# HOUSE BILL NO. 4929

September 10, 2019, Introduced by Reps. Yancey and Afendoulis and referred to the Committee on Tax Policy.

A bill to amend 2014 PA 86, entitled

"Local community stabilization authority act,"

by amending section 16a (MCL 123.1356a), as amended by 2018 PA 247.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1   Sec. 16a. (1) Not later than June 15, 2014 and June 15, 2015,

2   each municipality that is a tax increment finance authority shall

3   calculate and report to the department the municipality's tax

4   increment small taxpayer loss for the current calendar year.

5   (2) Not later than June 15, 2016, and each June 15 thereafter,

6   each municipality that is a tax increment finance authority shall
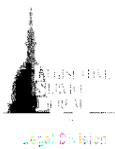
1   do all of the following for each of its tax increment financing
2   plans:
3   (a) Calculate separately for each category of property the
4   captured value of all industrial personal property and commercial
5   personal property in the municipality that is a tax increment
6   finance authority in 2013 and add any increased captured value for
7   the current year.
8   (b) ~~From~~ **For the 2016, 2017, 2018, and 2019 calendar years'**
9   **calculations, from** each amount calculated in subdivision (a),
10 subtract the captured value of all industrial personal property and
11 commercial personal property in the municipality that is a tax
12 increment finance authority in the current year for that category
13 of property and multiply the resulting amount by each individual
14 millage rate calculated under section 13(5), to the extent the
15 millage is subject to capture by that tax increment finance
16 authority for that category of property. **For the calendar year 2020**
17 **and subsequent years' calculations, from each amount calculated in**
18 **subdivision (a), subtract the captured value of all industrial**
19 **personal property and commercial personal property in the**
20 **municipality that is a tax increment finance authority in the**
21 **current year for that category of property and multiply the**
22 **resulting amount by each individual millage rate calculated under**
23 **section 13(4) and (5) and the state education tax levied under the**
24 **state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to**
25 **the extent the millage is subject to capture by that tax increment**
26 **finance authority for that category of property.**
27   (c) Add all of the amounts calculated under subdivision (b).
28 If the estimated amount of tax increment revenue for the current
29 year for all property in the municipality that is a tax increment

1   finance authority is negative, the sum of the subdivision (b)

2   amounts calculated under this subdivision shall be reduced by that

3   negative amount.

4   (d) For calendar year 2017 calculations only, adjust the

5   amount calculated under subdivision (c) by the amount required to

6   reflect changes in prior year taxable values that affect any prior

7   year calculation under this section and that can be calculated from

8   taxable values reported under section 151(1) of the state school

9   aid act of 1979, 1979 PA 94, MCL 388.1751.

10   (e) For an obligation refinanced after 2012, estimate for the

11 term of the obligation:

12   (*i*) The cumulative school district operating tax and state

13 education tax that would have been captured to repay the obligation

14 had the obligation not been refinanced.

15   (*ii*) The cumulative amount calculated under subdivision (c), as

16 adjusted by subdivision (d), for school district operating tax and

17 state education tax for the obligation had it not been refinanced.

18   (f) Once the amount included in subdivision (c), as adjusted

19 by subdivision (d), for the current and prior years for school

20 operating tax and state education tax for the refinanced obligation

21 equals the amount estimated in subdivision (e)(*ii*), subtract from

22 the amount calculated under subdivision (c), as adjusted by

23 subdivision (d), the amount calculated under subdivision (c), as

24 adjusted by subdivision (d), for school district operating tax and

25 state education tax for the refinanced obligation.

26   (g) Once the amount of school district operating tax and state

27 education tax captured for the current and prior years to pay the

28 refinanced obligation equals the amount estimated under subdivision

29 (e)(*i*), subtract from the amount calculated in subdivision (c), as

1 adjusted by subdivision (d), the amount of school operating tax and

2 state education tax captured to repay the refinanced obligation.

3   (3) Not later than June 15, 2016, and each June 15 thereafter,

4 each municipality that is a tax increment finance authority shall

5 report to the department the results of the calculations under

6 subsection (2) for each tax increment financing plan.