

HOUSE BILL No. 5069

October 13, 2011, Introduced by Rep. Stamas and referred to the Committee on Government Operations.

A bill to amend 1974 PA 198, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

by amending section 14 (MCL 207.564), as amended by 2008 PA 457.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 14. (1) The amount of the industrial facility tax, in
2 each year for a replacement 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 situated by

1 the taxable value of the real and personal property of the obsolete
2 industrial property for the tax year immediately preceding the
3 effective date of the industrial facilities exemption certificate
4 after deducting the taxable value of the land and of the inventory
5 as specified in section 19.

6 (2) The amount of the industrial facility tax, in each year
7 for a new facility or a speculative building for which an
8 industrial facilities exemption certificate became effective before
9 January 1, 1994, shall be determined by multiplying the taxable
10 value of the facility excluding the land and the inventory personal
11 property by the sum of 1/2 of the total mills levied as ad valorem
12 taxes for that year by all taxing units within which the facility
13 is located other than mills levied for school operating purposes by
14 a local school district within which the facility is located or
15 mills levied under the state education tax act, 1993 PA 331, MCL
16 211.901 to 211.906, plus 1/2 of the number of mills levied for
17 local school district operating purposes in 1993.

18 (3) Except as provided in subsection (4), the amount of the
19 industrial facility tax in each year for a new facility or a
20 speculative building for which an industrial facilities exemption
21 certificate becomes effective after December 31, 1993, shall be
22 determined by multiplying the taxable value of the facility
23 excluding the land and the inventory personal property by the sum
24 of 1/2 of the total mills levied as ad valorem taxes for that year
25 by all taxing units within which the facility is located other than
26 mills levied under the state education tax act, 1993 PA 331, MCL
27 211.901 to 211.906, plus, subject to section 14a, the number of

1 mills levied under the state education tax act, 1993 PA 331, MCL
2 211.901 to 211.906.

3 (4) For taxes levied after December 31, 2007, for the personal
4 property tax component of an industrial facilities exemption
5 certificate for a new facility or a speculative building that is
6 sited on real property classified as industrial real property under
7 section 34c of the general property tax act, 1893 PA 206, MCL
8 211.34c, the amount of the industrial facility tax in each year for
9 a new facility or a speculative building shall be determined by
10 multiplying the taxable value of the facility excluding the land
11 and the inventory personal property by the sum of 1/2 of the total
12 mills levied as ad valorem taxes for that year by all taxing units
13 within which the facility is located other than mills levied **ON**
14 **INDUSTRIAL PERSONAL PROPERTY** under the state education tax act,
15 1993 PA 331, MCL 211.901 to 211.906, and the number of mills from
16 which ~~the~~ **INDUSTRIAL PERSONAL** property is exempt under section
17 1211(1) of the revised school code, 1976 PA 451, MCL 380.1211. For
18 taxes levied after December 31, 2007, for the personal property tax
19 component of an industrial facilities exemption certificate for a
20 new facility or a speculative building that is sited on real
21 property classified as commercial real property under section 34c
22 of the general property tax act, 1893 PA 206, MCL 211.34c, the
23 amount of the industrial facility tax in each year for a new
24 facility or a speculative building shall be determined by
25 multiplying the taxable value of the facility excluding the land
26 and the inventory personal property by the sum of 1/2 of the total
27 mills levied as ad valorem taxes for that year by all taxing units

1 within which the facility is located other than the number of mills
2 from which the property is exempt under section 1211(1) of the
3 revised school code, 1976 PA 451, MCL 380.1211. **AS USED IN THIS**
4 **SUBSECTION, "INDUSTRIAL PERSONAL PROPERTY" MEANS THE FOLLOWING:**

5 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (B), PERSONAL
6 PROPERTY CLASSIFIED UNDER SECTION 34C OF THE GENERAL PROPERTY TAX
7 ACT, 1893 PA 206, MCL 211.34C, AS INDUSTRIAL PERSONAL PROPERTY.

8 (B) INDUSTRIAL PERSONAL PROPERTY DOES NOT INCLUDE GAS, STEAM,
9 OR COAL-FIRED TURBINES USED IN THE GENERATION OF ELECTRICITY.

10 (5) For a termination or revocation of only the real property
11 component, or only the personal property component, of an
12 industrial facilities exemption certificate as provided in this
13 act, the valuation and the tax determined using that valuation
14 shall be reduced proportionately to reflect the exclusion of the
15 component with respect to which the termination or revocation has
16 occurred.

17 Enacting section 1. This amendatory act is intended to clarify
18 and express the original intent of the legislature concerning the
19 eligibility of gas, steam, or coal-fired turbines used in the
20 generation of electricity for the exemption provided under section
21 14 of 1974 PA 198, MCL 207.564. This amendatory act is retroactive
22 and is effective for taxes levied after December 31, 2007.