

SENATE BILL No. 310

March 1, 2007, Introduced by Senators ANDERSON, SCHAUER and THOMAS 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 sections 14 and 14a (MCL 207.564 and 207.564a), section 14 as amended by 1996 PA 1 and section 14a as amended by 1994 PA 266.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) The amount of the industrial facility tax, in
2 each year for a replacement facility, shall be determined by

1 multiplying the total mills levied as ad valorem taxes for that
2 year by all taxing units within which the facility is situated by
3 the taxable value of the real and personal property of the obsolete
4 industrial property for the tax year immediately preceding the
5 effective date of the industrial facilities exemption certificate
6 after deducting the taxable value of the land and of the inventory
7 as specified in section 19.

8 (2) The amount of the industrial facility tax, in each year
9 for a new facility or a speculative building for which an
10 industrial facilities exemption certificate became effective before
11 January 1, 1994, shall be determined by multiplying the taxable
12 value of the facility excluding the land and the inventory personal
13 property by the sum of 1/2 of the total mills levied as ad valorem
14 taxes for that year by all taxing units within which the facility
15 is located other than mills levied for school operating purposes by
16 a local school district within which the facility is located or
17 mills levied under the state education tax act, ~~Act No. 331 of the~~
18 ~~Public Acts of 1993, being sections 211.901 to 211.906 of the~~
19 ~~Michigan Compiled Laws 1993 PA 331, MCL 211.901 TO 211.906~~, plus
20 1/2 of the number of mills levied for local school district
21 operating purposes in 1993.

22 (3) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (4),** THE amount of
23 the industrial facility tax in each year for a new facility or a
24 speculative building for which an industrial facilities exemption
25 certificate becomes effective after December 31, 1993, shall be
26 determined by multiplying the taxable value of the facility
27 excluding the land and the inventory personal property by the sum

1 of 1/2 of the total mills levied as ad valorem taxes for that year
2 by all taxing units within which the facility is located other than
3 mills levied under the state education tax act, 1993 PA 331, MCL
4 211.901 TO 211.906, plus, subject to section 14a, the number of
5 mills levied under ~~Act No. 331 of the Public Acts of 1993~~ THE STATE
6 EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906.

7 (4) FOR TAXES LEVIED AFTER DECEMBER 31, 2007, FOR THE PERSONAL
8 PROPERTY TAX COMPONENT OF AN INDUSTRIAL FACILITIES EXEMPTION
9 CERTIFICATE FOR A NEW FACILITY OR A SPECULATIVE BUILDING THAT IS
10 CLASSIFIED AS INDUSTRIAL PERSONAL PROPERTY UNDER SECTION 34C OF THE
11 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.34C, THE AMOUNT OF
12 THE INDUSTRIAL FACILITY TAX IN EACH YEAR FOR A NEW FACILITY OR A
13 SPECULATIVE BUILDING SHALL BE DETERMINED BY MULTIPLYING THE TAXABLE
14 VALUE OF THE FACILITY EXCLUDING THE LAND AND THE INVENTORY PERSONAL
15 PROPERTY BY THE SUM OF 1/2 OF THE TOTAL MILLS LEVIED AS AD VALOREM
16 TAXES FOR THAT YEAR BY ALL TAXING UNITS WITHIN WHICH THE FACILITY
17 IS LOCATED OTHER THAN MILLS LEVIED UNDER THE STATE EDUCATION TAX
18 ACT, 1993 PA 331, MCL 211.901 TO 211.906, AND THE NUMBER OF MILLS
19 FROM WHICH THE PROPERTY IS EXEMPT UNDER SECTION 1211(1) OF THE
20 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

21 (5) ~~(4)~~—For a termination or revocation of only the real
22 property component, or only the personal property component, of an
23 industrial facilities exemption certificate as provided in this
24 act, the valuation and the tax determined using that valuation
25 shall be reduced proportionately to reflect the exclusion of the
26 component with respect to which the termination or revocation has
27 occurred.

1 Sec. 14a. Within 60 days after the granting of an industrial
2 facilities exemption certificate under section 7 for a new
3 facility, the state treasurer may exclude 1/2 or all of the number
4 of mills levied under the state education tax act, ~~Act No. 331 of~~
5 ~~the Public Acts of 1993, being sections 211.901 to 211.906 of the~~
6 ~~Michigan Compiled Laws 1993 PA 331, MCL 211.901 TO 211.906~~, from
7 the specific tax calculation on the facility under section 14(3) if
8 the state treasurer determines that reducing the number of mills
9 used to calculate the specific tax under section 14(3) is necessary
10 to reduce unemployment, promote economic growth, and increase
11 capital investment in this state. **THIS SECTION DOES NOT APPLY TO**
12 **THE PERSONAL PROPERTY TAX COMPONENT OF A CERTIFICATE DESCRIBED IN**
13 **SECTION 14(4).**

14 Enacting section 1. This amendatory act does not take effect
15 unless all of the following bills of the 94th Legislature are
16 enacted into law:

17 (a) Senate Bill No. 306.

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19 (b) Senate Bill No. 308.

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21 (c) Senate Bill No. 309.

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23 (d) Senate Bill No. 311.

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25 (e) Senate Bill No. 307.

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27 (f) Senate Bill No. 314.