

Act No. 122
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**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2015**

Introduced by Rep. Yonker

ENROLLED HOUSE BILL No. 4556

AN ACT to amend 2014 PA 86, entitled “An act to create a metropolitan authority; to prescribe the powers, duties, and jurisdictions of the metropolitan authority; to prescribe the powers and duties of certain state officials; to levy, collect, and distribute a tax; and to repeal acts and parts of acts,” 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:

Sec. 5. As used in this act:

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

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

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

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

(b) “Ambulance services” means patient transport services, nontransport prehospital life support services, and advanced life support, paramedic, and medical first-responder services.

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

(d) “Captured value” means 1 or more of the following:

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

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

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

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

(v) For a tax increment finance authority under the historic neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866, captured assessed value as defined in section 2 of the historic neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2842.

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

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

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

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

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

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

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

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

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

(f) “Council” means the council established for the authority under section 9.

(g) “Debt loss” means, for a municipality that is not a local school district, intermediate school district, or tax increment finance authority, the amount of ad valorem property taxes and any specific tax levied for the payment of principal and interest of obligations either approved by the voters before January 1, 2013 or incurred before January 1, 2013 pledging the unlimited or limited taxing power of the municipality that are lost as a result of the exemption of industrial personal property and commercial personal property under sections 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

(h) “Department” means the department of treasury.

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

(j) “Essential services” means all of the following:

(i) Ambulance services.

(ii) Fire services.

(iii) Police services.

(iv) Jail operations.

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

(k) “Fire services” means services in the prevention and suppression of fire, homeland security response, hazardous materials response, rescue, fire marshal, and medical first-responder services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Counties.

- (ii) Cities.
- (iii) Villages.
- (iv) Townships.
- (v) Authorities, excluding an authority created under this act.
- (vi) Local school districts.
- (vii) Intermediate school districts.
- (viii) Community college districts.
- (ix) Libraries.
- (x) Other local and intergovernmental taxing units.
- (s) "Personal property exemption loss" means 1 of the following:

(i) For a municipality that is not a local school district, intermediate school district, or tax increment finance authority, the 2013 taxable value of commercial personal property and industrial personal property minus the current year taxable value of commercial personal property and industrial personal property and minus the small taxpayer exemption loss. The calculation under this subparagraph must be modified for municipality boundary changes to the extent that the boundary changes affect the property taxes levied by the municipality.

(ii) For a municipality that is a local school district, intermediate school district, or tax increment finance authority, the 2013 taxable value of commercial personal property and industrial personal property minus the current year taxable value of commercial personal property and industrial personal property. The calculation under this subparagraph must be modified for municipality boundary changes to the extent that the boundary changes affect the property taxes levied by the municipality.

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

(u) "Qualified loss" means the amounts calculated under section 14(1) that are not distributed to the municipality under section 17(4)(a).

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

(w) "School debt loss" means the amount of revenue lost from ad valorem property taxes and any specific tax specifically levied for the payment of principal and interest of obligations approved by the electors before January 1, 2013 or obligations pledging the unlimited taxing power of a local school district or intermediate school district incurred before January 1, 2013, as a result of the exemption of industrial personal property and commercial personal property under sections 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

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

- (y) "Small taxpayer exemption loss" means 1 of the following:

(i) For the 2014 calendar year, the 2013 taxable value of commercial personal property and industrial personal property minus the 2014 taxable value of commercial personal property and industrial personal property. The calculation under this subparagraph must be modified for municipality boundary changes to the extent that the boundary changes affect the property taxes levied by the municipality.

(ii) For the 2015 calendar year and subsequent calendar years, the greater of the amount calculated under subparagraph (i) and the 2013 taxable value of commercial personal property and industrial personal property minus the 2015 taxable value of commercial personal property and industrial personal property. The calculation under this subparagraph must be modified for municipality boundary changes to the extent that the boundary changes affect the property taxes levied by the municipality.

- (z) "Specific tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572.

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

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

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

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

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

- (v) The historic neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866.
- (vi) The corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.
- (vii) The neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to 125.2932.
- (viii) The water resource improvement tax increment finance authority act, 2008 PA 94, MCL 125.1771 to 125.1793.
- (ix) The private investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to 125.1883.
- (x) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27.

(bb) "Tax increment small taxpayer loss" means the amount of revenue lost by a municipality that is a tax increment finance authority due to the exemption provided by section 9o of the general property tax act, 1893 PA 206, MCL 211.9o.

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

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

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

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

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

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

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

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

(c) The small taxpayer exemption loss for each municipality in the city or township.

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

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

(4) Not later than August 15, 2014, and each August 15 thereafter, each municipality shall report to the department the millage rate levied or to be levied that year for a millage described in section 5(g) or (w) that is used to calculate an appropriation under section 17(1)(a) or a distribution under section 17(4)(a)(i). For 2014 and 2015, the rate of that millage shall be calculated using the sum of the municipality's taxable value and the municipality's small taxpayer exemption loss. Beginning in 2016 and each year thereafter, the rate of that millage shall be calculated using the sum of the municipality's taxable value and the municipality's personal property exemption loss. For 2014 and 2015, the department shall calculate each municipality's debt loss or school debt loss by multiplying the municipality's millage rate reported under this subsection by the municipality's small taxpayer exemption loss. Beginning in 2016 and each year thereafter, the department shall calculate each municipality's school debt loss by multiplying the municipality's millage rate reported under this subsection by the municipality's personal property exemption loss.

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

(6) Not later than June 5, 2016, and each June 5 thereafter, the assessor for each city and township shall report to the county equalization director the increased value from expired tax exemptions for each municipality that is subject to section 14(2) and that levies taxes in the city or township. Not later than June 20, 2016, and each June 20 thereafter,

the equalization director for each county shall report to the department the increased value from expired tax exemptions for each municipality that is subject to section 14(2) and that levies taxes in the city or township. For each municipality subject to section 14(2) that levies a millage in more than 1 county, the county equalization director responsible for compiling the municipality's taxable value under section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, shall compile the municipality's information described in this subsection.

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

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

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

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

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

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

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

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

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

(d) Multiply the result of the calculation in subdivision (c) by the percentage of the municipality's general operating millage used to fund the cost of essential services in the municipality's fiscal year ending in 2012. The department shall calculate each municipality's percentage of general operating millage used to fund the cost of essential services in the municipality's fiscal year ending in 2012, unless the municipality includes the calculation in its comprehensive annual financial report for the municipality's fiscal year ending in either 2014 or 2015 or otherwise reports the calculation to the department in a form and in a manner prescribed by the department.

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

(3) Not later than September 15, 2015, for each municipality that is a city, the department shall do all of the following:

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

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

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

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

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

(f) Subtract from the amount calculated under subdivision (e) the amount of any tax increment small taxpayer loss for captured taxes levied by the municipality in 2014 and 2015.

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

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

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

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

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

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

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

(b) For fiscal year 2014-2015 through fiscal year 2018-2019 an amount equal to the necessary expenses incurred by the department in implementing this act.

(c) Beginning in fiscal year 2019-2020 and each fiscal year thereafter, an amount equal to the necessary expenses incurred by the authority and the department in implementing this act.

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

(3) For calendar years 2014 and 2015, the authority shall distribute local community stabilization share revenue to each city in an amount determined by multiplying the local community stabilization share revenue for the calendar years by a fraction, the numerator of which is that city's amount calculated under section 14(3) and the denominator of which is the total amount calculated under section 14(3).

(4) Beginning for calendar year 2016, the authority shall distribute local community stabilization share revenue as follows in the following order of priority:

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

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

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

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

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

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

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

(b) Beginning for calendar year 2019, after the distributions under subdivision (a), and subject to subparagraph (viii), the authority shall distribute 5% of the remaining balance of the local community stabilization share fund for the current calendar year to each municipality that is not a local school district, intermediate school district, or tax increment finance authority in an amount determined as follows:

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

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

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

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

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

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

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

(viii) For calendar year 2020, and each calendar year thereafter, the percentage amount described in this subdivision shall be increased an additional 5% each year, not to exceed 100%.

(c) After the distributions in subdivisions (a) and (b), the authority shall distribute the remaining balance of the local community stabilization share fund for a calendar year to each municipality in an amount determined by multiplying the remaining balance by a fraction, the numerator of which is that municipality's qualified loss and the denominator of which is the total qualified loss.

(5) The authority shall make the payments required by subsection (3) not later than October 20, 2015, and payments required by subsection (4) not later than on the following dates:

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

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

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

(6) If the authority has insufficient funds to make the payments on the dates required in subsection (5), the department shall advance to the authority the amount necessary for the authority to make the required payments. The authority shall repay the advance to the department from the local community stabilization share.

(7) For each fiscal year from fiscal year 2015-2016 through fiscal year 2018-2019, the authority may use up to \$300,000.00 of the local community stabilization share revenue for purposes consistent with implementing and administering this act.

(8) The authority shall distribute local community stabilization share revenue under this section as follows:

(a) From fiscal year 2015-2016 local community stabilization share revenue, \$19,200,000.00 for calendar years 2014 and 2015 and \$76,900,000.00 for calendar year 2016.

(b) From fiscal year 2016-2017 local community stabilization share revenue, \$297,400,000.00 for calendar year 2016 and \$83,200,000.00 for calendar year 2017.

(c) From fiscal year 2017-2018 local community stabilization share revenue, \$321,500,000.00 for calendar year 2017 and \$89,000,000.00 for calendar year 2018.

(d) From fiscal year 2018-2019 local community stabilization share revenue, \$341,800,000.00 for calendar year 2018 and \$95,900,000.00 for calendar year 2019.

(e) From fiscal year 2019-2020 local community stabilization share revenue, \$364,500,000.00 for calendar year 2019 and \$101,400,000.00 for calendar year 2020.

(f) From fiscal year 2020-2021 local community stabilization share revenue, \$383,500,000.00 for calendar year 2020 and \$108,000,000.00 for calendar year 2021.

(g) From fiscal year 2021-2022 local community stabilization share revenue, \$405,700,000.00 for calendar year 2021 and \$115,600,000.00 for calendar year 2022.

(h) From fiscal year 2022-2023 local community stabilization share revenue, \$428,300,000.00 for calendar year 2022 and \$119,700,000.00 for calendar year 2023.

(i) From fiscal year 2023-2024 local community stabilization share revenue, \$438,900,000.00 for calendar year 2023 and \$122,800,000.00 for calendar year 2024.

(j) From fiscal year 2024-2025 local community stabilization share revenue, \$445,800,000.00 for calendar year 2024 and \$124,000,000.00 for calendar year 2025.

(k) From fiscal year 2025-2026 local community stabilization share revenue, \$447,100,000.00 for calendar year 2025 and \$124,300,000.00 for calendar year 2026.

(l) From fiscal year 2026-2027 local community stabilization share revenue, \$447,700,000.00 for calendar year 2026 and \$124,500,000.00 for calendar year 2027.

(m) From fiscal year 2027-2028 local community stabilization share revenue, \$448,000,000.00 for calendar year 2027 and \$124,600,000.00 for calendar year 2028.

(n) From the local community stabilization share revenue for fiscal year 2028-2029 and each fiscal year thereafter, the authority shall increase the prior fiscal year's 2 distribution amounts under this subsection by the personal property growth factor, the first amount for the calendar year in which the fiscal year begins and the second amount for the calendar year in which the fiscal year ends. As used in this subdivision, "personal property growth factor" means that term as defined in section 2c of the use tax act, 1937 PA 94, MCL 205.92c.

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

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

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

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor