



# HOUSE BILL No. 5197

October 3, 1995, Introduced by Reps. Kukuk, LeTarte, Voorhees, Weeks, Green, Hammerstrom, Jellema, Byl, Profit, Kaza, McNutt, Rocca, Hertel, Pitoniak and London and referred to the Committee on Tax Policy.

A bill to amend section 12 of Act No. 255 of the Public Acts of 1978, entitled "Commercial redevelopment act," as amended by Act No. 368 of the Public Acts of 1994, being section 207.662 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 12 of Act No. 255 of the Public Acts of  
2 1978, as amended by Act No. 368 of the Public Acts of 1994, being  
3 section 207.662 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 12. (1) ~~There~~ EXCEPT AS PROVIDED IN SUBSECTION (9),  
6 THERE is levied upon every owner of a new, replacement, or  
7 restored facility to which a commercial facilities exemption  
8 certificate is issued a specific tax to be known as the  
9 commercial facilities tax.

1       (2) The amount of the commercial facilities tax, in each  
2 year, in the case of a restored facility shall be determined by  
3 multiplying the total mills levied as ad valorem taxes for that  
4 year by all taxing units within which the facility is located by  
5 the state equalized valuation of the obsolete commercial property  
6 for the tax year immediately preceding the effective date of the  
7 commercial facilities exemption certificate after deducting the  
8 state equalized valuation of the land and of personal property  
9 other than personal property assessed pursuant to section 14(6)  
10 of the general property tax act, Act No. 206 of the Public Acts  
11 of 1893, ~~as amended,~~ being section 211.14 of the Michigan  
12 Compiled Laws.

13       (3) The amount of the commercial facilities tax, in each  
14 year, in the case of a new or replacement facility shall be  
15 determined by multiplying the state equalized valuation of the  
16 facility excluding the land and personal property other than per-  
17 sonal property assessed pursuant to section 14(6) of Act No. 206  
18 of the Public Acts of 1893, ~~as amended, being section 211.14 of~~  
19 ~~the Michigan Compiled Laws,~~ by the sum of 1/2 of the total mills  
20 levied as ad valorem taxes for that year by all taxing units  
21 within which the facility is located other than mills levied for  
22 school operating purposes by a local or intermediate school dis-  
23 trict within which the facility is located or mills levied under  
24 the state education tax act, Act No. 331 of the Public Acts of  
25 1993, being sections 211.901 to 211.906 of the Michigan Compiled  
26 Laws, plus 1/2 of the number of mills levied for school operating  
27 purposes in 1993.

1 (4) The commercial facilities tax shall be collected,  
2 disbursed, and assessed in accordance with this act.

3 (5) The commercial facilities tax is an annual tax, payable  
4 at the same times, in the same installments, and to the same  
5 officer or officers as taxes imposed under Act No. 206 of the  
6 Public Acts of 1893, ~~as amended,~~ being sections 211.1 to  
7 211.157 of the Michigan Compiled Laws, are payable. Except as  
8 otherwise provided in this section, the officer or officers shall  
9 disburse the commercial facilities tax payments received by the  
10 officer or officers each year to and among the state, cities,  
11 townships, villages, school districts, counties, and authorities,  
12 at the same times and in the same proportions as required by law  
13 for the disbursement of taxes collected under Act No. 206 of the  
14 Public Acts of 1893. ~~as amended.~~ To determine the proportion  
15 for the disbursement of taxes under this subsection and for  
16 attribution of taxes under subsection (7) for taxes collected  
17 pursuant to commercial facilities exemption certificates issued  
18 before January 1, 1994, the number of mills levied for local  
19 school district operating purposes to be used in the calculation  
20 shall equal the number of mills for local school district operat-  
21 ing purposes levied in 1993 minus the number of mills levied  
22 under ~~the state education tax act,~~ Act No. 331 of the Public  
23 Acts of 1993, ~~being sections 211.901 to 211.906 of the Michigan~~  
24 ~~Compiled Laws,~~ for the year for which the disbursement is  
25 calculated.

26 (6) Except as provided in subsection (7), for intermediate  
27 school districts receiving state aid under sections 56, 62, and

1 81(1) of the state school aid act of 1979, Act No. 94 of the  
2 Public Acts of 1979, being sections 388.1656, 388.1662, and  
3 388.1681 of the Michigan Compiled Laws, of the amount that would  
4 otherwise be disbursed to an intermediate school district, all or  
5 a portion, to be determined on the basis of the tax rates being  
6 utilized to compute the amount of state aid, shall be paid to the  
7 state treasury to the credit of the state school aid fund estab-  
8 lished by section 11 of article IX of the state constitution of  
9 1963. If the sum of any industrial facility taxes prescribed by  
10 Act No. 198 of the Public Acts of 1974, being sections 207.551 to  
11 207.572 of the Michigan Compiled Laws, and the commercial facili-  
12 ties taxes paid to the state treasury to the credit of the state  
13 school aid fund that would otherwise be disbursed to the local or  
14 intermediate school district, pursuant to section 11 of Act  
15 No. 198 of the Public Acts of 1974, being section 207.561 of the  
16 Michigan Compiled Laws, and this section, exceeds the amount  
17 received by the local or intermediate school district under sec-  
18 tions 56, 62, and 81(1) of Act No. 94 of the Public Acts of 1979,  
19 the department of treasury shall allocate to each eligible local  
20 or intermediate school district an amount equal to the difference  
21 between the sum of the industrial facility taxes and the commer-  
22 cial facilities taxes paid to the state treasury to the credit of  
23 the state school aid fund and the amount the local or intermedi-  
24 ate school district received under sections 56, 62, and 81(1) of  
25 Act No. 94 of the Public Acts of 1979. This subsection applies  
26 to taxes levied before 1994.

1       (7) For commercial facilities taxes levied after 1993 for  
2 school operating purposes, the amount that would otherwise be  
3 disbursed to a local school district shall be paid instead to the  
4 state treasury and credited to the state school aid fund estab-  
5 lished by section 11 of article IX of the state constitution of  
6 1963.

7       (8) The officer or officers shall send a copy of the amount  
8 of disbursement made to each unit under this section to the com-  
9 mission on a form provided by the commission.

10       (9) A NEW, REPLACEMENT, OR RESTORED FACILITY LOCATED IN A  
11 RENAISSANCE ZONE UNDER THE MICHIGAN RENAISSANCE ZONE ACT IS  
12 EXEMPT FROM THE COMMERCIAL FACILITIES TAX LEVIED UNDER THIS ACT  
13 TO THE EXTENT AND FOR THE DURATION PROVIDED PURSUANT TO THE  
14 MICHIGAN RENAISSANCE ZONE ACT.