

Act No. 165  
Public Acts of 1989  
Approved by the Governor  
August 15, 1989  
Filed with the Secretary of State  
August 15, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Reps. Nye, Jondahl, Oxender, Keith and O'Neill

# **ENROLLED HOUSE BILL No. 4299**

AN ACT to amend sections 11 and 14 of Act No. 198 of the Public Acts of 1974, 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 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," section 11 as amended by Act No. 122 of the Public Acts of 1984 and section 14 as amended by Act No. 417 of the Public Acts of 1982, being sections 207.561 and 207.564 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Sections 11 and 14 of Act No. 198 of the Public Acts of 1974, section 11 as amended by Act No. 122 of the Public Acts of 1984 and section 14 as amended by Act No. 417 of the Public Acts of 1982, being sections 207.561 and 207.564 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 11. (1) There is levied upon every owner of a speculative building, a new facility, or a replacement facility to which an industrial facilities exemption certificate is issued a specific tax to be known as the industrial facility tax.

(2) The industrial facility tax shall be an annual tax, payable at the same times, in the same installments, and to the same officer or officers as taxes imposed under the general property tax act, Act No. 206 of the Public Acts of 1893, as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws, are payable. The officer or officers shall disburse the industrial facility tax payments received each year to and among the same cities, townships, villages, school districts, counties, authorities, and the state at the same times and in the

same proportions as required by law for the disbursement of taxes collected under Act No. 206 of the Public Acts of 1893, as amended. For taxes determined under section 14(3), the proportion of taxes to be disbursed to a taxing unit shall be a fraction the denominator of which is the number of mills by which the state equalized valuation is multiplied to compute the tax under section 14(3) and the numerator of which is the number of mills of the taxing unit included in the denominator. However, except as provided by subsection (3), in the case of a local or intermediate school district receiving state aid under section 21(1), 56, 62, or 81 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1621, 388.1656, 388.1662, or 388.1681 of the Michigan Compiled Laws, of the amount that would otherwise be disbursed to or retained by the local or intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of the state school aid, shall be paid instead to the state treasury to the credit of the state account for education fund established by section 11 of article IX of the state constitution of 1963. If the sum of any commercial facilities taxes prescribed by the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being sections 207.651 to 207.668 of the Michigan Compiled Laws, and the industrial facility taxes paid to the state treasury to the credit of the state account for education fund that would otherwise be disbursed to the local or intermediate school district, pursuant to section 12 of Act No. 255 of the Public Acts of 1978 and this section, exceeds the amount received by the local or intermediate school district under sections 21(1), 56, 62, and 81 of Act No. 94 of the Public Acts of 1979, the department of treasury shall allocate to each eligible local or intermediate school district an amount equal to the difference between the sum of the commercial facilities taxes and the industrial facility taxes paid to the state treasury to the credit of the state account for education fund and the amount the local or intermediate school district received under sections 21(1), 56, 62, and 81 of Act No. 94 of the Public Acts of 1979.

(3) A local or intermediate school district shall receive or retain its industrial facility tax payment that is levied in any year and becomes a lien before December 1 of the year if the district files a statement with the state treasurer not later than June 30 of the year certifying that the district does not expect to receive state school aid payments under section 21(1), 56, 62, or 81 of Act No. 94 of the Public Acts of 1979 in the state fiscal year commencing in the year this statement is filed and if the district did not receive state school aid payments under section 21(1), 56, 62, or 81 of Act No. 94 of the Public Acts of 1979 for the state fiscal year concluding in the year the statement required by this subsection is filed. However, if a local or intermediate school district receives or retains its summer industrial facility tax payment pursuant to this subsection and becomes entitled to receive state school aid payments under section 21(1), 56, 62, or 81 of Act No. 94 of the Public Acts of 1979 in the state fiscal year commencing in the year in which it filed the statement required by this subsection, the district immediately shall pay to the state treasury to the credit of the state account for education fund an amount of the summer industrial facility tax payments that would have been paid to the state treasury to the credit of the state account for education fund under subsection (2) had not this subsection allowed the district to receive or retain the summer industrial facility tax payment.

Sec. 14. (1) The amount of the industrial facility tax in each year for a replacement facility shall be determined by multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is situated by the state equalized valuation of the real and personal property of the obsolete industrial property for the tax year immediately preceding the effective date of the industrial facilities exemption certificate after deducting the state equalized valuation of the land and of the inventory as specified in section 19.

(2) For exemption certificates issued before 1990, the amount of the industrial facility tax in each year for a new facility or a speculative building shall be determined by multiplying 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is situated by the state equalized valuation of the facility excluding the land and the inventory personal property. For the purposes of this subsection, the calculation of the total mills levied as ad valorem taxes for that year shall include the number of mills levied for operating purposes in 1989 by the local school district in which the facility is situated.

(3) For exemption certificates issued after 1989, the amount of the industrial facility tax in each year for a new facility or a speculative building shall be determined by multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is situated, minus 1/2 the number of mills levied by all taxing units other than the state and the local school district within which the facility is situated, by the state equalized valuation of the facility excluding the land and the inventory personal property.

(4) If a termination or revocation of only the real property component or only the personal property component of an industrial facilities exemption certificate occurs as provided in this act, the valuation and the tax determined shall be reduced proportionately to reflect the exclusion of the component with respect to which the termination or revocation has occurred.

Section 2. This amendatory act shall not take effect unless amendment 2 of House Joint Resolution I of the 85th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved .....

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Governor.