

HOUSE BILL NO. 6255

June 21, 2022, Introduced by Rep. Cambensy and referred to the Committee on Natural Resources and Outdoor Recreation.

A bill to amend 2012 PA 410, entitled
"Nonferrous metallic minerals extraction severance tax act,"
by amending section 9 (MCL 211.789).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The department shall allocate the minerals
2 severance tax and the local tax collecting unit shall collect the
3 minerals severance tax as provided in this act and collect the same
4 collection charges as general property taxes under the general
5 property tax act, 1893 PA 206, MCL 211.1 to 211.155. Property

1 listed and taxed under this act shall be subject to return and sale
2 for nonpayment of taxes in the same manner, at the same time, and
3 under the same penalties as property returned and sold for
4 nonpayment of taxes levied under the general property tax act, 1893
5 PA 206, MCL 211.1 to 211.155.

6 (2) If mineral-producing property is located in more than 1
7 local tax collecting unit, the department, or a person designated
8 by the department, shall determine the portion attributable to each
9 local tax collecting unit.

10 (3) Except as provided in subsection (5), the minerals
11 severance tax collected under this act shall be distributed as
12 follows:

13 (a) 65% by the local tax collecting unit to school districts,
14 this state, and local governmental units in the same proportion as
15 the general ad valorem property taxes are distributed. The amounts
16 distributed may be used by the receiving entities for any use for
17 which such entity is permitted to use general ad valorem property
18 tax revenues. **Each year, the first \$250,000.00 of the proceeds of**
19 **the minerals severance tax distributed to this state under this**
20 **subdivision shall be deposited into the metallic mineral mine**
21 **reclamation fund created in section 63603 of the natural resources**
22 **and environmental protection act, 1994 PA 451, MCL 324.63603. Each**
23 **year, the next \$250,000.00 of the proceeds of the minerals**
24 **severance tax distributed to this state under this subdivision**
25 **shall be allocated to the department to perform the department's**
26 **duties under part 629 of the natural resources and environmental**
27 **protection act, 1994 PA 451, MCL 324.62901 to 324.62915.**

28 (b) 35% to the department for deposit into the rural
29 development fund.

1 (4) The local tax collecting unit shall report all collections
2 and distributions under this act to and remit the portion of the
3 minerals severance tax described in subsection (3)(b) to the
4 department for deposit in the rural development fund no later than
5 30 days after a payment is received from the taxpayer. If a local
6 tax collecting unit fails to make any distribution or remittance
7 required under this act to another entity, the department shall
8 deduct an equivalent amount from any revenues the local tax
9 collecting unit would otherwise be entitled to receive under the
10 Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
11 141.901 to 141.921, and distribute the amount deducted to those
12 entities entitled to receive that distribution under this act.

13 (5) In determining the distribution under subsection (3), the
14 department shall modify the distributions so all minerals severance
15 tax revenue lost due to the credit described in section 4(6) does
16 not reduce the distributions to school districts, this state, and
17 local governmental units under subsection (3)(a).

18 (6) For open mines opened at any time between January 1, 2011
19 and June 30, 2013, all of the following apply:

20 (a) For the first 5 years in which that open mine is a
21 producing mine and is subject to the minerals severance tax, if the
22 amount distributed under subsection (3)(a) is less than
23 \$3,500,000.00, the taxpayer shall, in addition to the amount
24 distributed under subsection (3)(a), pay the difference between
25 \$3,500,00.00 and the amount distributed under subsection (3)(a),
26 which additional amount shall be distributed to the school
27 districts, this state, and local governmental units in the
28 proportion provided in subsection (3)(a).

29 (b) For the sixth and seventh years in which that open mine is

1 a producing mine and is subject to the minerals severance tax, if
2 the amount distributed under subsection (3)(a) is less than
3 \$1,600,000.00, the taxpayer shall, in addition to the amount
4 distributed under subsection (3)(a), pay the difference between
5 \$1,600,000.00 and the amount distributed under subsection (3)(a),
6 which additional amount shall be distributed to the school
7 districts, this state, and local governmental units in the manner
8 provided in subsection (3)(a).

9 (c) If the taxpayer makes any additional payments as provided
10 under this subsection in addition to the amount distributed under
11 subsection (3)(a), the amount of that additional payment shall be
12 recovered as a credit, without interest, by the taxpayer against
13 subsequent payments made under this act and distributed under
14 subsection (3)(a) until the taxpayer has been reimbursed in full,
15 provided that in no case shall this credit cause the distribution
16 made under subsection (3)(a) in that year to fall below the minimum
17 amounts provided in subdivision (a) or (b) for that year. The
18 credit shall be cumulative and shall not expire until the taxpayer
19 has been fully reimbursed under this act.

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 101st Legislature are
22 enacted into law:

23 (a) Senate Bill No. ____ or House Bill No. 6258 (request no.
24 05008'21).

25 (b) Senate Bill No. ____ or House Bill No. 6257 (request no.
26 06391'22).