

# SENATE BILL No. 933

November 29, 2007, Introduced by Senator STAMAS and referred to the Committee on Finance.

A bill to amend 1974 PA 198, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

by amending section 11 (MCL 207.561), as amended by 2004 PA 323.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 11. (1) Except as provided in subsections (6) and (7),  
2       there is levied upon every owner of a speculative building, a new  
3       facility, or a replacement facility to which an industrial  
4       facilities exemption certificate is issued a specific tax to be

1 known as the industrial facility tax and an administrative fee  
2 calculated in the same manner and at the same rate that the local  
3 tax collecting unit imposes on ad valorem taxes collected under the  
4 general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157~~  
5 **211.155**.

6 (2) The industrial facility tax and administrative fee are to  
7 be paid annually, at the same times, in the same installments, and  
8 to the same officer or officers as taxes and administrative fees,  
9 if any, imposed under the general property tax act, 1893 PA 206,  
10 MCL 211.1 to ~~211.157~~**211.155**, are payable. Except as otherwise  
11 provided in this section, the officer or officers shall disburse  
12 the industrial facility tax payments received each year to and  
13 among the state, cities, townships, villages, school districts,  
14 counties, and authorities, at the same times and in the same  
15 proportions as required by law for the disbursement of taxes  
16 collected under the general property tax act, 1893 PA 206, MCL  
17 211.1 to ~~211.157~~**211.155**. To determine the proportion for the  
18 disbursement of taxes under this subsection and for attribution of  
19 taxes under subsection (5) for taxes collected under industrial  
20 facilities exemption certificates issued before January 1, 1994,  
21 the number of mills levied for local school district operating  
22 purposes to be used in the calculation shall equal the number of  
23 mills for local school district operating purposes levied in 1993  
24 minus the number of mills levied under the state education tax act,  
25 1993 PA 331, MCL 211.901 to 211.906, for the year for which the  
26 disbursement is calculated.

27 (3) Except as provided by subsections (4) and (5), for an

1 intermediate school district receiving state aid under section 56,  
2 62, or 81 of the state school aid act of 1979, 1979 PA 94, MCL  
3 388.1656, 388.1662, and 388.1681, of the amount that would  
4 otherwise be disbursed to or retained by the intermediate school  
5 district, all or a portion, to be determined on the basis of the  
6 tax rates being utilized to compute the amount of the state school  
7 aid, shall be paid instead to the state treasury to the credit of  
8 the state school aid fund established by section 11 of article IX  
9 of the state constitution of 1963. If the sum of any commercial  
10 facilities taxes prescribed by the commercial redevelopment act,  
11 1978 PA 255, MCL 207.651 to 207.668, and the industrial facility  
12 taxes paid to the state treasury to the credit of the state school  
13 aid fund that would otherwise be disbursed to the local or  
14 intermediate school district, under section 12 of the commercial  
15 redevelopment act, 1978 PA 255, MCL 207.662, and this section,  
16 exceeds the amount received by the local or intermediate school  
17 district under sections 56, 62, and 81 of the state school aid act  
18 of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, the  
19 department of treasury shall allocate to each eligible local or  
20 intermediate school district an amount equal to the difference  
21 between the sum of the commercial facilities taxes and the  
22 industrial facility taxes paid to the state treasury to the credit  
23 of the state school aid fund and the amount the local or  
24 intermediate school district received under sections 56, 62, and 81  
25 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656,  
26 388.1662, and 388.1681. This subsection does not apply to taxes  
27 levied for either of the following:

1 (a) Mills allocated to an intermediate school district for  
2 operating purposes as provided for under the property tax  
3 limitation act, 1933 PA 62, MCL 211.201 to 211.217a.

4 (b) An intermediate school district that is not receiving  
5 state aid under section 56 or 62 of the state school aid act of  
6 1979, 1979 PA 94, MCL 388.1656 and 388.1662.

7 (4) For industrial facilities taxes levied before 1994, a  
8 local or intermediate school district shall receive or retain its  
9 industrial facility tax payment that is levied in any year and  
10 becomes a lien before December 1 of the year if the district files  
11 a statement with the state treasurer not later than June 30 of the  
12 year certifying that the district does not expect to receive state  
13 school aid payments under section 56, 62, or 81 of the state school  
14 aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681,  
15 in the state fiscal year commencing in the year this statement is  
16 filed and if the district did not receive state school aid payments  
17 under section 56, 62, or 81 of the state school aid act of 1979,  
18 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, for the state  
19 fiscal year concluding in the year the statement required by this  
20 subsection is filed. However, if a local or intermediate school  
21 district receives or retains its summer industrial facility tax  
22 payment under this subsection and becomes entitled to receive state  
23 school aid payments under section 56, 62, or 81 of the state school  
24 aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681,  
25 in the state fiscal year commencing in the year in which it filed  
26 the statement required by this subsection, the district immediately  
27 shall pay to the state treasury to the credit of the state school

1 aid fund an amount of the summer industrial facility tax payments  
2 that would have been paid to the state treasury to the credit of  
3 the state school aid fund under subsection (3) had not this  
4 subsection allowed the district to receive or retain the summer  
5 industrial facility tax payment.

6 (5) For industrial facilities taxes levied after 1993, the  
7 amount to be disbursed to a local school district, except for that  
8 amount of tax attributable to mills levied under section 1211(2) or  
9 1211c of the revised school code, 1976 PA 451, MCL 380.1211 and  
10 380.1211c, and mills that are not included as mills levied for  
11 school operating purposes under section 1211 of the revised school  
12 code, 1976 PA 451, MCL 380.1211, shall be paid to the state  
13 treasury and credited to the state school aid fund established by  
14 section 11 of article IX of the state constitution of 1963.

15 (6) A speculative building, a new facility, or a replacement  
16 facility located in a renaissance zone under the Michigan  
17 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is  
18 exempt from the industrial facility tax levied under this act to  
19 the extent and for the duration provided pursuant to the Michigan  
20 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except  
21 for that portion of the industrial facility tax attributable to a  
22 special assessment or a tax described in section 7ff(2) of the  
23 general property tax act, 1893 PA 206, MCL 211.7ff. The industrial  
24 facility tax calculated under this subsection shall be disbursed  
25 proportionately to the local taxing unit or units that levied the  
26 special assessment or the tax described in section 7ff(2) of the  
27 general property tax act, 1893 PA 206, MCL 211.7ff.

(7) Upon application for an exemption under this subsection by a qualified start-up business, the governing body of a local tax collecting unit may adopt a resolution to exempt a speculative building, a new facility, or a replacement facility of a qualified start-up business from the collection of the industrial facility tax levied under this act in the same manner and under the same terms and conditions as provided for the exemption in section 7hh of the general property tax act, 1893 PA 206, MCL 211.7hh. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. If a resolution authorizing the exemption is adopted in the same manner as provided in section 7hh of the general property tax act, 1893 PA 206, MCL 211.7hh, a speculative building, a new facility, or a replacement facility owned or operated by a qualified start-up business is exempt from the industrial facility tax levied under this act, except for that portion of the industrial facility tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff, for the year in which the resolution is adopted. A qualified start-up business is not eligible for an exemption under this subsection for more than 5 years. A qualified start-up business may receive the exemption under this subsection in nonconsecutive years. The industrial

1 facility tax calculated under this subsection shall be disbursed  
2 proportionately to the taxing unit or units that levied the special  
3 assessment or the tax described in section 7ff(2) of the general  
4 property tax act, 1893 PA 206, MCL 211.7ff. As used in this  
5 subsection, "qualified start-up business" means that term as  
6 defined in section 31a of the single business tax act, 1975 PA 228,  
7 MCL 208.31a, **OR IN SECTION 415 OF THE MICHIGAN BUSINESS TAX ACT,**  
8 **2007 PA 36, MCL 208.1415.**