

**LOCAL UNIT OF GOVERNMENT ESSENTIAL SERVICES SPECIAL ASSESSMENT ACT
(EXCERPT)
Act 406 of 2012**

***** 123.1244.new THIS NEW SECTION IS EFFECTIVE WHEN CONDITIONS APPLIED BY ENACTING SECTION 1 OF ACT 406 OF 2012 ARE MET: See enacting section 1 of Act 406 of 2012 *****
123.1244.new THIS SECTION IS REPEALED BY ACT 92 OF 2014 EFFECTIVE WHEN THE CONDITION APPLIED BY ENACTING SECTION 2 IS MET: See enacting sections 1 and 2 of Act 92 of 2014 *****

123.1244.new Creation of special assessment district; calculation of special assessment amount; limitation; affidavit; time and manner of assessment and collection; legislative intent that assessment results in proportionate allocation.

Sec. 4. (1) If a local unit of government creates a special assessment district under section 3, that local unit of government shall calculate the amount of the special assessment levy on each parcel of industrial real property and commercial real property located in the special assessment district in the following manner, subject to the limitation provided under subsection (2):

(a) Calculate the total taxable value of all industrial personal property and commercial personal property in the local unit of government in 2013.

(b) From the amount determined in subdivision (a), subtract the total taxable value of all industrial personal property and commercial personal property in the local unit of government in the current year.

(c) Multiply the result of the calculation in subdivision (b) by the lowest general operating millage rate levied by the local unit of government in the period between 2012 and the year immediately preceding the current year.

(d) Subtract from the result of the calculation in subdivision (c) the reduction in revenue in 2014 resulting from the exemption of personal property under section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, from general operating millage.

(e) Multiply the result of the calculation in subdivision (d) by the percentage of the local unit of government's general operating millage used to fund essential services and essential services equipment in fiscal year 2012.

(f) Add to the result of the calculation in subdivision (e) an amount calculated as follows:

(i) Multiply the result of the calculation in subdivision (b) by the lowest millage rate for a millage dedicated solely for essential services and essential services equipment levied by the local unit of government in the period between 2012 and the year immediately preceding the current year. If a local unit of government has levied more than 1 millage dedicated solely for essential services and essential services equipment, perform the calculation under this subparagraph for each individual dedicated millage and add the results of each calculation to determine a total sum.

(ii) Subtract from the result of the calculation in subparagraph (i) the reduction in revenue in 2014 resulting from the exemption of personal property under section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, from the millages included in the calculation in subparagraph (i).

(g) Divide the result of the calculation in subdivision (f) by the total taxable value of all industrial real property and commercial real property in the local unit of government on which is located personal property exempt under sections 9m and 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n.

(h) Multiply the essential services millage rate calculated in subdivision (g) by the taxable value of each parcel of industrial real property and commercial real property in the local unit of government on which is located personal property exempt under sections 9m and 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n, in the current year.

(2) Subject to subsection (3), for each parcel of industrial real property and commercial real property subject to the special assessment levy calculated under subsection (1), the amount of the special assessment levy calculated under subsection (1) shall not exceed an amount calculated as follows:

(a) Multiply the lowest general operating millage rate levied by the local unit of government in the period between 2012 and the year immediately preceding the current year by the percentage of the local unit of government's general operating millage used to fund essential services and essential services equipment in the 2012 fiscal year.

(b) Add to the result of the calculation under subdivision (a) the lowest millage rate for a millage dedicated solely for essential services and essential services equipment levied by the local unit of government in the period between 2012 and the year immediately preceding the current year. If a local unit of government has levied more than 1 millage dedicated solely for essential services and essential services equipment, perform the calculation under this subparagraph for each individual dedicated millage and add the results of each

calculation to determine a total sum.

(c) Multiply the result of the calculation under subdivision (b) by 50% of the true cash value of all personal property exempt under sections 9m and 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n, located on that industrial real property or commercial real property in the current year.

(3) The limitation under subsection (2) on the special assessment levied under this section does not apply unless an owner of the industrial real property or commercial real property subject to the special assessment submits an affidavit claiming the limitation with the local unit of government within 30 days after the special assessment is assessed. The affidavit shall be in a form prescribed by the department of treasury. The affidavit shall include, but is not limited to, a statement of the estimated true cash value of all personal property exempt under sections 9m and 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n, located on that industrial real property or commercial real property in the year in which the limitation is claimed.

(4) The special assessment calculated under this section shall be assessed and collected at the same time and in the same manner as taxes collected in the July levy under the general property tax act.

(5) It is the intent of the legislature that the special assessment levied under this section results in a proportionate allocation of the financial cost of essential services and essential services equipment across all classes of real property and that the amount of the special assessment levied under this section accurately corresponds to the benefit received by the industrial real property and commercial real property that is conclusively presumed to be benefited by the essential services equipment and the essential services provided under this act.

History: 2012, Act 406, Eff. (pending).

Compiler's note: Enacting section 1 of Act 406 of 2012 provides:

"Enacting section 1. This act does not take effect unless House Bill No. 6026 of the 96th 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 1 of Act 92 of 2014 provides:

"Enacting section 1. The local unit of government essential services special assessment act, 2012 PA 406, MCL 123.1241 to 123.1247, is repealed."

Enacting section 2 of Act 92 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."