



HOUSE BILL No. 5955

November 29 1994 Introduced by Reps Brown and McNutt and referred to the Committee on Taxation

A bill to amend sections 2 and 5a of Act No 7 of the Public Acts of the Extra Session of 1967 entitled as amended "Urban cooperation act of 1967," section 2 as amended and section 5a as added by Act No 286 of the Public Acts of 1987, being sections 124 502 and 124 505a of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 2 and 5a of Act No 7 of the Public
2 Acts of the Extra Session of 1967 section 2 as amended and sec-
3 tion 5a as added by Act No 286 of the Public Acts of 1987, being
4 sections 124 502 and 124 505a of the Michigan Compiled Laws, are
5 amended to read as follows

6 Sec 2 As used in this act

7 ~~-(a) "Commercial or industrial property" means real property~~
8 ~~classified as commercial or industrial property under section 34c~~

~~1 of the general property tax act Act No 206 of the Public Acts~~
~~2 of 1893, being section 211 34c of the Michigan Compiled Laws~~

3 (A) ~~(b)~~ 'Interlocal agreement means an agreement entered
 4 into pursuant to this act

5 (B) ~~(c)~~ 'Local governmental unit' means a county, city,
 6 village, township, or charter township

7 (C) ~~(d)~~ 'Province means a province of the Dominion of
 8 Canada

9 (D) PROPERTY MEANS ANY REAL OR PERSONAL PROPERTY, AS
 10 DESCRIBED IN SECTION 34C OF THE GENERAL PROPERTY TAX ACT, ACT
 11 NO 206 OF THE PUBLIC ACTS OF 1893, BEING SECTION 211 34C OF THE
 12 MICHIGAN COMPILED LAWS

13 (e) Public agency means a political subdivision of this
 14 state or of any state of the United States or OF the Dominion of
 15 Canada, including but not limited to, state government a
 16 county, city village, township charter township, school dis-
 17 trict, single and multipurpose special district or single and
 18 multipurpose public authority provincial government metropoli-
 19 tan government borough, or any other political subdivision of
 20 the Dominion of Canada any agency of the United States govern-
 21 ment or any similar entity of any other states of the United
 22 States and of the Dominion of Canada

23 (f) State means a state of the United States

24 Sec 5a (1) Upon approval of the legislative body of each
 25 contracting local governmental unit, 2 or more local governmental
 26 units that levy a property tax under the general property tax
 27 act, Act No 206 of the Public Acts of 1893 being sections 211 1

1 to 211 157 of the Michigan Compiled Laws may enter into an
2 interlocal agreement for the sharing of all or a portion of reve-
3 nue derived by and for the benefit of a local governmental unit
4 entering into that agreement, which revenue results from the levy
5 of general ad valorem property taxes or specific taxes levied in
6 lieu of general ad valorem property taxes upon ~~certain commer-~~
7 ~~cial or industrial~~ ANY property

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

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

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

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

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

22 (3) The assessment, levy, collection and distribution of
23 taxes shall be in accordance with the general property tax act,
24 Act No 206 of the Public Acts of 1893, and the statutes govern-
25 ing specific taxes levied in lieu of general ad valorem property
26 taxes

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

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

9 Section 2 An interlocal agreement for a
10 publicly-authorized undertaking that is executed before the
11 effective date of this amendatory act and that includes in its
12 provisions a method or formula for equitably providing for and
13 allocating revenues as authorized by section 5 or 5a of the urban
14 cooperation act of 1967, Act No 7 of the Public Acts of the
15 Extra Session of 1967, being sections 124 505 and 124 505a of the
16 Michigan Compiled Laws, is validated and is not affected by this
17 amendatory act