

**ENTERPRISE ZONE ACT (EXCERPT)**  
**Act 224 of 1985**

**125.2121 Enterprise zone created before 1994; levy of specific tax; amount; payment; disbursement; agreement; credit; lien; eligibility for credit; funding emergency dispatch services, senior citizen centers, and substance abuse rehabilitation services.**

Sec. 21. (1) This section applies only to an owner of property located in an enterprise zone that was created before 1994.

(2) Except as provided in section 21c, a specific tax is levied in each year upon an owner of property exempted under section 20(1) or 20b, the amount of which is determined by multiplying 50% of the average rate of taxation levied upon other commercial, industrial, and utility property upon which ad valorem taxes are assessed as determined each year by the state board of assessors under section 13 of Act No. 282 of the Public Acts of 1905, being section 207.13 of the Michigan Compiled Laws, by the state equalized valuation of that property excluding the exemptions granted by this act.

(3) Except as provided in section 21c, a specific tax is levied in each year upon an owner of property exempted under section 20a, the amount of which is determined by multiplying the total millage levied as ad valorem real and personal property taxes for that year upon other commercial, industrial, and utility property by all taxing units within which the property is located by the state equalized valuation of that property excluding the exemptions granted by this act.

(4) The tax levied under subsection (2) is an annual tax payable at the same times, in the same installments, and to the same officer or officers as taxes imposed under the general property tax act are payable. The officer or officers shall disburse the tax payments received each year under subsection (2), at the same times as taxes imposed under the general property tax act are disbursed, to the local governmental unit in which the property is located.

(5) The tax levied under subsection (3) is an annual tax payable to the same officer or officers as taxes imposed under the general property tax act with 1/2 of the tax levied on July 1 and 1/2 levied on December 1. The officer or officers shall disburse the tax payments received each year under subsection (3) to the same local governmental unit, school districts, county, and authorities at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act, except for the following:

(a) The amount that would otherwise be disbursed to a local school district for school operating purposes or to this state under the state education act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, shall be paid instead to the local governmental unit in which the property is located.

(b) There shall be paid to the local governmental unit in which the property is located a portion of the tax that would otherwise not be paid to the local governmental unit equal to the proportion of ad valorem property taxes levied on commercial and industrial property in the year before the exemption under section 20a first applies which proportion was captured under a tax increment financing plan.

(6) A local governmental unit that receives money under subsection (5) may enter into an agreement with any of the following:

(a) A downtown development authority or tax increment finance authority to share a portion of the money received by the local governmental unit under subsection (5) in not more than the same proportion that the authority would have received if the tax levied under subsection (3) could be captured under a tax increment financing plan.

(b) A taxing unit that receives revenue under subsection (5) to share a portion of the money received by the local governmental unit under subsection (5) not to exceed the taxing unit's net reduction in revenue pursuant to the exemption under section 20a.

(7) The owner of property subject to the tax under subsection (3) may claim a credit against the tax levied on December 1 under subsection (3) for the sum of all the following, but not more than the amount by which the tax levied for the year under subsection (3) exceeds the amount determined by multiplying the average rate of taxation levied upon other commercial, industrial, and utility property upon which ad valorem taxes are assessed as determined each year by the state board of assessors under section 13 of Act No. 282 of the Public Acts of 1905 by the state equalized valuation of that property excluding the exemptions granted by this act:

(a) The amount spent in the year to restore, alter, renovate, or improve real property located in the enterprise zone.

(b) Fifteen percent of wages paid during the year to residents of the enterprise zone who were hired by the owner after May 24, 1990 and who were employed at some time during the 6 months before being hired.

(c) Twenty-five percent of wages paid during the year to residents of the enterprise zone who were hired by the owner after May 24, 1990 and who were not employed at any time during the 6 months before being hired.

(d) Cash and in-kind contributions made by that owner during the year to and accepted by a local taxing unit located in the enterprise zone.

(8) The amount of the tax levied upon real property under subsection (2) or (3), until paid, is a lien upon the real property upon which the tax is levied. Only after the officer files a certificate of nonpayment of the tax, together with an affidavit of proof of service of the certificate of nonpayment upon the owner of the property by certified mail, with the register of deeds of the county in which the property is situated, may proceedings be had upon the lien in the same manner as provided by law for the foreclosure in the circuit court of mortgage liens upon real property.

(9) The owner of property who has failed to pay a tax levied under this section is not eligible to claim the credit under subsection (7).

(10) From the amount disbursed to the local governmental unit pursuant to subsection (5)(a) and (b), the local governmental unit shall disburse to the county in which that local governmental unit is located an amount equal to the product of the state equalized value of all property exempted under sections 20 and 20a(1) and the voter approved special millage rate levied by the county for emergency dispatch services, senior citizen centers, and substance abuse rehabilitation services. The county shall use the amount disbursed under this subsection only to fund emergency dispatch services, senior citizen centers, and substance abuse rehabilitation services.

**History:** 1985, Act 224, Imd. Eff. Jan. 13, 1986;—Am. 1990, Act 80, Imd. Eff. May 24, 1990;—Am. 1991, Act 185, Imd. Eff. Dec. 27, 1991;—Am. 1994, Act 230, Imd. Eff. June 30, 1994;—Am. 1994, Act 311, Imd. Eff. July 20, 1994;—Am. 1996, Act 444, Imd. Eff. Dec. 19, 1996.

**Compiler's note:** Section 2 of Act 80 of 1990 provides: "This amendatory act applies to the 1990 tax year and tax years after the 1990 tax year."