

HOUSE BILL No. 4556

May 5, 2015, Introduced by Rep. Yonker and referred to the Committee on Tax Policy.

A bill to amend 2014 PA 86, entitled "Local community stabilization authority act," by amending sections 5, 13, 14, 17, 19, and 20 (MCL 123.1345, 123.1353, 123.1354, 123.1357, 123.1359, and 123.1360).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. As used in this act:

2 (a) "Acquisition cost" means that term as defined in section 3
3 of the state essential services assessment act, **2014 PA 92, MCL**
4 **211.1053**, multiplied by the following percentages:

5 (i) For eligible personal property reported to the department
6 and described in section 5(2)(a) of the state essential services
7 assessment act, **2014 PA 92, MCL 211.1055**, 100%.

8 (ii) For eligible personal property reported to the department
9 and described in section 5(2)(b) of the state essential services
10 assessment act, **2014 PA 92, MCL 211.1055**, 52.1%.

1 (iii) For eligible personal property reported to the department
2 and described in section 5(2)(c) of the state essential services
3 assessment act, **2014 PA 92, MCL 211.1055**, 37.5%.

4 (b) "Ambulance services" means patient transport services,
5 nontransport prehospital life support services, and advanced life
6 support, paramedic, and medical first-responder services.

7 (c) "Authority" means the local community stabilization
8 authority, a metropolitan authority established under section 7.

9 (d) "Captured value" means 1 or more of the following:

10 (i) For a tax increment finance authority under the brownfield
11 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
12 captured taxable value as determined in sections 2 and 7 of the
13 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652
14 and 125.2657.

15 (ii) For a tax increment finance authority under 1975 PA 197,
16 MCL 125.1651 to 125.1681, captured assessed value as defined in
17 section 1 of 1975 PA 197, MCL 125.1651.

18 (iii) For a tax increment finance authority under the tax
19 increment finance authority act, 1980 PA 450, MCL 125.1801 to
20 125.1830, captured assessed value as defined in section 1 of the
21 tax increment finance authority act, 1980 PA 450, MCL 125.1801.

22 (iv) For a tax increment finance authority under the local
23 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,
24 captured assessed value as defined in section 2 of the local
25 development financing act, 1986 PA 281, MCL 125.2152.

26 (v) For a tax increment finance authority under the historic
27 neighborhood tax increment finance authority act, 2004 PA 530, MCL

1 125.2841 to 125.2866, captured assessed value as defined in section
2 2 of the historic neighborhood tax increment finance authority act,
3 2004 PA 530, MCL 125.2842.

4 (vi) For a tax increment finance authority under the corridor
5 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899,
6 captured assessed value as defined in section 2 of the corridor
7 improvement authority act, 2005 PA 280, MCL 125.2872.

8 (vii) For a tax increment finance authority under the
9 neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to
10 125.2932, captured assessed value as defined in section 2 of the
11 neighborhood improvement authority act, 2007 PA 61, MCL 125.2912.

12 (viii) For a tax increment finance authority under the water
13 resource improvement tax increment finance authority act, 2008 PA
14 94, MCL 125.1771 to 125.1793, captured assessed value as defined in
15 section 2 of the water resource improvement tax increment finance
16 authority act, 2008 PA 94, MCL 125.1772.

17 (ix) For a tax increment finance authority under the private
18 investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to
19 125.1883, captured assessed value as defined in section 2 of the
20 private investment infrastructure funding act, 2010 PA 250, MCL
21 125.1872.

22 (x) For a tax increment finance authority under the nonprofit
23 street railway act, 1867 PA 35, MCL 472.1 to 472.27, captured
24 assessed value as defined in section 23 of the nonprofit street
25 railway act, 1867 PA 35, MCL 472.23.

26 (e) "Commercial personal property" means, except as otherwise
27 provided in subparagraph (iii), all of the following:

1 (i) Personal property classified as commercial personal
2 property under section 34c of the general property tax act, 1893 PA
3 206, MCL 211.34c.

4 (ii) Personal property subject to the industrial facilities tax
5 under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is
6 sited on land classified as commercial real property under section
7 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

8 (iii) Commercial personal property does not include personal
9 property that after 2012 was classified in the municipality where
10 it is currently located as real property or utility personal
11 property.

12 (f) "Council" means the council established for the authority
13 under section 9.

14 (g) "Debt loss" means, for a municipality that is not a local
15 school district, intermediate school district, or tax increment
16 finance authority, the amount of ad valorem property taxes and any
17 specific tax levied for the payment of principal and interest of
18 obligations **EITHER APPROVED BY THE VOTERS BEFORE JANUARY 1, 2013 OR**
19 incurred before January 1, 2013 pledging the unlimited or limited
20 taxing power of the municipality that are lost as a result of the
21 exemption of industrial personal property and commercial personal
22 property under sections 9m, 9n, and 9o of the general property tax
23 act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

24 (h) "Department" means the department of treasury.

25 (i) "Eligible personal property" means personal property
26 described in section 3(e) (i), (iii), and (iv) of the state essential
27 services assessment act, **2014 PA 92, MCL 211.1053.**

1 (j) "Essential services" means all of the following:

2 (i) Ambulance services.

3 (ii) Fire services.

4 (iii) Police services.

5 (iv) Jail operations.

6 (v) The funding of pensions for personnel providing services
7 described in subparagraphs (i) to (iv).

8 (k) "Fire services" means services in the prevention and
9 suppression of fire, homeland security response, hazardous
10 materials response, rescue, fire marshal, and medical first-
11 responder services.

12 (l) "Fiscal year" means either an annual period that begins on
13 October 1 and ends on September 30 or the fiscal year for the
14 authority established by the council.

15 (m) "Increased captured value" means the anticipated increase
16 in captured value for all industrial personal property and
17 commercial personal property in a tax increment finance authority
18 that would have occurred as a result of either the addition of
19 personal property as part of a specific project or the expiration
20 of an exemption under section 7k, 7ff, or 9f of the general
21 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,
22 after 2013 if the exemptions under section 9m, 9n, or 9o of the
23 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and
24 211.9o, were not in effect. In order for an anticipated increase in
25 captured value to qualify as increased captured value, the tax
26 increment financing plan must have demonstrated before 2013 that
27 the tax increment finance authority was relying on this anticipated

1 increase in captured value to pay 1 or more qualified obligations
2 by specifically projecting the anticipated increase in captured
3 value that would be used to pay the qualified obligations and the
4 plan must meet all of the following:

5 (i) The tax increment financing plan was fully approved by the
6 governing body of the applicable local government not later than
7 December 31, 2012. This does not prevent subsequent amendment to
8 the tax increment financing plan, provided the amendment does not
9 change the amount of any obligation under the plan, the scope of
10 the project or projects described in the plan, or the time needed
11 to repay any obligation.

12 (ii) If the tax increment financing plan is part of a
13 brownfield plan under the brownfield redevelopment financing act,
14 1996 PA 381, MCL 125.2651 to 125.2672, any needed work plans were
15 also approved by the appropriate state agencies not later than
16 December 31, 2012. This does not prevent subsequent amendment to a
17 work plan, provided the amendment does not change the amount of any
18 obligation under the plan, the scope of the project or projects
19 described in the plan, or the time needed to repay any obligation.

20 (iii) The tax increment financing plan identifies a particular
21 site owner and site occupant that is engaged in industrial
22 processing or direct integrated support, as defined in section 9m
23 of the general property tax act, 1893 PA 206, MCL 211.9m. This does
24 not preclude a change in the site owner or occupant, provided that
25 change in the site owner or occupant did not result from a
26 financial difficulty encountered during the construction and
27 installation of the project and provided change in the site owner

1 or occupant will not result in any change in the project.

2 (iv) The tax increment financing plan identifies a particular
3 project on a specific parcel and that project includes the addition
4 of particular personal property that is eligible manufacturing
5 personal property, as defined in section 9m of the general property
6 tax act, 1893 PA 206, MCL 211.9m, that is also identified in the
7 tax increment financing plan.

8 (v) The personal property that is eligible manufacturing
9 personal property, as defined in section 9m of the general property
10 tax act, 1893 PA 206, MCL 211.9m, and is identified in the tax
11 increment financing plan comprises not less than 20% of the true
12 cash value of the improvements to be made as part of the specific
13 project identified in the tax increment financing plan. The
14 requirement under this subparagraph does not apply to the addition
15 of personal property as a result of the expiration of an exemption
16 under section 7k, 7ff, or 9f of the general property tax act, 1893
17 PA 206, MCL 211.7k, 211.7ff, and 211.9f.

18 (vi) Before December 31, 2012, the specific project identified
19 in the tax increment financing plan had obtained all necessary
20 local zoning approvals, including any necessary rezoning, special
21 land use, and site plan approvals for that project.

22 (vii) Before December 31, 2012, orders had been placed and
23 significant investments made in the personal property that is
24 eligible manufacturing personal property, as defined in section 9m
25 of the general property tax act, 1893 PA 206, MCL 211.9m, to be
26 located on the site.

27 (n) "Increased value from expired tax exemptions" means the

1 increase in taxable value subject to tax of industrial personal
2 property and commercial personal property placed in service before
3 2013 that would have occurred after 2013 if the exemptions under
4 section 9m or 9n of the general property tax act, 1893 PA 206, MCL
5 211.9m and 211.9n, were not in effect as a result of the expiration
6 of an exemption under section 7k, 7ff, or 9f of the general
7 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,
8 that had been in effect in 2013, assuming an exemption under
9 section 7k of the general property tax act, 1893 PA 206, MCL
10 211.7k, was not extended under section 11a of 1974 PA 198, MCL
11 207.561a, and an exemption under section 9f of the general property
12 tax act, 1893 PA 206, MCL 211.9f, was not extended under section
13 9f(8) of the general property tax act, 1893 PA 206, MCL 211.9f.

14 (o) "Industrial personal property" means, except as otherwise
15 provided in subparagraph (iii), all of the following:

16 (i) Personal property classified as industrial personal
17 property under section 34c of the general property tax act, 1893 PA
18 206, MCL 211.34c.

19 (ii) Personal property subject to the industrial facilities tax
20 under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is
21 sited on land classified as industrial real property under section
22 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

23 (iii) Industrial personal property does not include personal
24 property that after 2012 was classified in the municipality where
25 it is currently located as real property or utility personal
26 property.

27 (p) "Jail operations" means all of the following:

1 (i) The operation of a jail, holding cell, holding center, or
2 lockup as those terms are defined in section 62 of the corrections
3 code of 1953, 1953 PA 232, MCL 791.262.

4 (ii) The operation of a juvenile detention facility by a county
5 juvenile agency as authorized under section 7 of the county
6 juvenile agency act, 1998 PA 518, MCL 45.627.

7 (q) "Local community stabilization share" means that portion
8 of the use tax levied by the authority and authorized under the use
9 tax act, 1937 PA 94, MCL 205.91 to 205.111.

10 (r) "Municipality" includes, but is not limited to, the
11 following:

12 (i) Counties.

13 (ii) Cities.

14 (iii) Villages.

15 (iv) Townships.

16 (v) Authorities, excluding an authority created under this
17 act.

18 (vi) Local school districts.

19 (vii) Intermediate school districts.

20 (viii) Community college districts.

21 (ix) Libraries.

22 (x) Other local and intergovernmental taxing units.

23 (s) "Personal property exemption loss" means 1 of the
24 following:

25 (i) For a municipality that is not a local school district,
26 intermediate school district, or tax increment finance authority,
27 the 2013 taxable value of commercial personal property and

1 industrial personal property minus the current year taxable value
2 of commercial personal property and industrial personal property
3 and minus the small taxpayer exemption loss.

4 (ii) For a municipality that is a local school district,
5 intermediate school district, or tax increment finance authority,
6 the 2013 taxable value of commercial personal property and
7 industrial personal property minus the current year taxable value
8 of commercial personal property and industrial personal property.

9 (t) "Police services" means law enforcement services for the
10 prevention and detection of crime, the enforcement of laws and
11 ordinances, homeland security response, and medical first-responder
12 services.

13 (u) "Qualified loss" means the amounts calculated under
14 section 14(1) ~~and (3)~~ that are not distributed to the municipality
15 under section ~~17(3)(a)~~ **17(4)(A)**.

16 (v) "Qualified obligation" means a written promise to pay by a
17 tax increment finance authority, whether evidenced by a contract,
18 agreement, lease, sublease, bond, resolution promising repayment of
19 an advance, or note, or a requirement to pay imposed by law. A
20 qualified obligation does not include a payment required solely
21 because of default upon an obligation, employee salary, or
22 consideration paid for the use of municipal offices. A qualified
23 obligation does not include bonds that have been economically
24 defeased by refunding.

25 (w) "School debt loss" means the amount of revenue lost from
26 ad valorem property taxes **AND ANY SPECIFIC TAX** specifically levied
27 for the payment of principal and interest of obligations approved

1 by the electors before January 1, 2013 or obligations pledging the
 2 unlimited taxing power of a local school district or intermediate
 3 school district incurred before January 1, 2013, as a result of the
 4 exemption of industrial personal property and commercial personal
 5 property under sections 9m, 9n, and 9o of the general property tax
 6 act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

7 (x) "School operating loss not reimbursed by the school aid
 8 fund" means the amount of revenue lost from ad valorem property
 9 taxes levied under section 1211 of the revised school code, 1976 PA
 10 451, MCL 380.1211, as a result of the exemption of industrial
 11 personal property and commercial personal property under sections
 12 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL
 13 211.9m, 211.9n, and 211.9o, for mills other than basic school
 14 operating mills, as that term is defined in section 2c of the use
 15 tax act, 1937 PA 94, MCL 205.92c.

16 (y) "Small taxpayer exemption loss" means **1 OF THE FOLLOWING:**

17 **(i) FOR THE 2014 CALENDAR YEAR,** the 2013 taxable value of
 18 commercial personal property and industrial personal property minus
 19 the 2014 taxable value of commercial personal property and
 20 industrial personal property.

21 **(ii) FOR THE 2015 CALENDAR YEAR AND SUBSEQUENT CALENDAR YEARS,**
 22 **THE GREATER OF THE AMOUNT CALCULATED UNDER SUBPARAGRAPH (i) AND THE**
 23 **2013 TAXABLE VALUE OF COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL**
 24 **PERSONAL PROPERTY MINUS THE 2015 TAXABLE VALUE OF COMMERCIAL**
 25 **PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY.**

26 (z) "Specific tax" means a tax levied under ~~any of the~~
 27 ~~following:~~

1 ~~—— (i) 1974 PA 198, MCL 207.551 to 207.572.~~

2 ~~—— (ii) The commercial redevelopment act, 1978 PA 255, MCL 207.651~~
3 ~~to 207.668.~~

4 ~~—— (iii) The commercial rehabilitation act, 2005 PA 210, MCL~~
5 ~~207.841 to 207.856.~~

6 (aa) "Tax increment finance authority" means an authority
7 created under 1 or more of the following:

8 (i) 1975 PA 197, MCL 125.1651 to 125.1681.

9 (ii) The tax increment finance authority act, 1980 PA 450, MCL
10 125.1801 to 125.1830.

11 (iii) The local development financing act, 1986 PA 281, MCL
12 125.2151 to 125.2174.

13 (iv) The brownfield redevelopment financing act, 1996 PA 381,
14 MCL 125.2651 to 125.2672.

15 (v) The historic neighborhood tax increment finance authority
16 act, 2004 PA 530, MCL 125.2841 to 125.2866.

17 (vi) The corridor improvement authority act, 2005 PA 280, MCL
18 125.2871 to 125.2899.

19 (vii) The neighborhood improvement authority act, 2007 PA 61,
20 MCL 125.2911 to 125.2932.

21 (viii) The water resource improvement tax increment finance
22 authority act, 2008 PA 94, MCL 125.1771 to 125.1793.

23 (ix) The private investment infrastructure funding act, 2010 PA
24 250, MCL 125.1871 to 125.1883.

25 (x) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to
26 472.27.

27 (bb) "Tax increment small taxpayer loss" means the amount of

1 revenue lost by a municipality that is a tax increment finance
2 authority due to the exemption provided by section 9o of the
3 general property tax act, 1893 PA 206, MCL 211.9o.

4 (cc) "Taxable value" means all of the following:

5 (i) Except as otherwise provided in subparagraph (ii), that
6 value determined under section 27a of the general property tax act,
7 1893 PA 206, MCL 211.27a.

8 (ii) For real or personal property subject to the industrial
9 facilities tax under section 14(3) or (4) of 1974 PA 198, MCL
10 207.564, 50% of that value determined under section 27a of the
11 general property tax act, 1893 PA 206, MCL 211.27a.

12 (dd) "Total qualified loss" means the total amount of
13 qualified losses of all municipalities, as determined by the
14 department.

15 (ee) "Utility personal property" means that term as described
16 in section 34c of the general property tax act, 1893 PA 206, MCL
17 211.34c.

18 Sec. 13. (1) Not later than June 5, 2014, the assessor for
19 each city and township shall report to the county equalization
20 director all of the following:

21 (a) The 2013 taxable value of commercial personal property and
22 industrial personal property for each municipality in the city or
23 township.

24 (b) The 2014 taxable value of commercial personal property and
25 industrial personal property for each municipality in the city or
26 township.

27 (c) The small taxpayer exemption loss for each municipality in

1 the city or township.

2 (2) Not later than June 20, 2014, the equalization director
3 for each county shall report to the department the information
4 described in subsection (1) for each municipality in the county.
5 For each municipality levying a millage in more than 1 county, the
6 county equalization director responsible for compiling the
7 municipality's taxable value under section 34d of the general
8 property tax act, 1893 PA 206, MCL 211.34d, shall compile the
9 municipality's information described in subsection (1).

10 (3) Not later than June 5, ~~2016~~, **2015**, and each June 5
11 thereafter, the assessor for each city and township shall report to
12 the county equalization director the current year taxable value of
13 commercial personal property and industrial personal property for
14 each municipality in the city or township. Not later than June 20,
15 ~~2016~~, **2015**, and each June 20 thereafter, the equalization director
16 for each county shall report to the department the current year
17 taxable value of commercial personal property and industrial
18 personal property for each municipality in the county. For each
19 municipality levying a millage in more than 1 county, the county
20 equalization director responsible for compiling the municipality's
21 taxable value under section 34d of the general property tax act,
22 1893 PA 206, MCL 211.34d, shall compile the municipality's
23 information described in this subsection.

24 (4) Not later than August 15, 2014, and each August 15
25 thereafter, each municipality shall report to the department the
26 millage rate levied or to be levied that year for a millage
27 described in section 5(g) or (w) that is used to calculate an

1 appropriation under section 17(1) (a) or a distribution under
2 section ~~17(3) (a) (i)~~. **17(4) (A) (i)**. For 2014 and 2015, the rate of
3 that millage shall be calculated using the sum of the
4 municipality's taxable value and the municipality's small taxpayer
5 exemption loss. Beginning in 2016 and each year thereafter, the
6 rate of that millage shall be calculated using the sum of the
7 municipality's taxable value and the municipality's personal
8 property exemption loss. For 2014 and 2015, the department shall
9 calculate each municipality's debt loss or school debt loss by
10 multiplying the municipality's millage rate reported under this
11 subsection by the municipality's small taxpayer exemption loss.
12 Beginning in 2016 and each year thereafter, the department shall
13 calculate each municipality's school debt loss by multiplying the
14 municipality's millage rate reported under this subsection by the
15 municipality's personal property exemption loss.

16 (5) The department shall calculate and make available to each
17 municipality by May 1 of each year that municipality's sum of the
18 lowest rate of each individual millage levied in the period between
19 2012 and the year immediately preceding the current year. For a
20 municipality, other than a municipality described in section 14,
21 the calculation shall exclude debt millage. For an individual
22 millage rate not levied in 1 of the years, the lowest millage rate
23 is zero. A millage used to make the calculations under this act
24 must be levied against both real property and personal property.

25 (6) Not later than June 5, 2016, and each June 5 thereafter,
26 the assessor for each city and township shall report to the county
27 equalization director the increased value from expired tax

1 exemptions for each municipality that is subject to section 14(2)
2 and that levies taxes in the city or township. Not later than June
3 20, 2016, and each June 20 thereafter, the equalization director
4 for each county shall report to the department the increased value
5 from expired tax exemptions for each municipality that is subject
6 to section 14(2) and that levies taxes in the city or township. For
7 each municipality subject to section 14(2) that levies a millage in
8 more than 1 county, the county equalization director responsible
9 for compiling the municipality's taxable value under section 34d of
10 the general property tax act, 1893 PA 206, MCL 211.34d, shall
11 compile the municipality's information described in this
12 subsection.

13 Sec. 14. (1) Not later than August 15, 2016, and each August
14 15 thereafter, for each municipality that is not a local school
15 district, intermediate school district, or tax increment finance
16 authority, the department shall do all of the following:

17 (a) Calculate the municipality's personal property exemption
18 loss.

19 (b) Multiply the municipality's personal property exemption
20 loss by the millage rates calculated under section 13(5).

21 (c) Adjust the amount calculated under subdivision (b) by the
22 amount required to reflect the final order of a court or body of
23 competent jurisdiction related to any prior year calculation under
24 this subsection. An adjustment under this subdivision shall only be
25 made for municipalities for which changes in prior year taxable
26 values can be calculated from taxable values reported under section
27 151(1) of the state school aid act of 1979, 1979 PA 94, MCL

1 388.1751.

2 (d) Adjust the amount calculated under subdivision (b), as
3 adjusted by subdivision (c), by the amount calculated under section
4 16a(2) for captured taxes levied by the municipality not including
5 taxes attributable to increased captured value.

6 (2) Not later than August 15, 2016, and each August 15
7 thereafter, for each municipality that is a county, township,
8 village, city, or authority that provides essential services, the
9 department shall do all of the following:

10 (a) Add to the amount calculated under subsection (1)(a) any
11 increased value from expired tax exemptions for the current year.

12 (b) Subtract from the amount calculated under subdivision (a)
13 the amount calculated under section 16a(2)(b) for the municipality,
14 not including any amount attributable to increased captured value.

15 (c) Multiply the result of the calculation in subdivision (b)
16 by the millage rate calculated under section 13(5) for general
17 operating millage.

18 (d) Multiply the result of the calculation in subdivision (c)
19 by the percentage of the municipality's general operating millage
20 used to fund the cost of essential services in the municipality's
21 fiscal year ending in 2012. ~~Each municipality's~~ **THE DEPARTMENT**
22 **SHALL CALCULATE EACH MUNICIPALITY'S PERCENTAGE OF GENERAL OPERATING**
23 **MILLAGE USED TO FUND THE COST OF ESSENTIAL SERVICES IN THE**
24 **MUNICIPALITY'S FISCAL YEAR ENDING IN 2012, UNLESS THE MUNICIPALITY**
25 **INCLUDES THE CALCULATION IN ITS** comprehensive annual financial
26 report for the municipality's fiscal year ending in **EITHER** 2014
27 ~~must include a calculation of the municipality's percentage of~~

1 ~~general operating revenues used to fund essential services in the~~
2 ~~municipality's fiscal year ending in 2012.~~ **OR 2015 OR OTHERWISE**
3 **REPORTS THE CALCULATION TO THE DEPARTMENT IN A FORM AND IN A MANNER**
4 **PRESCRIBED BY THE DEPARTMENT.**

5 (e) Add to the result of the calculation in subdivision (d) an
6 amount calculated by multiplying the amount calculated under
7 subsection (2)(b) by the millage rates calculated under section
8 13(5) that are dedicated solely for the cost of essential services
9 levied on industrial personal property and commercial personal
10 property. A millage levied to fund a pension under the fire
11 fighters and police officers retirement act, 1937 PA 345, MCL
12 38.551 to 38.562, is dedicated solely for the cost of essential
13 services.

14 (3) Not later than ~~August 15, 2016,~~ **SEPTEMBER 15, 2015,** for
15 each municipality that is a city, the department shall do all of
16 the following:

17 (a) Calculate the municipality's small taxpayer exemption
18 loss.

19 (b) Multiply the amount calculated under subdivision (a) by
20 the millage rates calculated under section 13(5) for 2014.

21 (c) Multiply the amount calculated under subdivision (a) by
22 the millage rates calculated under section 13(5) for 2015.

23 (d) Add the amounts calculated under subdivisions (b) and (c).

24 (e) Subtract from the amount calculated under subdivision (d)
25 the sum of the municipality's debt loss for 2014 and 2015.

26 (f) Subtract from the amount calculated under subdivision (e)
27 the amount of any tax increment small taxpayer loss for captured

1 taxes levied by the municipality in 2014 and 2015.

2 (4) Not later than August 15, 2016, and each August 15
3 thereafter, for each municipality that is not a local school
4 district, intermediate school district, or tax increment finance
5 authority, the department shall do all of the following:

6 (a) Calculate the municipality's small taxpayer exemption
7 loss.

8 (b) Multiply the municipality's small taxpayer exemption loss
9 by the millage rates calculated under section 13(5).

10 (c) Adjust the amount calculated under subdivision (b) by the
11 amount required to reflect the final order of a court or body of
12 competent jurisdiction related to any prior year calculation under
13 this subsection. An adjustment under this subdivision shall only be
14 made for municipalities for which changes in prior year taxable
15 values can be calculated from taxable values reported under section
16 151(1) of the state school aid act of 1979, 1979 PA 94, MCL
17 388.1751.

18 (d) Adjust the amount calculated under subdivision (b), as
19 adjusted by subdivision (c), by the amount calculated under section
20 16a(2) for captured taxes levied by the municipality not including
21 taxes attributable to increased captured value. The adjustment
22 under this subdivision shall only be made to the extent that the
23 adjustment made under subsection (1)(d) did not fully account for
24 all captured taxes levied by the municipality not including taxes
25 attributable to increased captured value.

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

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

9 (b) ~~Beginning in~~ FOR fiscal year 2014-2015 ~~and each fiscal~~
10 ~~year thereafter,~~ **THROUGH FISCAL YEAR 2018-2019** an amount equal to
11 the necessary expenses incurred by the ~~authority and the department~~
12 in implementing this act.

13 **(C) BEGINNING IN FISCAL YEAR 2019-2020 AND EACH FISCAL YEAR**
14 **THEREAFTER, AN AMOUNT EQUAL TO THE NECESSARY EXPENSES INCURRED BY**
15 **THE AUTHORITY AND THE DEPARTMENT IN IMPLEMENTING THIS ACT.**

16 (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the
17 authority shall distribute to municipalities those funds
18 appropriated under subsection (1)(a). However, in fiscal year 2014-
19 2015, if the authority is not able to make the distribution under
20 this subsection, the department shall make the distribution under
21 this subsection on behalf of the authority.

22 **(3) FOR CALENDAR YEARS 2014 AND 2015, THE AUTHORITY SHALL**
23 **DISTRIBUTE LOCAL COMMUNITY STABILIZATION SHARE REVENUE TO EACH CITY**
24 **IN AN AMOUNT DETERMINED BY MULTIPLYING THE LOCAL COMMUNITY**
25 **STABILIZATION SHARE REVENUE FOR THE CALENDAR YEARS BY A FRACTION,**
26 **THE NUMERATOR OF WHICH IS THAT CITY'S AMOUNT CALCULATED UNDER**
27 **SECTION 14(3) AND THE DENOMINATOR OF WHICH IS THE TOTAL AMOUNT**

1 **CALCULATED UNDER SECTION 14(3).**

2 ~~(4) (3) Beginning in fiscal year 2015-2016,~~ **FOR CALENDAR YEAR**
3 **2016,** the authority shall distribute local community stabilization
4 share revenue as follows in the following order of priority:

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

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

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

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

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

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

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

22 (b) Beginning ~~in fiscal year 2019-2020,~~ **FOR CALENDAR YEAR**
23 **2019,** after the distributions under subdivision (a), and subject to
24 subparagraph (viii), the authority shall distribute 5% of the
25 remaining balance of the local community stabilization share fund
26 for the current ~~fiscal~~-**CALENDAR** year to each municipality that is
27 not a local school district, intermediate school district, or tax

1 increment finance authority in an amount determined as follows:

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

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

13 (iii) Divide the sum of the amounts calculated under
14 subparagraph (ii) for all municipalities subject to the calculation
15 by total qualified loss.

16 (iv) Multiply the result of the calculation in subparagraph (iii)
17 by the amount calculated under section 16a(2) for captured taxes
18 levied by the municipality not including taxes attributable to
19 increased captured value.

20 (v) Subtract from the amount calculated under subparagraph (ii)
21 the amount calculated under subparagraph (iv).

22 (vi) Divide the result of the calculation in subparagraph (v)
23 by the sum of the calculation under subparagraph (v) for all
24 municipalities.

25 (vii) Multiply the result of the calculation in subparagraph
26 (vi) by the amount to be distributed under this subdivision.

27 (viii) For ~~fiscal year 2020-2021~~, **CALENDAR YEAR 2020**, and each

1 ~~fiscal~~ **CALENDAR** year thereafter, the percentage amount described in
2 this subdivision shall be increased an additional 5% each year, not
3 to exceed 100%.

4 (c) After the distributions in subdivisions (a) and (b), the
5 authority shall distribute the remaining balance of ~~that fiscal~~
6 ~~year's~~ **THE** local community stabilization share fund **FOR A CALENDAR**
7 **YEAR** to each municipality in an amount determined by multiplying
8 the remaining balance by a fraction, the numerator of which is that
9 municipality's qualified loss and the denominator of which is the
10 total qualified loss.

11 (5) ~~(4)~~—The authority shall make the **PAYMENTS REQUIRED BY**
12 **SUBSECTION (3) NOT LATER THAN OCTOBER 20, 2015, AND** payments
13 required by subsection ~~(3)~~ ~~(4)~~ not later than on the following
14 dates:

15 (a) For county allocated millage, September 20 of the year the
16 millage is levied.

17 (b) For county extra-voted millage, township millage, and
18 other millages levied 100% in December of a year, February 20 of
19 the following year.

20 (c) For other millages, October 20 of the year the millage is
21 levied.

22 (6) ~~(5)~~—If the authority has insufficient funds to make the
23 payments on the dates required in subsection ~~(4)~~, ~~(5)~~, the
24 department shall advance to the authority the amount necessary for
25 the authority to make the required payments. The authority shall
26 repay the advance to the department from the local community
27 stabilization share.

1 (7) FOR EACH FISCAL YEAR FROM FISCAL YEAR 2015-2016 THROUGH
2 FISCAL YEAR 2018-2019, THE AUTHORITY MAY USE UP TO \$300,000.00 OF
3 THE LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR PURPOSES
4 CONSISTENT WITH IMPLEMENTING AND ADMINISTERING THIS ACT.

5 (8) THE AUTHORITY SHALL DISTRIBUTE LOCAL COMMUNITY
6 STABILIZATION SHARE REVENUE UNDER THIS SECTION AS FOLLOWS:

7 (A) FROM FISCAL YEAR 2015-2016 LOCAL COMMUNITY STABILIZATION
8 SHARE REVENUE, \$19,200,000.00 FOR CALENDAR YEARS 2014 AND 2015 AND
9 \$76,900,000.00 FOR CALENDAR YEAR 2016.

10 (B) FROM FISCAL YEAR 2016-2017 LOCAL COMMUNITY STABILIZATION
11 SHARE REVENUE, \$297,400,000.00 FOR CALENDAR YEAR 2016 AND
12 \$83,200,000.00 FOR CALENDAR YEAR 2017.

13 (C) FROM FISCAL YEAR 2017-2018 LOCAL COMMUNITY STABILIZATION
14 SHARE REVENUE, \$321,500,000.00 FOR CALENDAR YEAR 2017 AND
15 \$89,000,000.00 FOR CALENDAR YEAR 2018.

16 (D) FROM FISCAL YEAR 2018-2019 LOCAL COMMUNITY STABILIZATION
17 SHARE REVENUE, \$341,800,000.00 FOR CALENDAR YEAR 2018 AND
18 \$95,900,000.00 FOR CALENDAR YEAR 2019.

19 (E) FROM FISCAL YEAR 2019-2020 LOCAL COMMUNITY STABILIZATION
20 SHARE REVENUE, \$364,500,000.00 FOR CALENDAR YEAR 2019 AND
21 \$101,400,000.00 FOR CALENDAR YEAR 2020.

22 (F) FROM FISCAL YEAR 2020-2021 LOCAL COMMUNITY STABILIZATION
23 SHARE REVENUE, \$383,500,000.00 FOR CALENDAR YEAR 2020 AND
24 \$108,000,000.00 FOR CALENDAR YEAR 2021.

25 (G) FROM FISCAL YEAR 2021-2022 LOCAL COMMUNITY STABILIZATION
26 SHARE REVENUE, \$405,700,000.00 FOR CALENDAR YEAR 2021 AND
27 \$115,600,000.00 FOR CALENDAR YEAR 2022.

1 (H) FROM FISCAL YEAR 2022-2023 LOCAL COMMUNITY STABILIZATION
2 SHARE REVENUE, \$428,300,000.00 FOR CALENDAR YEAR 2022 AND
3 \$119,700,000.00 FOR CALENDAR YEAR 2023.

4 (I) FROM FISCAL YEAR 2023-2024 LOCAL COMMUNITY STABILIZATION
5 SHARE REVENUE, \$438,900,000.00 FOR CALENDAR YEAR 2023 AND
6 \$122,800,000.00 FOR CALENDAR YEAR 2024.

7 (J) FROM FISCAL YEAR 2024-2025 LOCAL COMMUNITY STABILIZATION
8 SHARE REVENUE, \$445,800,000.00 FOR CALENDAR YEAR 2024 AND
9 \$124,000,000.00 FOR CALENDAR YEAR 2025.

10 (K) FROM FISCAL YEAR 2025-2026 LOCAL COMMUNITY STABILIZATION
11 SHARE REVENUE, \$447,100,000.00 FOR CALENDAR YEAR 2025 AND
12 \$124,300,000.00 FOR CALENDAR YEAR 2026.

13 (L) FROM FISCAL YEAR 2026-2027 LOCAL COMMUNITY STABILIZATION
14 SHARE REVENUE, \$447,700,000.00 FOR CALENDAR YEAR 2026 AND
15 \$124,500,000.00 FOR CALENDAR YEAR 2027.

16 (M) FROM FISCAL YEAR 2027-2028 LOCAL COMMUNITY STABILIZATION
17 SHARE REVENUE, \$448,000,000.00 FOR CALENDAR YEAR 2027 AND
18 \$124,600,000.00 FOR CALENDAR YEAR 2028.

19 (N) FROM THE LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR
20 FISCAL YEAR 2028-2029 AND EACH FISCAL YEAR THEREAFTER, THE
21 AUTHORITY SHALL INCREASE THE PRIOR FISCAL YEAR'S 2 DISTRIBUTION
22 AMOUNTS UNDER THIS SUBSECTION BY THE PERSONAL PROPERTY GROWTH
23 FACTOR, THE FIRST AMOUNT FOR THE CALENDAR YEAR IN WHICH THE FISCAL
24 YEAR BEGINS AND THE SECOND AMOUNT FOR THE CALENDAR YEAR IN WHICH
25 THE FISCAL YEAR ENDS. AS USED IN THIS SUBDIVISION, "PERSONAL
26 PROPERTY GROWTH FACTOR" MEANS THAT TERM AS DEFINED IN SECTION 2C OF
27 THE USE TAX ACT, 1937 PA 94, MCL 205.92C.

1 Sec. 19. (1) A local unit of government may issue bonds or
2 other obligations in anticipation of the distribution of local
3 community stabilization share revenue under section
4 ~~17(3)(a)(iv)~~-**17(4)(A)(iv)**.

5 (2) Bonds or other obligations issued under this section are
6 subject to the revised municipal finance act, 2001 PA 34, MCL
7 141.2101 to 141.2821.

8 (3) If authorized by a majority vote of the qualified electors
9 of the local unit of government, the local unit of government may,
10 at the time of issuance, pledge the full faith and credit of the
11 local unit of government for the payment of bonds or other
12 obligations issued under this section.

13 Sec. 20. From the amount of local community stabilization
14 share revenue distributed under section ~~17(3)(a)(iv)~~, **17(4)(A)(iv)**, a
15 municipality shall first replace the amount of ad valorem property
16 taxes used for the payment of principal and interest of essential
17 services obligations incurred before 2013 pledging the unlimited or
18 limited taxing power of the municipality that are lost from the
19 exemptions provided by sections 9m, 9n, and 9o of the general
20 property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o. A
21 municipality shall not receive distributions under section
22 ~~17(3)(a)(iv)~~-**17(4)(A)(iv)** if it has increased a millage rate without
23 voter approval in order to replace lost property taxes that would
24 otherwise be reimbursed under section ~~17(3)(a)(iv)~~-**17(4)(A)(iv)** that
25 were repaying essential service obligations incurred before 2013
26 pledging the unlimited or limited taxing power of the municipality
27 and that were lost as a result of the exemptions provided by

1 sections 9m, 9n, and 9o of the general property tax act, 1893 PA
2 206, MCL 211.9m, 211.9n, and 211.9o.