

LOCAL COMMUNITY STABILIZATION AUTHORITY ACT (EXCERPT)
Act 86 of 2014

123.1358 Distributions; determination by department; submission of information by municipality; availability; municipality review and reporting.

Sec. 18. (1) Beginning in fiscal year 2015-2016, and each fiscal year thereafter, the department shall determine the amount of the distributions under this act, except for the payments under section 17(4)(a)(vii) and (viii) and section 17(4)(d)(ii).

(2) Each municipality shall submit to the department sufficient information for the department to make its calculations under this act, except for the payments under section 17(4)(a)(vii) and (viii) and section 17(4)(d)(ii), as determined by the department.

(3) The department shall annually make the distribution calculations, except for the payments under section 17(4)(a)(vii) and (viii) and section 17(4)(d)(ii), and the commercial personal property and industrial personal property taxable values available on the internet.

(4) For calendar year 2018, each municipality may review the prior year distribution calculations that the department posted on the internet to determine if there are any errors in reporting under section 13(4) or any calculation errors made by the department. For calendar year 2018 and subsequent calendar years, each municipality may review the current year distribution calculations that the department posted on the internet to determine if there are any errors in reporting under section 13(4) or any calculation errors made by the department. A municipality may notify the department of any errors identified, in a form and manner prescribed by the department, by providing substantiating documentation to support an adjustment to the payment amount by March 31 of the year following the calendar year for which the payments are calculated, except that for errors identified in calculations under section 13(5) for the current calendar year, a municipality shall notify the department by August 1 of the calendar year for which the payments are calculated. Upon the department's review of the substantiating documentation and verification of the errors, the department shall calculate an underpayment or overpayment amount in accordance with section 17(5). The department shall determine if the substantiating documentation is sufficient.

(5) Each municipality may review the annual commercial personal property and industrial personal property taxable values posted by the department on the internet to determine if there are any errors in reporting under section 13(3) or any calculation errors made by the department. A municipality may notify the department of any errors identified, in a form and manner prescribed by the department, by providing substantiating documentation to support an adjustment to the payment amount, as described in subdivisions (a) to (e). Upon the department's review of the substantiating documentation and verification of the errors, the department shall calculate an underpayment or overpayment amount in accordance with section 17(5). The department shall determine if the substantiating documentation is sufficient. Error notifications under this subsection are subject to the following, as applicable:

(a) For the 2013, 2014, and 2015 commercial personal property and industrial personal property taxable values, as reported by the county equalization director in calendar year 2015 under section 13(3), if a municipality identifies an inaccurate commercial personal property or industrial personal property taxable value, the municipality must report the error to the county equalization director by November 30, 2021, except as provided in section 17(6), by providing substantiating documentation to support the corrected value. County equalization directors shall review all reported inaccurate commercial personal property and industrial personal property taxable values and determine all municipalities affected by the inaccurate commercial personal property and industrial personal property taxable values. If a county equalization director identifies an inaccurate commercial personal property or industrial personal property taxable value, the county equalization director shall determine all municipalities affected by the inaccurate commercial personal property or industrial personal property taxable value. County equalization directors shall notify the department by December 30, 2021, of any corrected 2013, 2014, and 2015 commercial personal property and industrial personal property taxable values for each affected municipality. County equalization directors shall provide to the department substantiating documentation to support the corrected values.

(b) For the 2013 and 2016 commercial personal property and industrial personal property taxable values, as reported by the county equalization director in calendar year 2016 under section 13(3), municipalities must report any inaccurate commercial personal property and industrial personal property taxable values to the county equalization director by February 28, 2019, except as provided in section 17(6). County equalization directors shall notify the department by March 29, 2019, of any corrected 2013 and 2016 commercial personal property and industrial personal property taxable values by providing substantiating documentation to support the corrected values.

(c) For the 2013, 2014, 2015, and 2016 commercial personal property and industrial personal property

taxable values, as reported on July 10, 2017, under section 151(1) of the state school aid act of 1979, 1979 PA 94, MCL 388.1751, municipalities must report any inaccurate commercial personal property and industrial personal property taxable values to the county treasurer by February 28, 2019, except as provided in section 17(6). County treasurers shall notify the department by March 29, 2019, of any corrected 2013, 2014, 2015, and 2016 commercial personal property and industrial personal property taxable values by providing substantiating documentation to support the corrected values. For purposes of this subdivision, the corrected 2013, 2014, 2015, and 2016 commercial personal property and industrial personal property taxable values shall be the current taxable values on July 10, 2017.

(d) For the 2013 and 2017 commercial personal property and industrial personal property taxable values, as reported by the county equalization director in calendar year 2017 under section 13(3), municipalities must report any inaccurate commercial personal property and industrial personal property taxable values to the county equalization director by February 28, 2019, except as provided in section 17(6). County equalization directors shall notify the department by March 29, 2019, of any corrected 2013 and 2017 commercial personal property and industrial personal property taxable values by providing substantiating documentation to support the corrected values.

(e) For 2018 and subsequent years' commercial personal property and industrial personal property taxable values, as reported by the county equalization director by May 31 of each year under section 13(3), if a municipality identifies an inaccurate commercial personal property or industrial personal property taxable value for the current year, the municipality must report the error to the county equalization director by February 28 of the following year, by providing substantiating documentation to support the corrected value. County equalization directors shall review all reported inaccurate commercial personal property and industrial personal property taxable values and determine all municipalities affected by the inaccurate commercial personal property and industrial personal property taxable values. If a county equalization director identifies an inaccurate commercial personal property or industrial personal property taxable value, the county equalization director shall determine all municipalities affected by the inaccurate commercial personal property or industrial personal property taxable value. County equalization directors shall notify the department by March 31 of each year of any corrected prior year commercial personal property and industrial personal property taxable values for each affected municipality. County equalization directors shall provide to the department substantiating documentation to support the corrected values.

History: 2014, Act 86, Eff. Aug. 22, 2014;—Am. 2018, Act 247, Imd. Eff. June 28, 2018;—Am. 2018, Act 248, Imd. Eff. June 28, 2018;—Am. 2018, Act 616, Imd. Eff. Dec. 28, 2018;—Am. 2020, Act 198, Imd. Eff. Oct. 15, 2020.

Compiler's note: Enacting section 2 of Act 86 of 2014 provides:

"Enacting section 2. This act does not take effect unless Senate Bill No. 822 of the 97th Legislature is approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Enacting section 3 of Act 86 of 2014 provides:

"Enacting section 3. If Senate Bill No. 822 of the 97th Legislature is not approved by the majority of the qualified electors of this state voting on the question at an election to be held on the August regular election in 2014, for fiscal year 2014-2015, the legislature shall appropriate an amount sufficient to make the appropriation described in section 17(1)(a) for fiscal year 2014-2015."

Compiler's note: Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

"APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.
2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.
3. Increase portion of state use tax dedicated for aid to local school districts.
4. Prohibit Authority from increasing taxes.
5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES ☐

NO ☐

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.