

HOUSE BILL No. 4681

June 4, 2015, Introduced by Reps. Dianda, Robinson, Singh, Pagan, Durhal, Plawecki and Chirkun and referred to the Committee on Tax Policy.

A bill to authorize certain local governmental entities to collect user fees for public services that are underfunded under certain circumstances; to provide for the disbursement of the user fees; and to provide for the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "public service providers indemnification act".

3 Sec. 3. As used in this act:

4 (a) "Commission" means the state tax commission created by
5 1927 PA 360, MCL 209.101 to 209.107.

6 (b) "Local tax collecting unit" means that term as used in the
7 general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

8 (c) "Local taxing unit" means that term as used in the general

1 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

2 (d) "Public services" means all services and facilities
3 provided by a local taxing unit for public use that are funded in
4 whole or in part by taxes collected under the general property tax
5 act, 1893 PA 206, MCL 211.1 to 211.155.

6 (e) "Qualified real property" means real property subject to
7 taxation under the general property tax act, 1893 PA 206, MCL 211.1
8 to 211.155, for which the taxable value was materially limited by a
9 final decision, finding, ruling, or order of a court or
10 administrative tribunal applying an assessment methodology that
11 valued that real property as if, at the time of valuation, it was
12 vacant and available for purchase when, in fact, it was occupied
13 and used for a substantial business purpose.

14 (f) "Taxable value" means that value as determined under
15 section 27a of the general property tax act, 1893 PA 206, MCL
16 211.27a.

17 (g) "Underfunded public services" means public services
18 provided by a local taxing unit that benefit qualified real
19 property located within that unit's taxing jurisdiction.

20 (h) "User fee" means the fee described in section 5.

21 Sec. 5. (1) An owner of qualified real property benefited by
22 an underfunded public service shall pay a user fee for that service
23 in an amount that shall not exceed the additional property tax that
24 would have been levied under the general property tax act, 1893 PA
25 206, MCL 211.1 to 211.155, on the qualified real property for the
26 underfunded public service if the assessment methodology described
27 in section 3(e) had not been used.

1 (2) The amount described in subsection (1) shall be determined
2 by the assessor of the local tax collecting unit in which the
3 qualified real property is located in a manner prescribed by the
4 commission.

5 Sec. 7. (1) The user fee is an annual fee, payable at the same
6 times and to the same officer or officers as taxes imposed under
7 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

8 (2) The officer or officers shall disburse each user fee
9 payment to the local taxing unit that provided the underfunded
10 public service for the qualified real property for which the fee
11 was imposed, and the disbursed amount shall not be used for any
12 other purpose.

13 (3) The officer or officers shall send a copy of the amounts
14 disbursed to each local taxing unit under this section to the
15 commission on a form provided by the commission.