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

123.1357.new Appropriation of funds; purposes; distribution to municipalities; distribution of local community stabilization share revenue; priority; payments; insufficient funds.

Sec. 17. (1) The legislature shall appropriate funds for all of the following purposes:

(a) For fiscal year 2014-2015 and fiscal year 2015-2016, to the authority, an amount equal to all debt loss for municipalities that are not a local school district, intermediate school district, or tax increment finance authority, an amount equal to all school debt loss for municipalities that are a local school district or intermediate school district, and an amount equal to all tax increment small taxpayer loss for municipalities that are a tax increment finance authority.

(b) Beginning in fiscal year 2014-2015 and each fiscal year thereafter, an amount equal to the necessary expenses incurred by the authority and the department in implementing this act.

(2) In fiscal year 2014-2015 and fiscal year 2015-2016, the authority shall distribute to municipalities those funds appropriated under subsection (1)(a). However, in fiscal year 2014-2015, if the authority is not able to make the distribution under this subsection, the department shall make the distribution under this subsection on behalf of the authority.

(3) Beginning in fiscal year 2015-2016, the authority shall distribute local community stabilization share revenue as follows in the following order of priority:

(a) The authority shall distribute to each municipality an amount equal to all of the following:

(i) 100% of that municipality's school debt loss in the current year and 100% of its amount calculated under section 15.

(ii) 100% of that municipality's amount calculated under section 16.

(iii) 100% of that municipality's school operating loss not reimbursed by the school aid fund in the current year.

(iv) 100% of the amount calculated in section 14(2). However, the amount distributed to a municipality under this subparagraph shall not exceed the amount calculated in section 14(1)(d). All distributions under this subparagraph shall be used to fund essential services.

(v) For a municipality that is a tax increment finance authority, 100% of its amount calculated under section 16a(2).

(vi) 100% of that municipality's amount calculated under section 14(4).

(b) Beginning in fiscal year 2019-2020, after the distributions under subdivision (a), and subject to subparagraph (viii), the authority shall distribute 5% of the remaining balance of the local community stabilization share fund for the current fiscal year to each municipality that is not a local school district, intermediate school district, or tax increment finance authority in an amount determined as follows:

(i) Calculate the total acquisition cost of all eligible personal property in the municipality.

(ii) Multiply the result of the calculation in subparagraph (i) by the sum of the lowest rate of each individual millage levied by the municipality in the period between 2012 and the year immediately preceding the current year that is not used to calculate a distribution under subdivision (a). For an individual millage rate not levied in 1 of the years, the lowest millage rate is zero. A millage used to make the calculation under this subparagraph must be eligible to be levied against both real property and personal property.

(iii) Divide the sum of the amounts calculated under subparagraph (ii) for all municipalities by total qualified loss.

(iv) Multiply the result of the calculation in subparagraph (iii) by the amount to be distributed under this subdivision.

For fiscal year 2020-2021, and each fiscal year thereafter, the percentage amount described in this subdivision shall be increased an additional 5% each year, not to exceed 100%.

(c) After the distributions in subdivisions (a) and (b), the authority shall distribute the remaining balance of...
that fiscal year's local community stabilization share fund to each municipality in an amount determined by multiplying the remaining balance by a fraction, the numerator of which is that municipality's qualified loss and the denominator of which is the total qualified loss.

(4) The authority shall make the payments required by subsection (3) not later than on the following dates:
   (a) For county allocated millage, September 20 of the year the millage is levied.
   (b) For county extra-voted millage, township millage, and other millages levied 100% in December of a year, February 20 of the following year.
   (c) For other millages, October 20 of the year the millage is levied.

(5) If the authority has insufficient funds to make the payments on the dates required in subsection (4), the department shall advance to the authority the amount necessary for the authority to make the required payments. The authority shall repay the advance to the department from the local community stabilization share.

**History:** 2014, Act 86, Eff. (pending).

**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."