

HOUSE BILL No. 5813

May 7, 1992, Introduced by Reps. Brown, Gilmer, Knight, Hickner and DeMars and referred to the Committee on Taxation.

A bill to amend section 5a of Act No. 7 of the Public Acts of the First Extra Session of 1967, entitled as amended "Urban cooperation act of 1967," as added by Act No. 286 of the Public Acts of 1987, being section 124.505a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 5a of Act No. 7 of the Public Acts of
2 the First Extra Session of 1967, as added by Act No. 286 of the
3 Public Acts of 1987, being section 124.505a of the Michigan
4 Compiled Laws, is amended to read as follows:

5 Sec. 5a. (1) Upon approval of the legislative body of each
6 contracting local governmental unit, 2 or more local governmental
7 units that levy a property tax under the general property tax
8 act, Act No. 206 of the Public Acts of 1893, being sections 211.1
9 to 211.157 of the Michigan Compiled Laws, may enter into an

1 interlocal agreement for the sharing of all or a portion of
2 revenue derived by and for the benefit of a local governmental
3 unit entering into that agreement, which revenue results from the
4 levy of general ad valorem property taxes or specific taxes
5 levied in lieu of general ad valorem property taxes upon certain
6 commercial or industrial property.

7 (2) An interlocal agreement under this section may include
8 any necessary and proper matter and shall specify at least all of
9 the following:

10 (a) The duration of the agreement and the method by which
11 the agreement may be rescinded or terminated by a contracting
12 local governmental unit before the stated date of termination.

13 (b) A description of the commercial or industrial property
14 upon which the taxes to be shared are levied, expressed in terms
15 of type of property or location of property, including a parcel
16 identification number, if any.

17 (c) The formula or formulas for sharing the tax revenue to
18 be shared.

19 (d) A schedule and method of distribution of the shared tax
20 revenue.

21 (3) The assessment, levy, collection, and distribution of
22 taxes shall be ~~in accordance with~~ PURSUANT TO the general prop-
23 erty tax act, Act No. 206 of the Public Acts of 1893, and the
24 statutes governing specific taxes levied in lieu of general ad
25 valorem property taxes.

26 ~~(4) A local governmental unit shall not enter into an~~
27 ~~agreement under this section after December 31, 1992.~~

1 (4) ~~-(5)-~~ The public policy of this state is for local
2 governmental units to avoid entering into an interlocal agreement
3 under this section if that interlocal agreement has the effect of
4 transferring employment from 1 or more local governmental units
5 in this state to 1 or more of the local governmental units enter-
6 ing into the agreement.