

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4926**

A bill to amend 2014 PA 86, entitled  
"Local community stabilization authority act,"  
by amending sections 5, 13, and 14 (MCL 123.1345, 123.1353, and  
123.1354), as amended by 2018 PA 247.

**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%.



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

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

7 (b) "Ambulance services" means patient transport services,  
8 nontransport prehospital life support services, and advanced life  
9 support, paramedic, and medical first-responder services.

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

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

13 (i) For a tax increment finance authority under the brownfield  
14 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670,  
15 captured taxable value as determined in sections 2 and 7 of the  
16 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652  
17 and 125.2657.

18 (ii) For a tax increment finance authority under ~~1975 PA 197,~~  
19 ~~MCL 125.1651 to 125.1681,~~ **part 2 of the recodified tax increment**  
20 **financing act, 2018 PA 57, MCL 125.4201 to 125.4230,** captured  
21 assessed value as defined in section ~~1 of 1975 PA 197, MCL~~  
22 ~~125.1651.201 of the recodified tax increment financing act, 2018 PA~~  
23 **57, MCL 125.4201.**

24 (iii) For a tax increment finance authority under ~~the tax~~  
25 ~~increment finance authority act, 1980 PA 450, MCL 125.1801 to~~  
26 ~~125.1830,~~ **part 3 of the recodified tax increment financing act,**  
27 **2018 PA 57, MCL 125.4301 to 125.4329,** captured assessed value as  
28 defined in section ~~1 of the tax increment finance authority act,~~  
29 ~~1980 PA 450, MCL 125.1801.301 of the recodified tax increment~~



1 **financing act, 2018 PA 57, MCL 125.4301.**

2 (iv) For a tax increment finance authority under ~~the local~~  
 3 ~~development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,~~  
 4 **part 4 of the recodified tax increment financing act, 2018 PA 57,**  
 5 **MCL 125.4401 to 125.4420,** captured assessed value as defined in  
 6 ~~section 2 of the local development financing act, 1986 PA 281, MCL~~  
 7 ~~125.2152.402 of the recodified tax increment financing act, 2018 PA~~  
 8 **57, MCL 125.4402.**

9 (v) ~~For a tax increment finance authority under the historic~~  
 10 ~~neighborhood tax increment finance authority act, 2004 PA 530, MCL~~  
 11 ~~125.2841 to 125.2866, captured assessed value as defined in section~~  
 12 ~~2 of the historic neighborhood tax increment finance authority act,~~  
 13 ~~2004 PA 530, MCL 125.2842.~~

14 (v) ~~(vi)~~ For a tax increment finance authority under ~~the~~  
 15 ~~corridor improvement authority act, 2005 PA 280, MCL 125.2871 to~~  
 16 ~~125.2899,~~ **part 6 of the recodified tax increment financing act,**  
 17 **2018 PA 57, MCL 125.4602 to 125.4629,** captured assessed value as  
 18 defined in ~~section 2 of the corridor improvement authority act,~~  
 19 ~~2005 PA 280, MCL 125.2872.602 of the recodified tax increment~~  
 20 **financing act, 2018 PA 57, MCL 125.4602.**

21 (vi) ~~(vii)~~ For a tax increment finance authority under ~~the~~  
 22 ~~neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to~~  
 23 ~~125.2932,~~ **part 8 of the recodified tax increment financing act,**  
 24 **2018 PA 57, MCL 125.4802 to 125.4821,** captured assessed value as  
 25 defined in ~~section 2 of the neighborhood improvement authority act,~~  
 26 ~~2007 PA 61, MCL 125.2912.802 of the recodified tax increment~~  
 27 **financing act, 2018 PA 57, MCL 125.4802.**

28 (vii) ~~(viii)~~ For a tax increment finance authority under ~~the~~  
 29 ~~water resource improvement tax increment finance authority act,~~



1 ~~2008 PA 94, MCL 125.1771 to 125.1793, part 7 of the recodified tax~~  
 2 ~~increment financing act, 2018 PA 57, MCL 125.4702 to 125.4722,~~  
 3 captured assessed value as defined in section 2 ~~of the water~~  
 4 ~~resource improvement tax increment finance authority act, 2008 PA~~  
 5 ~~94, MCL 125.1772-702 of the recodified tax increment financing act,~~  
 6 **2018 PA 57, MCL 125.4702.**

7 ~~(ix) For a tax increment finance authority under the private~~  
 8 ~~investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to~~  
 9 ~~125.1883, captured assessed value as defined in section 2 of the~~  
 10 ~~private investment infrastructure funding act, 2010 PA 250, MCL~~  
 11 ~~125.1872.~~

12 **(viii) (x) For a tax increment finance authority under the**  
 13 ~~nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27, part~~  
 14 **5 of the recodified tax increment financing act, 2018 PA 57, MCL**  
 15 **125.4503 to 125.4527,** captured assessed value as defined in section  
 16 ~~23 of the nonprofit street railway act, 1867 PA 35, MCL 472.23-523~~  
 17 **of the recodified tax increment financing act, 2018 PA 57, MCL**  
 18 **125.4523.**

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

21 (i) Personal property classified as commercial personal  
 22 property under section 34c of the general property tax act, 1893 PA  
 23 206, MCL 211.34c.

24 (ii) Personal property subject to the industrial facilities tax  
 25 under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is  
 26 sited on land classified as commercial real property under section  
 27 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

28 (iii) Commercial personal property does not include personal  
 29 property that after 2012 was classified in the municipality where



1 it is currently located as real property or utility personal  
2 property.

3 (f) "Council" means the council established for the authority  
4 under section 9.

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

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

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

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

20 (i) Ambulance services.

21 (ii) Fire services.

22 (iii) Police services.

23 (iv) Jail operations.

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

26 (k) "Fire services" means services in the prevention and  
27 suppression of fire, homeland security response, hazardous  
28 materials response, rescue, fire marshal, and medical first-  
29 responder services.



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

4 (m) "Increased captured value" means the anticipated increase  
5 in captured value for all industrial personal property and  
6 commercial personal property in a tax increment finance authority  
7 that would have occurred as a result of either the addition of  
8 personal property as part of a specific project or the expiration  
9 of an exemption under section 7k, 7ff, or 9f of the general  
10 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,  
11 after 2013 if the exemptions under section 9m, 9n, or 9o of the  
12 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
13 211.9o, were not in effect. For calculations made under section 16a  
14 prior to calendar year 2018, in order for an anticipated increase  
15 in captured value to qualify as increased captured value, the tax  
16 increment financing plan must have demonstrated before 2013 that  
17 the tax increment finance authority was relying on this anticipated  
18 increase in captured value to pay 1 or more qualified obligations  
19 by specifically projecting the anticipated increase in captured  
20 value that would be used to pay the qualified obligations and the  
21 plan must meet all of the requirements in subdivisions (i) through  
22 (vii). For calculations made under section 16a in calendar year 2018  
23 and after, in order for an anticipated increase in captured value  
24 related to the expiration of an exemption under section 7k, 7ff, or  
25 9f of the general property tax act, 1893 PA 206, MCL 211.7k,  
26 211.7ff, and 211.9f, after 2013 if the exemptions under section 9m,  
27 9n, or 9o of the general property tax act, 1893 PA 206, MCL 211.9m,  
28 211.9n, and 211.9o, were not in effect, to qualify as increased  
29 captured value, the tax increment finance authority or the



1 municipality in which the authority is located must have  
2 documentation demonstrating that before or during 2013 the tax  
3 increment finance authority was relying on this increase in  
4 captured value to pay 1 or more qualified obligations. For  
5 calculations made under section 16a in calendar year 2018 and  
6 after, in order for an anticipated increase in captured value  
7 related to the addition of personal property as part of a specific  
8 project to qualify as increased captured value, the tax increment  
9 financing plan must have demonstrated before 2013 that the tax  
10 increment finance authority was relying on this increase in  
11 captured value to pay 1 or more qualified obligations by  
12 specifically projecting the anticipated increase in captured value  
13 that would be used to pay the qualified obligations and the plan  
14 must meet all of the following:

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

22 (ii) If the tax increment financing plan is part of a  
23 brownfield plan under the brownfield redevelopment financing act,  
24 1996 PA 381, MCL 125.2651 to 125.2670, any needed work plans were  
25 also approved by the appropriate state agencies not later than  
26 December 31, 2012. This does not prevent subsequent amendment to a  
27 work plan, provided the amendment does not change the amount of any  
28 obligation under the plan, the scope of the project or projects  
29 described in the plan, or the time needed to repay any obligation.



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

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

16           (v) The personal property that is eligible manufacturing  
17 personal property, as defined in section 9m of the general property  
18 tax act, 1893 PA 206, MCL 211.9m, and is identified in the tax  
19 increment financing plan comprises not less than 20% of the true  
20 cash value of the improvements to be made as part of the specific  
21 project identified in the tax increment financing plan.

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

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





1 located on the site.

2 (n) "Increased value from expired tax exemptions" means the  
3 increase in taxable value subject to tax of industrial personal  
4 property and commercial personal property placed in service before  
5 2013 that would have occurred after 2013 if the exemptions under  
6 section 9m or 9n of the general property tax act, 1893 PA 206, MCL  
7 211.9m and 211.9n, were not in effect as a result of the expiration  
8 of an exemption under section 7k, 7ff, or 9f of the general  
9 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,  
10 that had been in effect in 2013, assuming an exemption under  
11 section 7k of the general property tax act, 1893 PA 206, MCL  
12 211.7k, was not extended under section 11a of 1974 PA 198, MCL  
13 207.561a, and an exemption under section 9f of the general property  
14 tax act, 1893 PA 206, MCL 211.9f, was not extended under section  
15 9f(8) of the general property tax act, 1893 PA 206, MCL 211.9f.

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

18 (i) Personal property classified as industrial personal  
19 property under section 34c of the general property tax act, 1893 PA  
20 206, MCL 211.34c.

21 (ii) Personal property subject to the industrial facilities tax  
22 under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is  
23 sited on land classified as industrial real property under section  
24 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

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

29 (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 authority" means any authority, excluding an  
 8 authority created under this act or a tax increment finance  
 9 authority.

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

13 (s) "Municipality" includes, but is not limited to, the  
 14 following:

15 (i) Counties.

16 (ii) Cities.

17 (iii) Villages.

18 (iv) Townships.

19 (v) Local authorities.

20 (vi) Local school districts.

21 (vii) Intermediate school districts.

22 (viii) Community college districts.

23 (ix) Libraries.

24 (x) Tax increment finance authorities.

25 (xi) Other local and intergovernmental taxing units.

26 (t) "Personal property exemption loss" means 1 of the  
 27 following:

28 (i) For a municipality that is not a local school district,



1 intermediate school district, or tax increment finance authority,  
2 the 2013 taxable value of commercial personal property and  
3 industrial personal property minus the current year taxable value  
4 of commercial personal property and industrial personal property  
5 and minus the small taxpayer exemption loss if, for years after  
6 2017, the small taxpayer exemption loss is greater than zero. For  
7 calendar years 2016 and 2017, the 2013 taxable values of commercial  
8 personal property and industrial personal property are the values  
9 reported under section 13(3) by the county equalization director in  
10 2016 and 2017, respectively, except as provided in section 14.  
11 Beginning for calendar year 2018, the 2013 taxable values of  
12 commercial personal property and industrial personal property are  
13 the values reported under section 13(3) by the county equalization  
14 director in calendar year 2015. The calculation under this  
15 subparagraph must be modified for municipality boundary changes to  
16 the extent that the boundary changes affect the property taxes  
17 levied by the municipality. For millages from which renaissance  
18 zone property is exempt, the calculation under this subparagraph  
19 must be adjusted to exclude the taxable values of commercial  
20 personal property and industrial personal property exempt under the  
21 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to  
22 125.2696.

23 (ii) For a municipality that is a local school district,  
24 intermediate school district, or tax increment finance authority,  
25 the 2013 taxable value of commercial personal property and  
26 industrial personal property minus the current year taxable value  
27 of commercial personal property and industrial personal property.  
28 For calendar years 2016 and 2017, the 2013 taxable values of  
29 commercial personal property and industrial personal property are



1 the values reported under section 13(3) by the county equalization  
2 director in 2016 and 2017, respectively, except as provided in  
3 sections 15, 16, and 16a. Beginning for calendar year 2018, the  
4 2013 taxable values of commercial personal property and industrial  
5 personal property are the values reported under section 13(3) by  
6 the county equalization director in calendar year 2015. The  
7 calculation under this subparagraph must be modified for  
8 municipality boundary changes to the extent that the boundary  
9 changes affect the property taxes levied by the municipality. For  
10 millages from which renaissance zone property is exempt, the  
11 calculation under this subparagraph must be adjusted to exclude the  
12 taxable values of commercial personal property and industrial  
13 personal property exempt under the Michigan renaissance zone act,  
14 1996 PA 376, MCL 125.2681 to 125.2696.

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

19 (v) "Qualified loss" means the amounts calculated under  
20 section 14(1) that are not distributed to the municipality under  
21 section 17(4) (a). The qualified loss cannot be less than zero.

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



1 defeased by refunding.

2 (x) "Qualified school debt millage rate" means the following:

3 (i) For calendar years before calendar year 2018, the millage  
4 rate specifically levied by the local school district or  
5 intermediate school district in the current year for the payment of  
6 principal and interest of obligations approved by the electors  
7 before January 1, 2013 or obligations pledging the unlimited taxing  
8 power of a local school district or intermediate school district  
9 incurred before January 1, 2013.

10 (ii) For calendar years 2018 and 2019, **and for calendar years**  
11 **after 2020**, either the millage rate described in sub-subparagraph  
12 (A), if a local school district or intermediate school district ~~7~~  
13 ~~in the current year and any prior year after 2017,~~ has elected to  
14 use the millage rate described in sub-subparagraph (A) **and**  
15 **subparagraph (iii) (A) in the current year and all prior years after**  
16 **2017** and has reported the millage rate described in sub-  
17 subparagraph (A) **and subparagraph (iii) (A)** to the department under  
18 section 13(4) **in the current year and all prior years after 2017,**  
19 or the total of all debt millage rates prescribed in sub-  
20 subparagraph (B), if the local school district or intermediate  
21 school district ~~7, in the current year or any prior year after 2017,~~  
22 has not elected to use the millage rate described in sub-  
23 subparagraph (A) **and subparagraph (iii) (A) in the current year and**  
24 **all prior years after 2017** or has not reported the millage rate  
25 described in sub-subparagraph (A) **and subparagraph (iii) (A)** to the  
26 department under section 13(4) **in the current year and all prior**  
27 **years after 2017:**

28 (A) The millage rate specifically levied by the local school  
29 district or intermediate school district in the current year for



1 the payment of principal and interest of obligations approved by  
 2 the electors before January 1, 2015 or obligations pledging the  
 3 unlimited taxing power of a local school district or intermediate  
 4 school district incurred before January 1, 2015.

5 (B) The lesser of the following:

6 (I) The highest total of all debt millage rates levied by the  
 7 local school district or intermediate school district in a single  
 8 year for the period 2012 through 2014.

9 (II) The total of all debt millage rates levied by the local  
 10 school district or intermediate school district in the year  
 11 immediately preceding the current calendar year.

12 (iii) For calendar ~~years after 2019,~~ **year 2020 only**, either the  
 13 millage rate described in sub-subparagraph (A), if a local school  
 14 district or intermediate school district has elected to use the  
 15 millage rate described in subparagraph (ii) (A) in calendar years  
 16 2018 and 2019 and has elected to use the millage rate described in  
 17 sub-subparagraph (A) in the current year ~~and all prior years after~~  
 18 ~~2019~~ and has reported under subparagraph (ii) (A) to the department  
 19 under section 13(4) in calendar years 2018 and 2019 and has  
 20 reported under sub-subparagraph (A) to the department under section  
 21 13(4) in the current year, ~~and all prior years after 2019,~~ or the  
 22 total of all debt millage rates described in sub-subparagraph (B),  
 23 if the local school district or intermediate school district has  
 24 not elected to use the millage rate described in subparagraph  
 25 (ii) (A) in calendar years 2018 and 2019 or has not elected to use  
 26 the millage rate described in sub-subparagraph (A) in the current  
 27 year ~~and all prior years after 2019~~ or has not reported under  
 28 subparagraph (ii) (A) to the department under section 13(4) in  
 29 calendar years 2018 and 2019 or has not reported under sub-



1 subparagraph (A) to the department under section 13(4) in the  
 2 current year: ~~and all prior years after 2019:~~

3 (A) The millage rate specifically levied by the local school  
 4 district or intermediate school district in the current year for  
 5 the payment of principal and interest of obligations approved by  
 6 the electors before January 1, 2013 or obligations pledging the  
 7 unlimited taxing power of a local school district or intermediate  
 8 school district incurred before January 1, 2013.

9 (B) The lesser of the following:

10 (I) The highest total of all debt millage rates levied by the  
 11 local school district or intermediate school district in a single  
 12 year for the period 2012 through 2014.

13 (II) The total of all debt millage rates levied by the local  
 14 school district or intermediate school district in the year  
 15 immediately preceding the current calendar year.

16 (y) "School operating loss not reimbursed by the school aid  
 17 fund" means the amount of revenue lost from ad valorem property  
 18 taxes levied under section 1211 of the revised school code, 1976 PA  
 19 451, MCL 380.1211, as a result of the exemption of industrial  
 20 personal property and commercial personal property under sections  
 21 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL  
 22 211.9m, 211.9n, and 211.9o, for mills other than basic school  
 23 operating mills, as that term is defined in section 2c of the use  
 24 tax act, 1937 PA 94, MCL 205.92c.

25 (z) "Small taxpayer exemption loss" means 1 of the following:

26 (i) For a municipality, the 2013 taxable value of commercial  
 27 personal property and industrial personal property minus the 2014  
 28 taxable value of commercial personal property and industrial  
 29 personal property. For the 2014 calendar year, the 2013 and 2014



1 taxable values of commercial personal property and industrial  
2 personal property are the values reported under section 13(2) by  
3 the county equalization director in calendar year 2014. For the  
4 2015, 2016, and 2018 calendar years and subsequent calendar years,  
5 the 2013 and 2014 taxable values of commercial personal property  
6 and industrial personal property are the values reported under  
7 section 13(3) by the county equalization director in calendar year  
8 2015. For the 2017 calendar year, the 2013 and 2014 taxable values  
9 of commercial personal property and industrial personal property  
10 are the values reported under section 13(3) by the county  
11 equalization director in calendar year 2015, except as provided in  
12 section 14. The calculation under this subparagraph must be  
13 modified for municipality boundary changes to the extent that the  
14 boundary changes affect the property taxes levied by the  
15 municipality. For millages from which renaissance zone property is  
16 exempt, the calculation under this subparagraph must be adjusted to  
17 exclude the taxable value of commercial personal property and  
18 industrial personal property exempt under the Michigan renaissance  
19 zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

20 (ii) For the 2015 calendar year and subsequent calendar years,  
21 for a municipality, the greater of the amount calculated under  
22 subparagraph (i) and the 2013 taxable value of commercial personal  
23 property and industrial personal property minus the 2015 taxable  
24 value of commercial personal property and industrial personal  
25 property. For the 2015, 2016, and 2018 calendar years and  
26 subsequent calendar years, the 2013 and 2015 taxable values of  
27 commercial personal property and industrial personal property are  
28 the values reported under section 13(3) by the county equalization  
29 director in calendar year 2015. For the 2017 calendar year, the





1 2013 and 2015 taxable values of commercial personal property and  
 2 industrial personal property are the values reported under section  
 3 13(3) by the county equalization director in calendar year 2015,  
 4 except as provided in section 14. The calculation under this  
 5 subparagraph must be modified for municipality boundary changes to  
 6 the extent that the boundary changes affect the property taxes  
 7 levied by the municipality. For millages from which renaissance  
 8 zone property is exempt, the calculation under this subparagraph  
 9 must be adjusted to exclude the taxable value of commercial  
 10 personal property and industrial personal property exempt under the  
 11 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to  
 12 125.2696.

13 (aa) "Specific tax" means a tax levied under 1974 PA 198, MCL  
 14 207.551 to 207.572.

15 (bb) "Tax increment finance authority" means an authority  
 16 created under 1 or ~~more~~**both** of the following:

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

18 ~~(ii) The tax increment finance authority act, 1980 PA 450, MCL  
 19 125.1801 to 125.1830.~~

20 ~~(iii) The local development financing act, 1986 PA 281, MCL  
 21 125.2151 to 125.2174.~~

22 ~~(i) (iv) The brownfield redevelopment financing act, 1996 PA  
 23 381, MCL 125.2651 to 125.2670.~~

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

26 ~~(vi) The corridor improvement authority act, 2005 PA 280, MCL  
 27 125.2871 to 125.2899.~~

28 ~~(vii) The neighborhood improvement authority act, 2007 PA 61,  
 29 MCL 125.2911 to 125.2932.~~



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

3 ~~(ix) The private investment infrastructure funding act, 2010 PA~~  
 4 ~~250, MCL 125.1871 to 125.1883.~~

5 ~~(x) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to~~  
 6 ~~472.27.~~

7 **(ii) The recodified tax increment financing act, 2018 PA 57,**  
 8 **MCL 125.4101 to 125.4915.**

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

13 (dd) "Taxable value" means all of the following:

14 (i) Except as otherwise provided in subparagraph (ii), that  
 15 value determined under section 27a of the general property tax act,  
 16 1893 PA 206, MCL 211.27a.

17 (ii) For real or personal property subject to the industrial  
 18 facilities tax under section 14(3) or (4) of 1974 PA 198, MCL  
 19 207.564, 50% of that value determined under section 27a of the  
 20 general property tax act, 1893 PA 206, MCL 211.27a.

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

24 (ff) "Utility personal property" means that term as described  
 25 in section 34c of the general property tax act, 1893 PA 206, MCL  
 26 211.34c.

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



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

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

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

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

17 (3) Not later than June 5, 2015, June 5, 2016, June 5, 2017,  
18 and each May 15 thereafter, the assessor for each city and township  
19 shall report to the county equalization director the current year  
20 taxable value of commercial personal property and industrial  
21 personal property for each municipality in the city or township.  
22 Not later than June 20, 2015, the equalization director for each  
23 county shall report to the department the 2013, 2014, and 2015  
24 taxable values of commercial personal property and industrial  
25 personal property for each municipality in the county. Not later  
26 than June 20, 2016, the equalization director for each county shall  
27 report to the department the 2013 and 2016 taxable values of  
28 commercial personal property and industrial personal property for  
29 each municipality in the county. Not later than June 20, 2017, the



1 equalization director for each county shall report to the  
2 department the 2013 and 2017 taxable values of commercial personal  
3 property and industrial personal property for each municipality in  
4 the county. Each May 31 thereafter, the equalization director for  
5 each county shall report to the department the current year taxable  
6 value of commercial personal property and industrial personal  
7 property for each municipality in the county. For calendar years  
8 2015 through 2017, the 2013, 2014, and current year taxable values  
9 of commercial personal property and industrial personal property  
10 shall be the current taxable values as of the reporting deadline  
11 for the county equalization director. For calendar year 2018 and  
12 thereafter, the current year taxable value of commercial personal  
13 property and industrial personal property shall be the current  
14 taxable value on May 10. Not later than June 20, 2015, for each  
15 municipality levying a millage in more than 1 county, the county  
16 equalization director responsible for compiling the municipality's  
17 taxable value under section 34d of the general property tax act,  
18 1893 PA 206, MCL 211.34d, shall compile and report to the  
19 department the municipality's 2013, 2014, and 2015 taxable values  
20 of commercial personal property and industrial personal property.  
21 Not later than June 20, 2016, for each municipality levying a  
22 millage in more than 1 county, the county equalization director  
23 responsible for compiling the municipality's taxable values under  
24 section 34d of the general property tax act, 1893 PA 206, MCL  
25 211.34d, shall compile and report to the department the  
26 municipality's 2013 and 2016 taxable values of commercial personal  
27 property and industrial personal property. Not later than June 20,  
28 2017, for each municipality levying a millage in more than 1  
29 county, the county equalization director responsible for compiling



1 the municipality's taxable values under section 34d of the general  
2 property tax act, 1893 PA 206, MCL 211.34d, shall compile and  
3 report to the department the municipality's 2013 and 2017 taxable  
4 values of commercial personal property and industrial personal  
5 property. Each June 7 thereafter, for each municipality levying a  
6 millage in more than 1 county, the county equalization director  
7 responsible for compiling the municipality's taxable value under  
8 section 34d of the general property tax act, 1893 PA 206, MCL  
9 211.34d, shall compile and report to the department the  
10 municipality's current year taxable value of commercial personal  
11 property and industrial personal property.

12 (4) Not later than August 15, 2014, August 15, 2015, August  
13 15, 2016, and August 15, 2017, each municipality shall report to  
14 the department the millage rate levied or to be levied that year  
15 for a millage described in section 5(g) or (x) that is used to  
16 calculate an appropriation under section 17(1) (a) or a distribution  
17 under section 17(4) (a) (i). For 2014 and 2015, the rate of that  
18 millage shall be calculated using the sum of the municipality's  
19 taxable value and the municipality's small taxpayer exemption loss.  
20 For 2016 and 2017, the rate of that millage shall be calculated  
21 using the sum of the municipality's taxable value and the  
22 municipality's personal property exemption loss. For calendar year  
23 2018 and subsequent years, a local school district and intermediate  
24 school district shall reduce its debt millage rate to reflect the  
25 payment to be received under section 17(4) (a) (i). By August 1, 2018  
26 and by each August 1 thereafter, a local school district and  
27 intermediate school district may report its millage rate calculated  
28 under section 5(x) (ii) (A) or (iii) (A) and a local school district  
29 shall report the operating mills levied under section 1211 of the



1 revised school code, 1976 PA 451, MCL 380.1211, on industrial  
2 personal property as that term is defined in section 1211 of the  
3 revised school code, 1976 PA 451, MCL 380.1211, levied or to be  
4 levied that year. For 2014 and 2015, the department shall calculate  
5 each municipality's debt loss or school debt loss by multiplying  
6 the municipality's millage rate reported under this subsection by  
7 the municipality's small taxpayer exemption loss. For 2016 and  
8 2017, the department shall calculate each municipality's school  
9 debt loss by multiplying the municipality's millage rate reported  
10 under this subsection by the municipality's personal property  
11 exemption loss. For calendar year 2018 and subsequent years, the  
12 department shall calculate the municipality's school debt loss by  
13 multiplying the municipality's qualified school debt millage rate  
14 by the municipality's personal property exemption loss.

15 (5) Not later than May 1 of each year, the department shall do  
16 the following:

17 (a) For the 2014, 2015, 2016, and 2017 calendar years'  
18 calculations, calculate and make available to each municipality  
19 that municipality's sum of the lowest rate of each individual  
20 millage levied in the period between 2012 and the year immediately  
21 preceding the current year. For a municipality, other than a  
22 municipality described in section 14, the calculation shall exclude  
23 debt millage and millage levied under section 1211 of the revised  
24 school code, 1976 PA 451, MCL 380.1211, on industrial personal  
25 property as that term is defined in section 1211 of the revised  
26 school code, 1976 PA 451, MCL 380.1211. For an individual millage  
27 rate not levied in 1 of the years, the lowest millage rate is zero.  
28 A millage used to make the calculations under this act must be  
29 levied against both real property and personal property.



1 (b) For the calendar year 2018 and subsequent years'  
 2 calculations, for a municipality that is not a local school  
 3 district or tax increment finance authority:

4 (i) Calculate each municipality's total millage levied in 2012,  
 5 2013, and 2014, respectively.

6 (ii) Calculate each municipality's eligible millage cap as the  
 7 highest total millage levied in 2012, 2013, or 2014.

8 (iii) Calculate each municipality's total millage levied in the  
 9 year immediately preceding the current year.

10 (iv) Calculate each individual millage rate for each  
 11 municipality as follows:

12 (A) If the eligible millage cap, as calculated under  
 13 subparagraph (ii), exceeds the total millage levied in the year  
 14 immediately preceding the current year, as calculated under  
 15 subparagraph (iii), then use each individual millage levied in the  
 16 year immediately preceding the current year.

17 (B) If the total millage levied in the year immediately  
 18 preceding the current year, as calculated under subparagraph (iii),  
 19 exceeds the eligible millage cap, as calculated under subparagraph  
 20 (ii), then prorate each individual millage levied in the year  
 21 immediately preceding the current year downward to equal the  
 22 eligible millage cap, as calculated under subparagraph (ii).

23 (v) For an intermediate school district, the calculations in  
 24 this subdivision shall exclude debt millage **and, for calendar year**  
 25 **2021 and subsequent years, the calculations in this subdivision**  
 26 **shall exclude enhancement millage.** A millage used to make the  
 27 calculations under this act must be levied against both real  
 28 property and personal property.



1 (c) For the calendar year 2018 and subsequent years'  
2 calculations, for a local school district:

3 (i) Calculate each individual millage rate levied by each local  
4 school district in 2012, 2013, and 2014, **respectively**.

5 (ii) Calculate each local school district's eligible millage  
6 cap as the highest rate levied in 2012, 2013, or 2014 for each  
7 individual millage.

8 (iii) Calculate each individual millage rate for each local  
9 school district to be the lesser of the millage cap calculated  
10 under subparagraph (ii) and the millage rate levied in the year  
11 immediately preceding the current year for that individual millage.

12 (iv) ~~the~~**The** calculations in this subdivision shall exclude  
13 debt millage and operating mills levied under section 1211 of the  
14 revised school code, 1976 PA 451, MCL 380.1211, on industrial  
15 personal property as that term is defined in section 1211 of the  
16 revised school code, 1976 PA 451, MCL 380.1211. A millage used to  
17 make the calculations under this act must be levied against both  
18 real property and personal property.

19 (d) **For the calendar year 2021 and subsequent years'**  
20 **calculations, for enhancement millage levied by an intermediate**  
21 **school district:**

22 (i) **Calculate the individual enhancement millage rate levied by**  
23 **each intermediate school district in 2012, 2013, and 2014,**  
24 **respectively.**

25 (ii) **Calculate each intermediate school district's eligible**  
26 **millage cap as the highest rate levied in 2012, 2013, or 2014 for**  
27 **enhancement millage.**

28 (iii) **Calculate the individual enhancement millage rate for each**  
29 **intermediate school district to be the lesser of the millage cap**





1 calculated under subparagraph (ii) and the millage rate levied in  
 2 the year immediately preceding the current year for the individual  
 3 enhancement millage.

4 (iv) A millage used to make the calculations under this act  
 5 must be levied against both real property and personal property.

6 (6) Not later than June 5, 2016, June 5, 2017, **June 5, 2018,**  
 7 **May 31, 2019,** and ~~each May 31 thereafter,~~ **May 31, 2020,** the  
 8 assessor for each city and township shall report to the department  
 9 and the county equalization director the increased value from  
 10 expired tax exemptions for each municipality that is subject to  
 11 section 14(2) and that levies taxes in the city or township.

12 (7) For a millage that is not general operating millage and  
 13 that is dedicated in part, but not solely, for the cost of  
 14 essential services, a county, township, village, city, or local  
 15 authority shall annually report the portion of the rate calculated  
 16 for that millage under subsection (5) that is dedicated for the  
 17 cost of essential services. This report shall be submitted to the  
 18 department, in a form and manner prescribed by the department, by  
 19 August 1, 2018, and by each August 1 thereafter. If the county,  
 20 township, village, city, or local authority fails to report to the  
 21 department by August 1, the department shall determine that the  
 22 millage is dedicated solely for the cost of essential services.

23 Sec. 14. (1) Not later than November 7, 2017, and each October  
 24 7 thereafter, for each municipality that is not a local school  
 25 district, intermediate school district, or tax increment finance  
 26 authority, the department shall do all of the following:

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

29 (b) Multiply the municipality's personal property exemption



1 loss by the millage rates calculated under section 13(5).

2 (c) For calendar year 2017 calculations only, adjust the  
3 amount calculated under subdivision (b) by the amount required to  
4 reflect changes in prior year taxable values that affect any prior  
5 year calculation under this subsection and that can be calculated  
6 from taxable values reported under section 151(1) of the state  
7 school aid act of 1979, 1979 PA 94, MCL 388.1751.

8 (d) Subtract from the amount calculated under subdivision (b),  
9 as adjusted by subdivision (c), the amount calculated under section  
10 16a(2) for captured taxes levied by the municipality not including  
11 taxes attributable to increased captured value.

12 (2) Not later than November 7, 2017, and each October 7  
13 thereafter, for each municipality that is a county, township,  
14 village, city, or local authority that provides essential services,  
15 the department shall do all of the following:

16 (a) ~~Add~~ **For calendar year 2016, 2017, 2018, 2019, and 2020**  
17 **calculations only, add** to the amount calculated under subsection  
18 (1)(a) any increased value from expired tax exemptions for the  
19 current year.

20 (b) Multiply the millage rate calculated under section 13(5)  
21 for general operating millage by the percentage of the  
22 municipality's general operating millage used to fund the cost of  
23 essential services in the municipality's fiscal year ending in  
24 2012. The department shall calculate each municipality's percentage  
25 of general operating millage used to fund the cost of essential  
26 services in the municipality's fiscal year ending in 2012, unless  
27 the municipality includes the calculation in its comprehensive  
28 annual financial report for the municipality's fiscal year ending  
29 in either 2014 or 2015 or otherwise reports the calculation to the



1 department in a form and in a manner prescribed by the department.

2 (c) Multiply the result of the calculation in subdivision (a)  
3 by the result of the calculation in subdivision (b).

4 (d) Multiply the amount calculated under section 16a(2) for  
5 captured taxes from the general operating millage levied by the  
6 municipality not including taxes attributable to increased captured  
7 value by the percentage of the municipality's general operating  
8 millage used to fund the cost of essential services in the  
9 municipality's fiscal year ending in 2012 and subtract the  
10 resulting amount from the amount calculated under subdivision (c).

11 (e) Add to the result of the calculation in subdivision (d) an  
12 amount calculated by multiplying the millage rate calculated under  
13 section 13(5) for each millage that is not general operating  
14 millage and that is dedicated in whole or in part for the cost of  
15 essential services by 1 or by the portion reported for that millage  
16 under section 13(7), as applicable, multiplying the resulting  
17 product for each millage by the amount calculated under subdivision  
18 (a), and adding the results. A millage levied to fund a pension  
19 under the fire fighters and police officers retirement act, 1937 PA  
20 345, MCL 38.551 to 38.562, is dedicated for the cost of essential  
21 services.

22 (f) Subtract from the result of the calculation in subdivision  
23 (e) the amount calculated under section 16a(2) for captured taxes  
24 from the portion of millage dedicated for the cost of essential  
25 services levied by the municipality not including taxes  
26 attributable to increased captured value.

27 (3) Not later than May 24, 2016, for each municipality that is  
28 a city, the department shall do all of the following:

29 (a) Calculate the municipality's 2014 and 2015 small taxpayer



1 exemption loss.

2 (b) Multiply the 2014 small taxpayer exemption loss if greater  
3 than zero by the millage rates calculated under section 13(5) for  
4 2014, excluding debt millage.

5 (c) Multiply the 2015 small taxpayer exemption loss if greater  
6 than zero by the millage rates calculated under section 13(5) for  
7 2015, excluding debt millage.

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

9 (e) Calculate the sum of the municipality's debt loss for 2014  
10 and 2015 reimbursed under section 17(1)(a) for millages used to  
11 calculate the amounts under subdivisions (b) and (c).

12 (f) Calculate the amount of any tax increment small taxpayer  
13 loss for captured taxes levied by the municipality in 2014 and 2015  
14 for millages used to calculate the amounts under subdivisions (b)  
15 and (c).

16 (4) Not later than November 7, 2017, and each October 7  
17 thereafter, for each municipality that is not a local school  
18 district, intermediate school district, or tax increment finance  
19 authority, the department shall do all of the following:

20 (a) Calculate the municipality's 2015 small taxpayer exemption  
21 loss.

22 (b) Multiply the municipality's 2015 small taxpayer exemption  
23 loss by the millage rates calculated under section 13(5).

24 (c) For calendar year 2017 calculations only, adjust the  
25 amount calculated under subdivision (b) by the amount required to  
26 reflect changes in prior year taxable values that affect any prior  
27 year calculation under this subsection and that can be calculated  
28 from taxable values reported under section 151(1) of the state  
29 school aid act of 1979, 1979 PA 94, MCL 388.1751.



1           (d) Subtract from the amount calculated under subdivision (b),  
2 as adjusted by subdivision (c), the amount calculated under section  
3 16a(2) for captured taxes levied by the municipality not including  
4 taxes attributable to increased captured value. The subtraction  
5 under this subdivision shall only be made to the extent that the  
6 subtraction made under subsection (1)(d) did not fully account for  
7 all captured taxes levied by the municipality not including taxes  
8 attributable to increased captured value.

