

HOUSE BILL NO. 4926

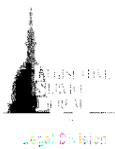
September 10, 2019, Introduced by Rep. Afendoulis and referred to the Committee on Tax Policy.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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



1 township.

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

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

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

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



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



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

10 (4) Not later than August 15, 2014, August 15, 2015, August
11 15, 2016, and August 15, 2017, each municipality shall report to
12 the department the millage rate levied or to be levied that year
13 for a millage described in section 5(g) or (x) that is used to
14 calculate an appropriation under section 17(1)(a) or a distribution
15 under section 17(4)(a)(i). For 2014 and 2015, the rate of that
16 millage shall be calculated using the sum of the municipality's
17 taxable value and the municipality's small taxpayer exemption loss.
18 For 2016 and 2017, the rate of that millage shall be calculated
19 using the sum of the municipality's taxable value and the
20 municipality's personal property exemption loss. For calendar year
21 2018 and subsequent years, a local school district and intermediate
22 school district shall reduce its debt millage rate to reflect the
23 payment to be received under section 17(4)(a)(i). By August 1, 2018
24 and by each August 1 thereafter, a local school district and
25 intermediate school district may report its millage rate calculated
26 under section 5(x)(ii)(A) or (iii)(A) and a local school district
27 shall report the operating mills levied under section 1211 of the
28 revised school code, 1976 PA 451, MCL 380.1211, on industrial
29 personal property as that term is defined in section 1211 of the



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

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

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

28 (b) For the calendar year 2018 and subsequent years'
29 calculations, for a municipality that is not a local school



1 district or tax increment finance authority:

2 (i) Calculate each municipality's total millage levied in 2012,
3 2013, and 2014, respectively.

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

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

8 (iv) Calculate each individual millage rate for each
9 municipality as follows:

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

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

21 (v) For an intermediate school district, the calculations in
22 this subdivision shall exclude debt millage **and, for calendar year**
23 **2020 and subsequent years, the calculations in this subdivision**
24 **shall exclude enhancement millage.** A millage used to make the
25 calculations under this act must be levied against both real
26 property and personal property.

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



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

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

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

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

17 (d) **For the calendar year 2020 and subsequent years'**
18 **calculations, for enhancement millage levied by an intermediate**
19 **school district:**

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

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

26 (iii) Calculate the individual enhancement millage rate for each
27 intermediate school district to be the lesser of the millage cap
28 calculated under subparagraph (ii) and the millage rate levied in



1 the year immediately preceding the current year for the individual
2 enhancement millage.

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

28 (a) Calculate the municipality's 2014 and 2015 small taxpayer
29 exemption loss.



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

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

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

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

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

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

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

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

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

29 (d) Subtract from the amount calculated under subdivision (b),



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

