

Act No. 311
Public Acts of 1994
Approved by the Governor
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STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994

Introduced by Senators Cisky, Gast Schwarz Emmons Dunaskiss Ehlers Dillingham McManus and DiNello

ENROLLED SENATE BILL No. 144

AN ACT to amend sections 3 4 6 7 8 9 10 11 12 13 14 15 16 17 19 20 20a 20b 21 and 22 of Act No 224 of the Public Acts of 1985 entitled An act to promote economic growth within economically distressed local governmental units to provide for the creation of enterprise zones to provide for the creation of an enterprise zone authority to prescribe the powers and duties of officials and agencies of the state and certain local governmental units to provide for the establishment of citizens councils and to prescribe their powers and duties to authorize the levy and collection of specific taxes and to provide qualifications for certification of and incentives for certain businesses located in enterprise zones sections 3 20 20a 20b and 21 as amended by Act No 185 of the Public Acts of 1991 section 6 as amended by Act No 15 of the Public Acts of 1987 and section 14 as amended by Act No 80 of the Public Acts of 1990 being sections 125 2103 125 2104 125 2106 125 2107 125 2108 125 2109 125 2110 125 2111 125 2112 125 2113 125 2114 125 2115 125 2116 125 2117 125 2119 125 2120 125 2120a 125 2120b 125 2121 and 125 2122 of the Michigan Compiled Laws and to add sections 14a and 21a

The People of the State of Michigan enact

Section 1 Sections 3 4 6 7 8 9 10 11 12 13 14 15 16 17 19 20 20a 20b 21 and 22 of Act No 224 of the Public Acts of 1985 sections 3 20 20a 20b and 21 as amended by Act No 185 of the Public Acts of 1991 section 6 as amended by Act No 15 of the Public Acts of 1987 and section 14 as amended by Act No 80 of the Public Acts of 1990 being sections 125 2103 125 2104 125 2106 125 2107 125 2108 125 2109 125 2110 125 2111 125 2112 125 2113 125 2114 125 2115 125 2116 125 2117 125 2119 125 2120 125 2120a 125 2120b 125 2121 and 125 2122 of the Michigan Compiled Laws are amended and sections 14a and 21a are added to read as follows

Sec 3 As used in this act

- (a) Authority means the Michigan enterprise zone authority created pursuant to section 4
- (b) Citizens council means a council created pursuant to section 9
- (c) Comprehensive development plan or plan means a physical improvement plan for an enterprise zone
- (d) Enterprise zone or zone means an area approved as an enterprise zone by the authority as provided in this act
- (e) Facility means real or personal industrial or commercial property located in an enterprise zone excluding property used to provide rental housing
- (f) General property tax act means Act No 206 of the Public Acts of 1893 being sections 211 1 to 211 157 of the Michigan Compiled Laws

(g) Increased SEV means the amount determined by subtracting the initial state equalized valuation of the property from the state equalized valuation of the property excluding the exemptions granted under this act

(h) Initial SEV means the state equalized valuation of the property in the year immediately preceding the year in which the exemption granted under section 16 takes effect For property exempted under section 20b the initial SEV is 0

(i) Local governmental unit means a city village or township

(j) New facility means real or personal industrial or commercial property located in an enterprise zone the construction restoration alteration or renovation of which begins after the date on which the business applies with the local governmental unit for certification as a qualified business Restoration alteration or renovation of existing property constitutes a new facility only if the increase in the combined true cash value of the restored altered or renovated real and personal property is equal to or greater than 50% of the combined true cash value of the real and personal property before restoration alteration or renovation as defined in the general property tax act notwithstanding the exemptions granted by this act

(k) Qualified business means either of the following as applicable

(i) A qualified new business or a qualified existing business located in an enterprise zone created before 1994

(ii) A business located in an enterprise zone created after 1993

(l) Qualified business activity means business activity in an enterprise zone established before 1994 of a qualified existing business attributable to a new facility or the business activity in an enterprise zone of a qualified new business

(m) Qualified existing business means a business that is located in the area comprising an enterprise zone at the time the area is approved as an enterprise zone that constructs a new facility and that is certified by the authority as meeting the requirements of this act

(n) Qualified new business means a business located within an enterprise zone that is not located in the area comprising the enterprise zone on the date on which the authority approves the enterprise zone and that is certified by the authority as meeting the requirements of this act

(o) Tax increment finance authority means an authority established under Act No 197 of the Public Acts of 1975 being sections 125 1651 to 125 1681 of the Michigan Compiled Laws the tax increment finance authority act Act No 450 of the Public Acts of 1980 being sections 125 1801 to 125 1830 of the Michigan Compiled Laws or the local development financing act Act No 281 of the Public Acts of 1986 being sections 125 2151 to 125 2174 of the Michigan Compiled Laws

Sec 4 (1) The Michigan enterprise zone authority is created within the department of commerce The authority shall exercise its powers duties and functions independently of the director of commerce as head of department of commerce However the department of commerce shall provide staff for the authority and shall carry out the administrative duties and functions as directed by the authority The budgeting procurement and related functions of the authority shall be under the supervision of the director of commerce

(2) The authority consists of the following 7 members

(a) The director of the department of commerce or the director's designee as chairperson of the authority

(b) The state treasurer or the treasurer's designee

(c) Five other members appointed by the governor who have knowledge skill and experience in the academic business local government labor or financial fields

(3) A member shall be appointed for a term of 4 years except that of the members first appointed by the governor 2 shall be appointed for a term of 2 years and 3 for a term of 4 years from the dates of their appointments A vacancy shall be filled for the balance of the unexpired term in the same manner as an original appointment

(4) The director of the department of commerce and the state treasurer each may appoint a designee to serve as a member of the authority in his or her absence Except as otherwise provided by law a member of the authority shall not receive compensation for services but the authority may reimburse each member for expenses necessarily incurred in the performance of his or her duties

Sec 6 In addition to other powers and duties provided in this act the authority shall administer this act and has all of the following powers and duties

(a) To conduct a continuing evaluation program on enterprise zones

(b) To promulgate rules pursuant to the administrative procedures act of 1969 Act No 306 of the Public Acts of 1969 being sections 24 201 to 24 328 of the Michigan Compiled Laws necessary to carry out the purposes of this act

(c) To assist a qualified business in obtaining the benefits of an incentive or inducement program provided by law and the benefits of this act

(d) To assist the citizens council of an enterprise zone in obtaining assistance from any other agency of state government including assistance in providing training and technical assistance to qualified businesses within an enterprise zone

(e) To modify the boundaries of an enterprise zone if both of the following requirements are met

(i) The property is within the corporate limits of the local governmental unit in which the enterprise zone is located
If the property is transferred to the local governmental unit in which the enterprise zone is located pursuant to a contract under Act No 425 of the Public Acts of 1984 being sections 124 21 to 124 30 of the Michigan Compiled Laws the transfer shall be from a local governmental unit for a period of 30 years or more and the revenue received by the transferring local governmental unit under the contract shall be not more than that local governmental unit would have received based upon its millage rate

(ii) The procedures described in sections 11 through 13 are followed

Sec 7 (1) Beginning October 1 1996 and every 3 years after that date the authority shall present an analysis of the economic impacts of each enterprise zone This analysis shall be presented to the standing committees of the legislature concerned with economic development local governmental units and taxation for their consideration of enterprise zone feasibility

(2) The department of treasury and a local governmental unit in which an enterprise zone was approved before 1994 shall jointly develop recommendations for the fiscal management of the local governmental unit and the local governmental unit shall implement those recommendations

Sec 8 The authority shall determine which local governmental units qualify to apply to have enterprise zones approved within their boundaries For an enterprise zone approved after 1993 a qualifying local governmental unit shall be a local governmental unit that has been designated an empowerment zone rural enterprise community or enterprise community by the United States department of housing and urban development or the United States department of agriculture

Sec 9 (1) If a local governmental unit qualifies under the criteria of section 8 and wishes to apply for approval of an enterprise zone within its boundaries the local governmental unit shall establish a citizens council for the potential enterprise zone A local governmental unit shall have only 1 citizens council regardless of the number of enterprise zones within its boundaries The citizens council shall consist of 11 individuals nominated by the chief elected official of the local governmental unit and approved by the governing body of the local governmental unit In the selection of the citizens council members preference shall be given to persons who reside are located or are doing business in that local governmental unit

(2) A member shall serve for a term of 3 years except that of the members first appointed 3 shall serve for 1 year 4 for 2 years and 4 for 3 years A vacancy on the citizens council shall be filled for the remainder of the unexpired term in the same manner as the original appointment For a local governmental unit establishing an enterprise zone after 1993 the citizens council shall consist of persons who live work own property or own a business that owns property in the local governmental unit For a local governmental unit that established an enterprise zone before 1994 the citizens council shall consist of all of the following

(a) A representative of financial institutions

(b) A representative of business

(c) A person with expertise in land use

(d) A person with expertise in economic development

(e) An educator

(f) A representative of labor organizations

(g) A representative of neighborhood associations

(h) An attorney

(i) A homeowner

(j) Two elected officials representing the residents of the enterprise zone

(3) The governing body of the local governmental unit shall provide staff for the citizens council and shall carry out the administrative duties and functions as directed by that governing body

Sec 10 A citizens council shall perform all of the following duties

(a) Advise the local governmental unit on all matters relating to enterprise zone activities

(b) Advocate the promotion and development of business in the enterprise zone

(c) Coordinate employer needs with available training programs and other services

- (d) Upon the request of a qualified business assist in the recruitment of employees for existing or future jobs
- (e) Review each employer annually to ensure the employer's continuing status as a qualified business
- (f) Provide information as requested to the authority

Sec 11 (1) Beginning in 1994 the governing body of the local governmental unit shall hold a public hearing on the adoption of an ordinance establishing the proposed enterprise zone. Notice of the public hearing shall be published twice in a newspaper of general circulation in the local governmental unit not less than 20 or more than 40 days before the date of the hearing. Notice shall also be mailed to the property owners of record in the proposed enterprise zone not less than 20 days before the hearing. Failure to receive the notice does not invalidate the hearing. The notice shall state the date, time, and place of the hearing and shall describe the boundaries of the proposed enterprise zone. A citizen, taxpayer, or property owner of the local governmental unit has the right to be heard in regard to the establishment of the enterprise zone and the proposed boundaries.

(2) After the public hearing required by subsection (2), if the governing body of the local governmental unit intends to proceed with the establishment of the enterprise zone, it shall adopt, by majority vote of its members elected and serving, an ordinance establishing the enterprise zone. The ordinance shall include the boundaries of the zone and a finding that the zone meets the requirements of this act.

(3) For an enterprise zone established after 1993, the boundaries of an enterprise zone established under this act shall be the same as the boundaries of the empowerment zone, rural enterprise community, or enterprise community.

Sec 12 If a local governmental unit qualifies under section 8 and its governing body approves the boundaries of a proposed enterprise zone, the local governmental unit may file with the authority an application in a form provided by the authority to have the area approved as an enterprise zone. The application shall contain all of the following:

(a) A description of the commitment by the local governmental unit to improve the efficiency of the local services provided, such as transportation, road improvement or maintenance, police protection, and other similar services, and a description of the additional services that will be provided as a result of the area being designated an enterprise zone.

(b) A statement of commitment to apply local ordinances relative to zoning, construction, and safety in a manner that preserves and protects the health, safety, and welfare of residents of the local governmental unit.

(c) A commitment that the local governmental unit's economic development and land use planning resources will be provided to private entities involved with the area proposed as an enterprise zone.

(d) Sufficient evidence for a determination of eligibility by the authority pursuant to section 13.

(e) A map showing the proposed enterprise zone boundaries and the present land use of the area, and information concerning the present physical condition of buildings within the area.

(f) A general description of how approval of the enterprise zone will improve physical conditions in the area, will induce private investment in the area by businesses and industries, and will create jobs in the proposed enterprise zone.

(g) Evidence of support for approval of the enterprise zone by residents and businesses located within the local governmental unit and within the proposed enterprise zone.

(h) The identification of an individual from the local governmental unit who will serve as an enterprise zone contact with the authority.

(i) A general description of the structure, application process, responsibilities, and authority that will be used to manage all zone-related activities, including but not limited to, how the zone will be promoted and any governing organizations that will be employed to manage the operation of the zone.

(j) Other relevant information from the local governmental unit as required by the authority.

Sec 13 (1) Upon receipt of an application from a local governmental unit, the authority shall review the application and, by resolution, shall approve or reject the application based upon criteria set forth in this act.

(2) If the authority rejects an application, the authority shall return the application to the local governmental unit along with the resolution of rejection that includes a statement of the reason for rejection. A local governmental unit may resubmit a rejected application.

(3) If the authority approves the application, the local governmental unit has 2 years from date of approval to prepare a comprehensive development plan for the enterprise zone. The comprehensive development plan shall address the needs of the zone and include a strategy for achieving the goals of the zone. The comprehensive development plan shall contain all of the following:

(a) A legal description of the enterprise zone, a description of the location and extent of existing streets and other public facilities within the zone, and a description of the location, character, and extent of the categories of public and private land uses existing and proposed for the enterprise zone, including residential, recreational, commercial, industrial, educational, and other uses.

(b) A description of desired zoning changes and changes in streets street levels intersections and utilities to be made in the enterprise zone

(c) A description of public improvements to be made in the enterprise zone a description of any repairs and alterations necessary to make those improvements and an estimate of the time by construction stage required for completion of the improvements

(d) An estimate of the cost of the proposed physical improvements a statement of the proposed method of financing and the ability of the local governmental unit to arrange the financing

(e) A description of any parts of the enterprise zone to be left as open space and the use contemplated for the space

(f) An environmental evaluation of each proposed enterprise zone

(g) A description of any real property in the enterprise zone that the local governmental unit desires to sell donate exchange or lease to or from another entity and the proposed terms

(h) Estimates of the number of persons residing in the enterprise zone and the number of families and individuals to be displaced if any as a result of improvements

(i) Provision for the costs of relocating persons displaced by the zone improvements and financial assistance and reimbursement of expenses including litigation expenses and expenses incident to the transfer of title in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970 Public Law 91 646 84 Stat 1894 as well as a plan for compliance with Act No 227 of the Public Acts of 1972 being sections 213 321 to 213 332 of the Michigan Compiled Laws

(j) A strategy for addressing the pre employment training needs and employment of residents in the zone

(k) Other material that the local governmental unit or authority considers pertinent

(4) The governing body of the local governmental unit before adoption of a resolution approving a comprehensive development plan shall hold a public hearing on the development plan Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the local governmental unit the first of which shall not be less than 20 days before the date set for the hearing Notice shall also be mailed to all property owners of record in the development area not less than 20 days before the hearing

(5) After a public hearing on the comprehensive development plan the governing body of the local governmental unit shall approve or reject the plan or approve it with modification by resolution The local governmental unit shall then send the comprehensive development plan to the authority with a request for its approval

(6) After receipt of the comprehensive development plan the authority shall approve or reject the plan However the authority shall reject the plan if it includes a project for which the expenditure of the local unit s funds has been prohibited by initiative ordinance The authority shall reject the plan if it includes any funding for the construction of or infrastructure related to a sports facility seating 30 000 or more in maximum capacity which can be sold leased rented donated or otherwise provided to an organization with a direct financial interest in a professional sports team If the authority rejects the plan the authority shall return it to the governing body of the local governmental unit with a written explanation of its rejection A rejected plan may be resubmitted If the authority approves the plan the authority shall send a formal notification of its approval to the governing body of the local governmental unit

(7) Upon plan approval by the authority the local governmental unit may spend zone related tax revenue on physical improvements within the zone

(8) The authority may revoke the approval of an enterprise zone if the local governmental unit fails to comply with this act

Sec 14 (1) This section applies only to a business that applies for certification as a qualified business in an enterprise zone that was created before 1994

(2) A business that plans to meet the construction restoration alteration or renovation requirements for and that does meet the other conditions for a qualified business prescribed in this act may apply to the local governmental unit in which the business will be located as a qualified business for certification as a qualified business

(3) If a business applying under subsection (2) meets the conditions for a qualified business prescribed by this act other than the construction restoration alteration and renovation requirements that local governmental unit shall certify the business as a qualified business subject to final approval of the certification by the authority

(4) If a local governmental unit approves a certification the local governmental unit shall forward the application and certification to the authority If a local governmental unit rejects an application the local governmental unit shall return the application to the business with a written statement of the reasons for rejection

(5) A business whose application for certification as a qualified business is rejected by a local governmental unit may submit another application to the local governmental unit or may appeal the rejection to the authority

(6) If a business that is certified to or appeals to the authority meets the conditions for a qualified business prescribed by this act other than the construction restoration alteration and renovation requirements the authority

shall approve the certification of that business as a qualified business. If the authority rejects the application or appeal, the authority shall return the application or appeal to the business with a written statement of the reasons for rejection. A business whose application is rejected by the authority may resubmit the application to the authority.

(7) A local governmental unit or the authority shall not certify a business as a qualified business after 10 years after the date on which the authority approves the first area as an enterprise zone.

Sec 14a (1) This section applies only to a business that applies for certification as a qualified business in an enterprise zone that was created after 1993.

(2) The owner or lessee of a facility may file an application for certification as a qualified business within the enterprise zone with the clerk of the local governmental unit that established the zone. The application shall be filed in the manner and form prescribed by the authority. The application shall contain or be accompanied by a general description of the facility, a general description of the proposed use of the facility, and a time schedule for undertaking and completing renovation of the facility.

(3) Upon receipt of an application for certification as a qualified business, the clerk of the local governmental unit shall notify in writing the citizens' council and the assessor of the assessing unit in which the zone is located of the application.

(4) If the citizens' council does not take action to disapprove the application within 30 days after receipt of the application, the application is automatically approved. A copy of the approved application shall be filed with the authority.

(5) If the citizens' council rejects the application for certification of a business as a qualified business, the citizens' council shall notify that business and the authority of its rejection. A business whose application is rejected may submit another application to the clerk of the local governmental unit or may appeal the rejection to the authority.

(6) If a business appeals to the authority and meets the conditions for a qualified business prescribed by this act, the authority shall approve the certification of that business as a qualified business. If the authority rejects the application or appeal, the authority shall return the application or appeal to the business with a written explanation of the reasons for rejection. A business whose application is rejected by the authority may resubmit the application to the authority.

(7) A facility is not eligible for certification as a qualified business if the facility is to be built solely on property that has never had a structure on it.

(8) A local governmental unit or the authority shall not certify a business as a qualified business after 6 years after the date on which the authority approves the first area in that local governmental unit as an enterprise zone.

(9) A local governmental unit or the authority may revoke the certification of a qualified business for noncompliance with the act, including the failure to pay the tax levied under section 21a. Revocation by a local governmental unit may be appealed to the authority, which shall then approve or disapprove the revocation.

(10) A local governmental unit shall not certify a business as a qualified business if that business employs more than 5 employees at an individual average annual base salary, excluding stock options, greater than \$2,000,000.00.

Sec 15 Before being entitled to certification as a qualified business, a business shall certify to the local governmental unit in writing at least all of the following:

(a) An estimate of the minimum number of new jobs that will be created by the business as a qualified business and the duration of those jobs.

(b) An estimate of the amount of investment that will be made in the enterprise zone on land, equipment, and building acquisition or construction.

(c) Each exemption, credit, or deduction to which the business will be entitled as a qualified business and the duration of each exemption, credit, or deduction.

(d) That the business is aware that violation of the terms of this act or the certification under this section may result in revocation of its certification as a qualified business.

(e) That, except as provided in section 16, location of the new facility or qualified new business in the enterprise zone will not have the effect of transferring employment from another local governmental unit or from an area in the local governmental unit to the enterprise zone located within that local governmental unit.

Sec 16 If the location of a new facility or qualified new business in an enterprise zone will have the effect of transferring employment from 1 or more other local governmental units, a business may be certified as a qualified business if the governing body of each local governmental unit from which employment will be transferred consents by resolution to the certification. The governing body of each local governmental unit from which employment is to be transferred or, if a business is moving within a local governmental unit to an enterprise zone, the governing body of that local governmental unit shall by resolution either approve or deny the transfer. If denied, the reasons for denial shall be included in the resolution. A copy of the resolution shall be filed with the authority within 20 days after adoption.

Sec 17 (1) Except as provided in subsection (6) a resident of an enterprise zone a business located within an enterprise zone or the authority may allege to the local governmental unit noncompliance with this act including but not limited to noncompliance by a qualified business with a certification made by the business under section 15 or noncompliance by the local governmental unit

(2) A local governmental unit shall attempt to resolve allegations of noncompliance without formal proceedings If an allegation is not resolved by the local governmental unit within 120 days the alleging party may request a hearing or may file the allegation with the authority

(3) Within 30 days after holding a hearing concerning an allegation of noncompliance and subject to appeal to the authority the local governmental unit shall take the action it considers necessary to remedy the noncompliance This action may include but is not limited to the revocation of the certification of a qualified business Unless the authority orders otherwise upon an appeal revocation of certification by the local governmental unit is revocation by the authority

(4) The authority shall attempt to resolve an allegation of noncompliance without formal proceedings If the allegation is not resolved within 60 days after it is filed with the authority the authority shall hold a hearing regarding the alleged noncompliance

(5) Within 30 days after a hearing on an allegation the authority shall render a decision regarding the allegation and may issue any order the authority considers necessary to remedy the noncompliance The order may include but is not limited to revocation of the certification of a qualified business or if a local governmental unit is in substantial noncompliance revocation of approval of the enterprise zone

(6) This section applies only to allegations of noncompliance by a qualified business located in an enterprise zone that was created before 1994

Sec 19 An exemption or credit granted to a qualified business shall continue until the certification of the qualified business is revoked as provided in this act or for 10 years from the date that the business is certified as a qualified business Even if approval of an enterprise zone is revoked by the authority as provided in this act an exemption or credit granted to a qualified business located in that enterprise zone shall continue until revoked or until the 10 year or other specified period elapses

Sec 20 (1) For a qualified business located in an enterprise zone that was created before 1994 unless the certification of the qualified business is revoked as provided in this act for 10 years from the date on which construction restoration alteration or renovation begins or through December 31 2004 whichever occurs first a new facility owned by the qualified existing business or industrial or commercial property located in an enterprise zone owned by the qualified new business is exempt from ad valorem real and personal property taxes imposed under the general property tax act For a qualified existing business certified after June 1 1990 and for purposes of this subsection only a new facility includes only the portion of the existing property attributable to the restoration alteration or renovation

(2) Except as otherwise provided in this subsection for a qualified business located in an enterprise zone that was created after 1993 unless the certification of the qualified business is revoked as provided in this act and except as provided in section 21a(8) for 5 years from the date of certification a facility owned by the qualified business is exempt from ad valorem real and personal property taxes

Sec 20a (1) Commercial industrial or utility property that is located in the area comprising an enterprise zone at the time the area is approved as an enterprise zone and that is not exempt under section 20 or 20b is exempt from ad valorem real and personal property taxes imposed through the year 2004 under the general property tax act

(2) The exemption allowed by this section applies only to commercial industrial or utility property located in an enterprise zone that was created before 1994 and that is located in a local governmental unit that complies with all of the following

(a) The governing body of the local governmental unit in cooperation with the local governmental unit's chief executive officer develops a comprehensive development plan that addresses the needs of the local governmental unit that includes a strategy for achieving the goals of the local governmental unit and its residents and businesses and that meets the requirements of section 13 The development plan shall contain a spending plan approved by a resolution of the authority for the additional money received as a result of the amendments to this act made by the amendatory act that added this section Money included in the spending plan is also subject to the annual appropriation process of the local governmental unit as required by law

(b) The local governmental unit creates and compensates the position of an enterprise zone assistant to oversee development of the spending plan required in subdivision (a) and to aid in other economic development efforts

Sec 20b Property that is located in the area comprising an enterprise zone at the time the area is approved as an enterprise zone and for which an exemption certificate under Act No 198 of the Public Acts of 1974 being sections 207 551 to 207 571 of the Michigan Compiled Laws is approved before January 1 1992 and revoked after April 1 1990

if the property is located in an enterprise zone that was created before 1994 or for which an exemption certificate is approved before January 1 1995 and revoked after July 1 1994 if the property is located in an enterprise zone that was created after 1993 at the request of the owner is exempt from ad valorem real and personal property taxes imposed under the general property tax act either for the balance of the period for which the exemption certificate under Act No 198 of the Public Acts of 1974 had been issued or for a period of 10 years after the date of revocation whichever is less

Sec 21 (1) This section applies only to an owner of property located in an enterprise zone that was created before 1994

(2) A specific tax is levied in each year upon an owner of property exempted under section 20(1) or 20b the amount of which is determined by multiplying 50% of the average rate of taxation levied upon other commercial industrial and utility property upon which ad valorem taxes are assessed as determined each year by the state board of assessors under section 13 of Act No 282 of the Public Acts of 1905 being section 207 13 of the Michigan Compiled Laws by the state equalized valuation of that property excluding the exemptions granted by this act

(3) A specific tax is levied in each year upon an owner of property exempted under section 20a the amount of which is determined by multiplying the total millage levied as ad valorem real and personal property taxes for that year upon other commercial industrial and utility property by all taxing units within which the property is located by the state equalized valuation of that property excluding the exemptions granted by this act

(4) The tax levied under subsection (2) is 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 are payable The officer or officers shall disburse the tax payments received each year under subsection (2) at the same times as taxes imposed under the general property tax act are disbursed to the local governmental unit in which the property is located

(5) The tax levied under subsection (3) is an annual tax payable to the same officer or officers as taxes imposed under the general property tax act with 1/2 of the tax levied on July 1 and 1/2 levied on December 1 The officer or officers shall disburse the tax payments received each year under subsection (3) to the same local governmental unit school districts county and authorities at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act except for the following

(a) The amount that would otherwise be disbursed to a local school district for school operating purposes shall be paid instead to the local governmental unit in which the property is located

(b) There shall be paid to the local governmental unit in which the property is located a portion of the tax that would otherwise not be paid to the local governmental unit equal to the proportion of ad valorem property taxes levied on commercial and industrial property in the year before the exemption under section 20a first applies which proportion was captured under a tax increment financing plan

(6) A local governmental unit that receives money under subsection (5) may enter into an agreement with any of the following

(a) A downtown development authority or tax increment finance authority to share a portion of the money received by the local governmental unit under subsection (5) in not more than the same proportion that the authority would have received if the tax levied under subsection (3) could be captured under a tax increment financing plan

(b) A taxing unit that receives revenue under subsection (5) to share a portion of the money received by the local governmental unit under subsection (5) not to exceed the taxing unit's net reduction in revenue pursuant to the exemption under section 20a

(7) The owner of property subject to the tax under subsection (3) may claim a credit against the tax levied on December 1 under subsection (3) for the sum of all the following but not more than the amount by which the tax levied for the year under subsection (3) exceeds the amount determined by multiplying the average rate of taxation levied upon other commercial industrial and utility property upon which ad valorem taxes are assessed as determined each year by the state board of assessors under section 13 of Act No 282 of the Public Acts of 1905 by the state equalized valuation of that property excluding the exemptions granted by this act

(a) The amount spent in the year to restore alter renovate or improve real property located in the enterprise zone

(b) Fifteen percent of wages paid during the year to residents of the enterprise zone who were hired by the owner after May 24 1990 and who were employed at some time during the 6 months before being hired

(c) Twenty five percent of wages paid during the year to residents of the enterprise zone who were hired by the owner after May 24 1990 and who were not employed at any time during the 6 months before being hired

(d) Cash and in kind contributions made by that owner during the year to and accepted by a local taxing unit located in the enterprise zone

(8) The amount of the tax levied upon real property under subsection (2) or (3) until paid is a lien upon the real property upon which the tax is levied Only after the officer files a certificate of nonpayment of the tax together with an affidavit of proof of service of the certificate of nonpayment upon the owner of the property by certified mail with

the register of deeds of the county in which the property is situated may proceedings be had upon the lien in the same manner as provided by law for the foreclosure in the circuit court of mortgage liens upon real property

(9) The owner of property who has failed to pay a tax levied under this section is not eligible to claim the credit under subsection (7)

(10) From the amount disbursed to the local governmental unit pursuant to subsection (5)(a) and (b) the local governmental unit shall disburse to the county in which that local governmental unit is located an amount equal to the product of the state equalized value of all property exempted under sections 20 and 20a(1) and the voter approved special millage rate levied by the county for emergency dispatch services senior citizen centers and substance abuse rehabilitation services The county shall use the amount disbursed under this subsection only to fund emergency dispatch services senior citizen centers and substance abuse rehabilitation services

Sec 21b (1) This section applies only to an owner of property located in an enterprise zone that was created after 1993

(2) A specific tax is levied in each year upon an owner of property exempted under section 20(2) or 20b the amount of which is the sum of the following

(a) The product of 50% of the average rate of taxation levied upon other commercial industrial and utility property upon which ad valorem taxes are assessed in that local governmental unit excluding ad valorem taxes levied under the state education tax act Act No 331 of the Public Acts of 1993 being sections 211 901 to 211 906 of the Michigan Compiled Laws multiplied by the increased state equalized valuation of that property excluding the exemptions granted by this act

(b) The product of the millage levied under Act No 331 of the Public Acts of 1993 multiplied by the increased state equalized valuation of that property excluding the exemptions granted by this act

(c) The product of the total millage levied as ad valorem real and personal property taxes for that year by all local taxing units within which the property is located multiplied by the initial state equalized valuation of that property excluding the exemptions granted by this act

(3) The tax levied under subsection (2) is 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 are payable

(4) The officer or officers shall disburse the portion of the tax payments received each year calculated under subsection (2)(a) at the same times as taxes imposed under the general property tax act are disbursed to the local governmental unit in which the property is located to be used solely to make public improvements within the enterprise zone or to repay obligations of which the proceeds are used to make public improvements within the enterprise zone

(5) The officer or officers shall disburse the portion of the tax payments received each year calculated under subsection (2)(b) and (c) to the same governmental unit school districts county and authorities at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act However if the property is located in a tax increment financing district the officer or officers shall pay to the tax increment financing authority a portion of the taxes paid equal to the proportion of ad valorem property taxes levied on commercial and industrial property in the enterprise zone in the year before the exemption under section 20(2) first applies which proportion was captured under a tax increment financing plan

(6) The amount of the tax levied upon real property under subsection (2) until paid is a lien upon the real property upon which the tax is levied Only after the officer files a certificate of nonpayment of the tax together with an affidavit of proof of service of the certificate of nonpayment upon the owner of the property by certified mail with the register of deeds of the county in which the property is situated may proceedings be had upon the lien in the same manner as provided by law for the foreclosure in the circuit court of mortgage liens upon real property

(7) A local governmental unit in its action establishing the boundaries of its enterprise zones may waive the portion of the tax calculated under subsection (2)(a) and (b) on the real property that would qualify as a replacement facility under section 2(3) of Act No 198 of the Public Acts of 1974 being section 207 552 of the Michigan Compiled Laws

(8) The owner of property who has failed to pay a tax levied under this section is not eligible for the exemption under section 20(2) for the succeeding tax years

(9) If a local or intermediate school district receives state aid under section 20 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 and 388 1681 of the Michigan Compiled Laws of the amount that would otherwise be disbursed under subsection (5) to a 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 state aid shall be paid to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963 If and for the period that the state school aid act of 1979 Act No 94 of the Public Acts of 1979 being sections 388 1601 to 388 1772 of the Michigan Compiled Laws is amended or its successor act is enacted or amended to include a provision that provides for adjustments in state school aid to account for the receipt of revenues provided under this act in place of exempted ad valorem property tax revenues required to be remitted or returned to the state treasury to the credit of the state school aid fund shall be distributed instead to

the local school districts. If the sum of any industrial facility tax levied under Act No. 198 of the Public Acts of 1974 being sections 207 551 to 207 571 of the Michigan Compiled Laws, the commercial facilities tax levied under 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, the neighborhood enterprise zone tax levied under the neighborhood enterprise zone act, Act No. 147 of the Public Acts of 1992 being sections 207 771 to 207 787 of the Michigan Compiled Laws, and the tax levied under this act paid to the state treasury to the credit of the state school aid fund that would otherwise be disbursed to the local or intermediate school district exceeds the amount received by the local or intermediate school district under section 20 56 62 or 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 industrial facility tax, the commercial facilities tax, the neighborhood enterprise zone tax, and the tax levied under this act paid to the state treasury to the credit of the state school aid fund and the amount the local or intermediate school district received under section 20 56 62 or 81 of Act No. 94 of the Public Acts of 1979.

Sec. 22 (1) If the tax applicable to personal property levied under section 21 or 21b, as applicable, is not paid within the time permitted by law for payment without penalty of taxes imposed under the general property tax act, the officer to whom the tax is first payable may in his or her own name or in the name of the city, village, township, or county of which he or she is an officer, seize and sell personal property within this state of the owner who has neglected or refused to pay the tax applicable to personal property to an amount sufficient to pay the tax, the expenses of sale, and interest on the tax at the rate of 9% per annum from the date the tax was first payable, or the officer, in his or her own name or in the name of the city, village, township, or county of which he or she is an officer, may institute a civil action against the owner in the circuit court for the county in which the facility is located or in the circuit court for the county in which the owner resides or has a principal place of business, and in that civil action recover the amount of the tax and interest on the tax at the rate of 9% per annum from the date the tax was first payable.

(2) The officer may proceed to make a jeopardy assessment in the manner and under the circumstances provided by Act No. 55 of the Public Acts of 1956 being sections 211 691 to 211 697 of the Michigan Compiled Laws as an additional means of collecting the amount of the tax under those circumstances.

(3) The officer may pursue 1 or more of the remedies provided in this section until the officer receives the amount of the tax, interest on the tax, and costs allowed by this act or by law governing the proceedings of civil actions in the circuit court. The amount of the tax and interest on the tax shall be disbursed by the officer in the same manner as the tax levied under section 21 or 21b, as applicable, is disbursed when first payable.

Section 2. This amendatory act shall not take effect unless all of the following bills of the 87th Legislature are enacted into law:

- (a) House Bill No. 4284
- (b) House Bill No. 4285
- (c) House Bill No. 4286

This act is ordered to take immediate effect.

Secretary of the Senate

Co. Clerk of the House of Representatives

Approved

Governor