



HOUSE BILL No. 5423

January 17, 2018, Introduced by Rep. Howrylak and referred to the Committee on Appropriations.

A bill to amend 2014 PA 86, entitled
"Local community stabilization authority act,"
by amending section 17 (MCL 123.1357), as amended by 2017 PA 102.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17. (1) The legislature shall appropriate funds for all
2 of the following purposes:

3 (a) For fiscal year 2014-2015 and fiscal year 2015-2016, to
4 the authority, an amount equal to all debt loss for municipalities
5 that are not a local school district, intermediate school district,
6 or tax increment finance authority, an amount equal to all school
7 debt loss for municipalities that are a local school district or
8 intermediate school district, and an amount equal to all tax
9 increment small taxpayer loss for municipalities that are a tax
10 increment finance authority. Funds appropriated under this

1 subdivision for fiscal year 2015-2016 may be used to pay a
2 corrected tax increment small taxpayer exemption loss for 2014 if a
3 tax increment finance authority submits before June 1, 2016 a
4 correction to a report that was filed under section 16a before
5 October 1, 2014.

6 (b) For fiscal year 2014-2015 through fiscal year 2018-2019 an
7 amount equal to the necessary expenses incurred by the department
8 in implementing this act.

9 (c) Beginning in fiscal year 2019-2020 and each fiscal year
10 thereafter, an amount equal to the necessary expenses incurred by
11 the authority and the department in implementing this act.

12 (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the
13 authority shall distribute to municipalities those funds
14 appropriated under subsection (1)(a). However, in fiscal year 2014-
15 2015, if the authority is not able to make the distribution under
16 this subsection, the department shall make the distribution under
17 this subsection on behalf of the authority.

18 (3) For calendar years 2014 and 2015, the authority shall
19 distribute local community stabilization share revenue to each city
20 in an amount determined by multiplying the sum of the local
21 community stabilization share revenue for the calendar years and
22 the amounts calculated under section 14(3)(e) and (f) by a
23 fraction, the numerator of which is that city's amount calculated
24 under section 14(3)(d) and the denominator of which is the total
25 amount calculated under section 14(3)(d), and subtracting from the
26 result each city's amounts calculated under section 14(3)(e) and
27 (f).

1 (4) Beginning for calendar year 2016, the authority shall
2 distribute local community stabilization share revenue as follows
3 in the following order of priority:

4 (a) The authority shall distribute to each municipality an
5 amount equal to all of the following:

6 (i) 100% of that municipality's school debt loss in the
7 current year and 100% of its amount calculated under section 15.

8 **NOTWITHSTANDING ANY PROVISION OF THIS ACT TO THE CONTRARY, FOR THE**
9 **2017 CALENDAR YEAR ONLY, IF A MUNICIPALITY ELIGIBLE FOR A**
10 **DISTRIBUTION UNDER THIS SUBPARAGRAPH FAILS TO SUBMIT NECESSARY**
11 **DOCUMENTATION IN TIME TO RECEIVE THAT DISTRIBUTION FROM LOCAL**
12 **COMMUNITY STABILIZATION SHARE REVENUE ALLOCATED TO CALENDAR YEAR**
13 **2017, THAT MUNICIPALITY MAY APPLY FOR AND RECEIVE THE FULL AMOUNT**
14 **OF THAT DISTRIBUTION FROM LOCAL COMMUNITY STABILIZATION SHARE**
15 **REVENUE ALLOCATED TO CALENDAR YEAR 2018 PURSUANT TO PROCEDURES**
16 **ESTABLISHED BY THE AUTHORITY.**

17 (ii) 100% of that municipality's amount calculated under
18 section 16.

19 (iii) 100% of that municipality's school operating loss not
20 reimbursed by the school aid fund in the current year.

21 (iv) 100% of the amount calculated in section 14(2). However,
22 the amount distributed to a municipality under this subparagraph
23 shall not exceed the amount calculated in section 14(1)(d). All
24 distributions under this subparagraph shall be used to fund
25 essential services.

26 (v) For a municipality that is a tax increment finance
27 authority, 100% of its amount calculated under section 16a(2).

1 (vi) 100% of that municipality's amount calculated under
2 section 14(4).

3 (b) Beginning for calendar year 2019, after the distributions
4 under subdivision (a), and subject to subparagraph (viii), the
5 authority shall distribute 5% of the remaining balance of the local
6 community stabilization share fund for the current calendar year to
7 each municipality that is not a local school district, intermediate
8 school district, or tax increment finance authority in an amount
9 determined as follows:

10 (i) Calculate the total acquisition cost of all eligible
11 personal property in the municipality.

12 (ii) Multiply the result of the calculation in subparagraph
13 (i) by the sum of the lowest rate of each individual millage levied
14 by the municipality in the period between 2012 and the year
15 immediately preceding the current year that is not used to
16 calculate a distribution under subdivision (a) (i) to (iv). For an
17 individual millage rate not levied in 1 of the years, the lowest
18 millage rate is zero. A millage used to make the calculation under
19 this subparagraph must be eligible to be levied against both real
20 property and personal property.

21 (iii) Divide the sum of the amounts calculated under
22 subparagraph (ii) for all municipalities subject to the calculation
23 by total qualified loss.

24 (iv) Multiply the result of the calculation in subparagraph
25 (iii) by the amount calculated under section 16a(2) for captured
26 taxes levied by the municipality not including taxes attributable
27 to increased captured value.

(v) Subtract from the amount calculated under subparagraph (ii) the amount calculated under subparagraph (iv).

(vi) Divide the result of the calculation in subparagraph (v) by the sum of the calculation under subparagraph (v) for all municipalities.

(vii) Multiply the result of the calculation in subparagraph (vi) by the amount to be distributed under this subdivision.

(viii) For calendar year 2020, and each calendar year thereafter, the percentage amount described in this subdivision shall be increased an additional 5% each year, not to exceed 100%.

(c) After the distributions in subdivisions (a) and (b), the authority shall distribute the remaining balance of the local community stabilization share fund for a calendar year to each municipality in an amount determined by multiplying the remaining balance by a fraction, the numerator of which is that municipality's qualified loss and the denominator of which is the total qualified loss.

(5) The authority shall make the payments required by subsection (3) not later than May 20, 2016, and, **SUBJECT TO SUBSECTION (4) (A) (i)**, payments required by subsection (4) not later than on the following dates:

(a) For county allocated millage, November 20, 2017, and thereafter September 20 of the year the millage is levied.

(b) For county extra-voted millage, township millage, and other millages levied 100% in December of a year, February 20 of the following year.

(c) For other millages, November 20, 2017, and thereafter

1 October 20 of the year the millage is levied.

2 (6) If the authority has insufficient funds to make the
3 payments on the dates required in subsection (5), the department
4 shall advance to the authority the amount necessary for the
5 authority to make the required payments. The authority shall repay
6 the advance to the department from the local community
7 stabilization share.

8 (7) For each fiscal year from fiscal year 2015-2016 through
9 fiscal year 2018-2019, the authority may use up to \$300,000.00 of
10 the local community stabilization share revenue for purposes
11 consistent with implementing and administering this act.

12 (8) The authority shall distribute local community
13 stabilization share revenue under this section as follows:

14 (a) From fiscal year 2015-2016 local community stabilization
15 share revenue, \$19,200,000.00 for calendar years 2014 and 2015 and
16 \$76,900,000.00 for calendar year 2016.

17 (b) From fiscal year 2016-2017 local community stabilization
18 share revenue, \$297,400,000.00 for calendar year 2016 and
19 \$83,200,000.00 for calendar year 2017.

20 (c) From fiscal year 2017-2018 local community stabilization
21 share revenue, \$321,500,000.00 for calendar year 2017 and
22 \$89,000,000.00 for calendar year 2018.

23 (d) From fiscal year 2018-2019 local community stabilization
24 share revenue, \$341,800,000.00 for calendar year 2018 and
25 \$95,900,000.00 for calendar year 2019.

26 (e) From fiscal year 2019-2020 local community stabilization
27 share revenue, \$364,500,000.00 for calendar year 2019 and

1 \$101,400,000.00 for calendar year 2020.

2 (f) From fiscal year 2020-2021 local community stabilization
3 share revenue, \$383,500,000.00 for calendar year 2020 and
4 \$108,000,000.00 for calendar year 2021.

5 (g) From fiscal year 2021-2022 local community stabilization
6 share revenue, \$405,700,000.00 for calendar year 2021 and
7 \$115,600,000.00 for calendar year 2022.

8 (h) From fiscal year 2022-2023 local community stabilization
9 share revenue, \$428,300,000.00 for calendar year 2022 and
10 \$119,700,000.00 for calendar year 2023.

11 (i) From fiscal year 2023-2024 local community stabilization
12 share revenue, \$438,900,000.00 for calendar year 2023 and
13 \$122,800,000.00 for calendar year 2024.

14 (j) From fiscal year 2024-2025 local community stabilization
15 share revenue, \$445,800,000.00 for calendar year 2024 and
16 \$124,000,000.00 for calendar year 2025.

17 (k) From fiscal year 2025-2026 local community stabilization
18 share revenue, \$447,100,000.00 for calendar year 2025 and
19 \$124,300,000.00 for calendar year 2026.

20 (l) From fiscal year 2026-2027 local community stabilization
21 share revenue, \$447,700,000.00 for calendar year 2026 and
22 \$124,500,000.00 for calendar year 2027.

23 (m) From fiscal year 2027-2028 local community stabilization
24 share revenue, \$448,000,000.00 for calendar year 2027 and
25 \$124,600,000.00 for calendar year 2028.

26 (n) From the local community stabilization share revenue for
27 fiscal year 2028-2029 and each fiscal year thereafter, the

1 authority shall increase the prior fiscal year's 2 distribution
2 amounts under this subsection by the personal property growth
3 factor, the first amount for the calendar year in which the fiscal
4 year begins and the second amount for the calendar year in which
5 the fiscal year ends. As used in this subdivision, "personal
6 property growth factor" means that term as defined in section 2c of
7 the use tax act, 1937 PA 94, MCL 205.92c.