

MICHIGAN PROMISE ZONE AUTHORITY ACT (EXCERPT)
Act 549 of 2008

390.1677 Capture of state education tax; determination of base year; payments.

Sec. 17.

(1) The authority shall determine the base year for calculating the amount of incremental growth for the capture of the state education tax as provided in this section. The base year is the amount of revenue received from the collection of the state education tax in the promise zone in the year immediately preceding the year in which an authority makes its initial payment of qualified educational expenses in accordance with the promise of financial assistance or the amount of revenue received from the collection of the state education tax in the promise zone in any 1 of the 5 immediately succeeding years, whichever is less.

(2) If the authority continues to make annual payments in accordance with the promise of financial assistance, in the year immediately succeeding the base year determined in subsection (1) and each year thereafter, this state shall capture 1/2 of the increase in revenue, if any, from the collection of the state education tax. This state shall not capture any revenue from the collection of the state education tax under this act if that revenue is subject to capture under any other law of this state. Proceeds from the capture of the state education tax under this section shall be deposited in the state treasury and credited to a restricted fund to be used solely for the purposes of this act.

(3) If the authority continues to make annual payments of qualified educational expenses in accordance with the promise of financial assistance, 2 years after the authority's initial payment of financial assistance and each year thereafter, this state shall pay to the authority the state education tax captured under subsection (2). If the boundaries of 2 or more promise zones created under this act overlap, payments under this section shall only be made to the first authority eligible for payment under this subsection. If the boundaries of a promise zone are changed by merger or otherwise, the department of treasury may adjust the calculation of the tax revenue capture under this section to reflect that change.

(4) If at any time the authority does not make annual payments of qualified educational expenses in accordance with the promise for financial assistance, any amount captured from that promise zone in the restricted fund created under subsection (2) shall be paid into the school aid fund established in section 11 of article IX of the state constitution of 1963.

(5) For purposes of this section, payments under this section shall not be included in determining payments for financial assistance in the immediately preceding year.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009 ;-- Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013 ;-- Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016