

HOUSE BILL No. 5279

January 24, 2012, Introduced by Rep. Damrow and referred to the Committee on Tax Policy.

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "alternative commercial energy specific tax act".

3 Sec. 2. As used in this act:

4 (a) "Alternative commercial energy system" means a commercial
5 wind energy system, commercial biomass energy system, or commercial
6 photovoltaic energy system.

7 (b) "Commercial biomass energy system" means personal property
8 that, when combined, forms a system that generates energy from a

1 process using residues from wood and paper products industries,
2 food production and processing, trees and grasses grown
3 specifically to be used as energy crops, and gaseous fuels produced
4 from solid biomass, animal waste, municipal wastes, or landfills,
5 which energy is sold commercially.

6 (c) "Commercial photovoltaic energy system" means personal
7 property that, when combined, forms a device composed of 1 or more
8 photovoltaic cells or photovoltaic modules and an inverter or other
9 power conditioning unit that generates solar energy, which energy
10 is sold commercially.

11 (d) "Commercial wind energy system" means personal property
12 that, when combined, forms an integrated unit consisting of a wind
13 turbine composed of a rotor, an electrical generator, a control
14 system, an inverter or other power conditioning unit, and a tower,
15 which uses moving air to produce energy, which energy is sold
16 commercially.

17 (e) "Commission" means the state tax commission created by
18 1927 PA 360, MCL 209.101 to 209.107.

19 (f) "Photovoltaic cell" means an integrated device consisting
20 of layers of semiconductor materials and electrical contacts
21 capable of converting incident light directly into electricity.

22 (g) "Photovoltaic module" means an assembly of photovoltaic
23 cells.

24 (h) "Public school" means that term as defined in section 5 of
25 the revised school code, 1976 PA 451, MCL 380.5.

26 Sec. 3. An alternative commercial energy system is exempt from
27 ad valorem property taxes collected under the general property tax

act, 1893 PA 206, MCL 211.1 to 211.155, as provided under section 9m of the general property tax act, 1893 PA 206, MCL 211.9m.

Sec. 4. (1) There is levied upon the owner of every alternative commercial energy system a specific tax to be known as the alternative commercial energy specific tax.

(2) The amount of the alternative commercial energy specific tax in each year shall be the greater of the following:

(a) An amount based on the energy production capacity of the alternative commercial energy system as follows:

(i) If the alternative commercial energy system has an energy production capacity of 1 megawatt or less, \$15,400.00.

(ii) If the alternative commercial energy system has an energy production capacity of more than 1 megawatt but less than 3 megawatts, \$24,100.00.

(iii) If the alternative commercial energy system has an energy production capacity of 3 megawatts or more, \$27,450.00.

(b) \$4.00 per megawatt hour generated for sale.

(3) The alternative commercial energy specific tax is an annual tax, payable at the same times, in the same installments, and to the same collecting officer or officers as taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(4) The collecting officer or officers shall disburse the alternative commercial energy specific tax collected as follows:

(a) 40% to the general fund of the county in which the alternative commercial energy system is located.

(b) 40% to the general fund of the township in which the

1 alternative commercial energy system is located.

2 (c) 20% to each public school located within the county in
3 which the alternative commercial energy system is located. The
4 alternative energy specific tax distributed under this subdivision
5 shall be distributed on a per capita basis as determined by the
6 pupil count conducted under the state school aid act of 1979, 1979
7 PA 94, MCL 388.1601 to 388.1896. The alternative energy specific
8 tax distributed under this subdivision shall not be used for wages,
9 pensions, or benefits.

10 (5) The collecting officer or officers shall send a copy of
11 the amount of disbursement made to each county, township, and
12 public school under this section to the commission on a form
13 provided by the commission.

14 Sec. 5. If the alternative commercial energy specific tax is
15 not paid as provided in section 4, the alternative commercial
16 energy system on which the alternative commercial energy specific
17 tax was levied is subject to collection at the same time and in the
18 same manner as personal property subject to ad valorem taxes
19 collected under the general property tax act, 1893 PA 206, MCL
20 211.1 to 211.155.

21 Enacting section 1. This act does not take effect unless
22 Senate Bill No. ____ or House Bill No. 5278(request no. 04015'11) of
23 the 96th Legislature is enacted into law.