

**SUBSTITUTE FOR
SENATE BILL NO. 870**

A bill to amend 2000 PA 146, entitled
"Obsolete property rehabilitation act,"
by amending section 10 (MCL 125.2790).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) There is levied upon every owner of a
2 rehabilitated facility to which an obsolete property
3 rehabilitation exemption certificate is issued a specific tax to
4 be known as the obsolete properties tax.

5 (2) The amount of the obsolete properties tax, in each year,
6 shall be determined by adding the results of both of the
7 following calculations:

8 (a) Multiplying the total mills levied as ad valorem taxes
9 for that year by all taxing units within which the rehabilitated
10 facility is located by the taxable value of the real and personal
11 property of the obsolete property on the December 31 immediately

1 preceding the effective date of the obsolete property
2 rehabilitation exemption certificate after deducting the taxable
3 valuation of the land and of personal property other than
4 personal property assessed pursuant to sections 8(d) and 14(6) of
5 the general property tax act, 1893 PA 206, MCL 211.8 and 211.14,
6 for the tax year immediately preceding the effective date of the
7 obsolete property rehabilitation exemption certificate.

8 (b) Multiplying the mills levied for school operating
9 purposes for that year under the revised school code, 1976
10 PA 451, MCL 380.1 to 380.1852, and the state education tax act,
11 1993 PA 331, MCL 211.901 to 211.906, by the taxable value of the
12 real and personal property of the rehabilitated facility, after
13 deducting all of the following:

14 (i) The taxable value of the land and of the personal
15 property other than personal property assessed pursuant to
16 sections 8(d) and 14(6) of the general property tax act, 1893
17 PA 206, MCL 211.8 and 211.14.

18 (ii) The taxable value used to calculate the tax under
19 subdivision (a).

20 (3) The obsolete properties tax shall be collected,
21 disbursed, and assessed in accordance with this act.

22 (4) The obsolete properties tax is an annual tax, payable at
23 the same times, in the same installments, and to the same officer
24 or officers as taxes imposed under the general property tax act,
25 1893 PA 206, MCL 211.1 to 211.157, are payable. Except as
26 otherwise provided in this section, the officer or officers shall
27 disburse the obsolete properties tax payments received by the

1 officer or officers each year to and among this state, cities,
2 school districts, counties, and authorities, at the same times
3 and in the same proportions as required by law for the
4 disbursement of taxes collected under the general property tax
5 act, 1893 PA 206, MCL 211.1 to 211.157.

6 (5) For intermediate school districts receiving state aid
7 under sections 56, 62, and 81 of the state school aid act of
8 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the
9 amount of obsolete property tax that would otherwise be disbursed
10 to an intermediate school district, all or a portion, to be
11 determined on the basis of the tax rates being utilized to
12 compute the amount of state aid, shall be paid to the state
13 treasury to the credit of the state school aid fund established
14 by section 11 of article IX of the state constitution of 1963.

15 (6) The amount of obsolete property tax described in
16 subsection (2)(a) that would otherwise be disbursed to a local
17 school district for school operating purposes, and all of the
18 amount described in subsection (2)(b), shall be paid instead to
19 the state treasury and credited to the state school aid fund
20 established by section 11 of article IX of the state constitution
21 of 1963.

22 (7) The officer or officers shall send a copy of the amount
23 of disbursement made to each unit under this section to the
24 commission on a form provided by the commission.

25 (8) A rehabilitated facility located in a renaissance zone
26 under the Michigan renaissance zone act, 1996 PA 376,
27 MCL 125.2681 to 125.2696, is exempt from the obsolete properties

1 tax levied under this act to the extent and for the duration
2 provided pursuant to the Michigan renaissance zone act, 1996
3 PA 376, MCL 125.2681 to 125.2696, except for that portion of the
4 obsolete properties tax attributable to a tax described in
5 section 7ff(2) of the general property tax act, 1893 PA 206,
6 MCL 211.7ff. The obsolete properties tax calculated under this
7 subsection shall be disbursed proportionately to the taxing unit
8 or units that levied the tax described in section 7ff(2) of the
9 general property tax act, 1893 PA 206, MCL 211.7ff.

10 (9) A rehabilitated facility owned or operated by a qualified
11 start-up business is exempt from the obsolete properties tax
12 levied under this act, except for that portion of the obsolete
13 properties tax attributable to a tax described in section 7ff(2)
14 of the general property tax act, 1893 PA 206, MCL 211.7ff, for 5
15 consecutive tax years beginning on the December 31 in the year in
16 which the qualified start-up business first claimed the credit
17 under section 31a of the single business tax act, 1975 PA 228,
18 MCL 208.31a, or section 51f of the income tax act of 1967, 1967
19 PA 281, MCL 206.51f. A qualified start-up business exempt under
20 this subsection shall file an exemption affidavit with the
21 assessor of the local tax collecting unit. The exemption
22 affidavit shall be filed within 60 days of the qualified start-up
23 business becoming exempt under this subsection. The affidavit
24 shall be in a form prescribed by the state tax commission. The
25 obsolete properties tax calculated under this subsection shall be
26 disbursed proportionately to the taxing unit or units that levied
27 the tax described in section 7ff(2) of the general property tax

1 act, 1893 PA 206, MCL 211.7ff. As used in this subsection,
2 "qualified start-up business" means that term as defined in
3 section 31a of the single business tax act, 1975 PA 228, MCL
4 208.31a.