ENTERPRISE ZONE ACT (EXCERPT)
Act 224 of 1985

125.2121b Enterprise zone created after 1993; levy of specific tax; amount; payment; disbursement; lien; qualification as replacement facility; failure to pay tax; allocation to school district.

Sec. 21b. (1) This section applies only to an owner of property located in an enterprise zone that was created after 1993.

(2) Except as provided in section 21c, a specific tax is levied in each year upon an owner of property exempted under section 20(2) or 20b, the amount of which is the sum of the following:

(a) The product of 50% of the average rate of taxation levied upon other commercial, industrial, and utility property upon which ad valorem taxes are assessed in that local governmental unit, excluding ad valorem taxes levied under the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, multiplied by the increased state equalized valuation of that property excluding the exemptions granted by this act.

(b) The product of the millage levied under Act No. 331 of the Public Acts of 1993, multiplied by the increased state equalized valuation of that property, excluding the exemptions granted by this act.

(c) The product of the total millage levied as ad valorem real and personal property taxes for that year by all local taxing units within which the property is located multiplied by the initial state equalized valuation of that property excluding the exemptions granted by this act.

(3) 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.

(4) The officer or officers shall disburse the portion of the tax payments received each year calculated under subsection (2)(a), 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 to be used solely to make public improvements within the enterprise zone or to repay obligations of which the proceeds are used to make public improvements within the enterprise zone.

(5) The officer or officers shall disburse the portion of the tax payments received each year calculated under subsection (2)(b) and (c) to the same 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. However, if the property is located in a tax increment financing district, the officer or officers shall pay to the tax increment financing authority a portion of the taxes paid equal to the proportion of ad valorem property taxes levied on commercial and industrial property in the enterprise zone in the year before the exemption under section 20(2) first applies which proportion was captured under a tax increment financing plan.

(6) The amount of the tax levied upon real property under subsection (2), 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.

(7) A local governmental unit, in its action establishing the boundaries of its enterprise zones, may waive the portion of the tax calculated under subsection (2)(a) and (b) on the real property that would qualify as a replacement facility under section 2(3) of Act No. 198 of the Public Acts of 1974, being section 207.552 of the Michigan Compiled Laws.

(8) The owner of property who has failed to pay a tax levied under this section is not eligible for the exemption under section 20(2) for the succeeding tax years.

(9) If a local or intermediate school district receives state aid under section 20, 56, 62, or 81 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1620, 388.1656, 388.1662, and 388.1681 of the Michigan Compiled Laws, of the amount that would otherwise be disbursed under subsection (5) to a local or intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, shall be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963. If and for the period that the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, is amended or its successor act is enacted or amended to include a provision that provides for adjustments in state school aid to account for the receipt of revenues provided under this act in place of exempted ad valorem property tax, revenues required to be remitted or returned to the state treasury to the credit of the state school aid fund shall be distributed instead to the local school

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districts. If the sum of any industrial facility tax levied under Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.572 of the Michigan Compiled Laws, the commercial facilities tax levied under the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being sections 207.651 to 207.668 of the Michigan Compiled Laws, the neighborhood enterprise zone tax levied under the neighborhood enterprise zone act, Act No. 147 of the Public Acts of 1992, being sections 207.771 to 207.787 of the Michigan Compiled Laws, and the tax levied under this act paid to the state treasury to the credit of the state school aid fund that would otherwise be disbursed to the local or intermediate school district exceeds the amount received by the local or intermediate school district under section 20, 56, 62, or 81 of Act No. 94 of the Public Acts of 1979, the department of treasury shall allocate to each eligible local or intermediate school district an amount equal to the difference between the sum of the industrial facility tax, the commercial facilities tax, the neighborhood enterprise zone tax, and the tax levied under this act paid to the state treasury to the credit of the state school aid fund and the amount the local or intermediate school district received under section 20, 56, 62, or 81 of Act No. 94 of the Public Acts of 1979.

History: Add. 1994, Act 311, Imd. Eff. July 20, 1994;—Am. 1996, Act 444, Imd. Eff. Dec. 19, 1996.

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