDGE, WHETHER OR NOT THERE HAS BEEN PHYSICAL
22 DELIVERY OF THE DISTRIBUTION.

23 (8) OBLIGATIONS FOR WHICH DISTRIBUTIONS ARE MADE UNDER THIS
24 SECTION ARE NOT A DEBT OR LIABILITY OF THIS STATE; DO NOT CREATE OR
25 CONSTITUTE AN INDEBTEDNESS, LIABILITY, OR OBLIGATION OF THIS STATE;
26 AND ARE NOT AND DO NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT
27 OF THIS STATE.

1 (9) NOT LATER THAN JULY 1 OF EACH YEAR, THE AUTHORITY SHALL
2 CERTIFY TO THE LOCAL TAX COLLECTING TREASURER THE AMOUNT OF THE
3 DISTRIBUTION REQUIRED UNDER SUBSECTION (5), CALCULATED WITHOUT
4 REGARD TO THE RECEIPT OF TAX INCREMENT REVENUES ATTRIBUTABLE TO
5 LOCAL OR INTERMEDIATE SCHOOL DISTRICT TAXES OR ATTRIBUTABLE TO
6 TAXES LEVIED UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL
7 211.901 TO 211.906.

8 (10) CALCULATIONS OF DISTRIBUTIONS UNDER THIS SECTION AND
9 CLAIMS REPORTS REQUIRED TO BE MADE UNDER SUBSECTION (2) SHALL BE
10 MADE ON THE BASIS OF EACH DEVELOPMENT AREA OF THE AUTHORITY.

11 (11) THE STATE TAX COMMISSION MAY PROVIDE THAT THE
12 REIMBURSEMENT CALCULATIONS UNDER THIS SECTION AND THE CALCULATION
13 OF ALLOWABLE CAPTURE OF SCHOOL TAXES SHALL BE MADE FOR EACH
14 CALENDAR YEAR'S TAX INCREMENT REVENUES USING A 12-MONTH DEBT
15 PAYMENT PERIOD USED BY THE AUTHORITY AND APPROVED BY THE STATE TAX
16 COMMISSION.