

# HOUSE BILL No. 4299

February 23, 1989, Introduced by Reps. Nye, Jondahl, Oxender, Keith and O'Neill and referred to the Committee on Taxation.

A bill to amend section 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,"

as amended by Act No. 417 of the Public Acts of 1982, being section 207.564 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 14 of Act No. 198 of the Public Acts of  
2 1974, as amended by Act No. 417 of the Public Acts of 1982, being  
3 section 207.564 of the Michigan Compiled Laws, is amended to read  
4 as follows:

1       Sec. 14. (1) The amount of the industrial facility tax ~~—~~  
2 in each year ~~in the case of~~ FOR a replacement facility ~~—~~  
3 shall be determined by multiplying the total mills levied as ad  
4 valorem taxes for that year by all taxing units within which the  
5 facility is situated by the state equalized valuation of the real  
6 and personal property of the obsolete industrial property for the  
7 tax year immediately preceding the effective date of the indus-  
8 trial facilities exemption certificate after deducting the state  
9 equalized valuation of the land and of the inventory as specified  
10 in section 19.

11       (2) ~~The~~ FOR EXEMPTION CERTIFICATES ISSUED BEFORE 1989, THE  
12 amount of the industrial facility tax ~~—~~ in each year ~~in the~~  
13 ~~case of~~ FOR a new facility or a speculative building ~~—~~ shall  
14 be determined by multiplying 1/2 of the total mills levied as ad  
15 valorem taxes for that year by all taxing units within which the  
16 facility is situated by the state equalized valuation of the  
17 facility excluding the land and the inventory personal property.  
18 FOR THE PURPOSES OF THIS SUBSECTION, THE CALCULATION OF THE TOTAL  
19 MILLS LEVIED AS AD VALOREM TAXES FOR THAT YEAR SHALL INCLUDE THE  
20 NUMBER OF MILLS LEVIED FOR OPERATING PURPOSES IN 1988 BY THE  
21 LOCAL SCHOOL DISTRICT IN WHICH THE FACILITY IS SITUATED.

22       (3) FOR EXEMPTION CERTIFICATES ISSUED AFTER 1988, THE AMOUNT  
23 OF THE INDUSTRIAL FACILITY TAX IN EACH YEAR FOR A NEW FACILITY OR  
24 A SPECULATIVE BUILDING SHALL BE DETERMINED BY MULTIPLYING THE  
25 TOTAL MILLS LEVIED AS AD VALOREM TAXES FOR THAT YEAR BY ALL  
26 TAXING UNITS WITHIN WHICH THE FACILITY IS SITUATED, MINUS 1/2 THE  
27 NUMBER OF MILLS LEVIED BY ALL TAXING UNITS OTHER THAN THE STATE

1 AND THE LOCAL SCHOOL DISTRICT WITHIN WHICH THE FACILITY IS  
2 SITUATED, BY THE STATE EQUALIZED VALUATION OF THE FACILITY  
3 EXCLUDING THE LAND AND THE INVENTORY PERSONAL PROPERTY.

4 (4) ~~(3) In the event of~~ IF a termination or revocation of  
5 only the real property component ~~—~~ or only the personal prop-  
6 erty component ~~—~~ of an industrial facilities exemption certifi-  
7 cate OCCURS as ~~hereinafter~~ provided IN THIS ACT, the valuation  
8 and the tax determined ~~thereby~~ shall be reduced proportionately  
9 to reflect the exclusion of the component with respect to which  
10 the termination or revocation has occurred.

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