



SENATE BILL No. 671

September 20, 1995, Introduced by Senators STILLE,
SCHUETTE, STEIL, SCHWARZ, HOFFMAN, HONIGMAN, GEAKE,
SHUGARS and DUNASKISS and referred to the Committee on
Local, Urban and State Affairs.

A bill to amend section 9 of Act No. 147 of the Public Acts
of 1992, entitled
"Neighborhood enterprise zone act,"
as amended by Act No. 369 of the Public Acts of 1994, being sec-
tion 207.779 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 9 of Act No. 147 of the Public Acts of
2 1992, as amended by Act No. 369 of the Public Acts of 1994, being
3 section 207.779 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 9. (1) ~~There~~ EXCEPT AS PROVIDED IN SUBSECTION (10),
6 THERE is levied on the owner of a new facility or a rehabilitated
7 facility to which a neighborhood enterprise zone certificate is
8 issued a specific tax known as the neighborhood enterprise zone
9 tax.

1 (2) A new facility or a rehabilitated facility for which a
2 neighborhood enterprise zone certificate is in effect, but not
3 the land on which the facility is located, is exempt from ad
4 valorem real property taxes levied under the general property tax
5 act, Act No. 206 of the Public Acts of 1893, being sections 211.1
6 to 211.157 of the Michigan Compiled Laws.

7 (3) The amount of the neighborhood enterprise zone tax on a
8 new facility is determined each year by multiplying the state
9 equalized valuation of the facility, not including the land, by 1
10 of the following:

11 (a) For property that would otherwise meet the definition of
12 a homestead under section 7dd of Act No. 206 of the Public Acts
13 of 1893, being section 211.7dd of the Michigan Compiled Laws, if
14 that property was not exempt from ad valorem property taxes under
15 this act, 1/2 of the average rate of taxation levied in this
16 state in the immediately preceding calendar year on homestead
17 property and qualified agricultural property as defined in
18 section 7dd of Act No. 206 of the Public Acts of 1893. However,
19 in 1994 only, the average rate of taxation shall be the average
20 rate of taxation levied in 1993 upon all property in this state
21 upon which ad valorem taxes are assessed.

22 (b) For property that is not a homestead under section 7dd
23 of Act No. 206 of the Public Acts of 1893, 1/2 of the average
24 rate of taxation levied upon commercial, industrial, and utility
25 property upon which ad valorem taxes are assessed as determined
26 for the immediately preceding calendar year by the state board of
27 assessors under section 13 of Act No. 282 of the Public Acts of

1 1905, being section 207.13 of the Michigan Compiled Laws.

2 However, in 1994 only, the average rate of taxation shall be the
3 average rate of taxation levied in 1993 upon all property in this
4 state upon which ad valorem taxes are assessed.

5 (4) The amount of the neighborhood enterprise zone tax on a
6 rehabilitated facility is determined each year by multiplying the
7 state equalized valuation of the rehabilitated facility, not
8 including the land, for the tax year immediately preceding the
9 effective date of the neighborhood enterprise zone certificate by
10 the total mills levied under Act No. 206 of the Public Acts of
11 1893 for the current year by all taxing units within which the
12 rehabilitated facility is located.

13 (5) The neighborhood enterprise zone tax is an annual tax,
14 payable at the same times, in the same installments, and to the
15 same officer or officers as taxes imposed under Act No. 206 of
16 the Public Acts of 1893 ~~, being sections 211.1 to 211.157 of the~~
17 ~~Michigan Compiled Laws,~~ are payable. Except as otherwise pro-
18 vided in this section, the officer or officers shall disburse the
19 neighborhood enterprise zone tax received by the officer or offi-
20 cers each year to the state, cities, townships, villages, school
21 districts, counties, and authorities at the same times and in the
22 same proportions as required for the disbursement of taxes col-
23 lected under Act No. 206 of the Public Acts of 1893. To deter-
24 mine the proportion for the disbursement of taxes under this sub-
25 section and for attribution of taxes under subsection (7) for
26 taxes collected after June 30, 1994, the number of mills levied
27 for local school district operating purposes to be used in the

1 calculation shall equal the number of mills for local school
2 district operating purposes levied in 1993 minus the number of
3 mills levied under the state education tax act, Act No. 331 of
4 the Public Acts of 1993, being sections 211.901 to 211.906 of the
5 Michigan Compiled Laws, for the year for which the disbursement
6 is calculated.

7 (6) An intermediate school district receiving state aid
8 under sections 56, 62, and 81 of the state school aid act of
9 1979, Act No. 94 of the Public Acts of 1979, being sections
10 388.1656, 388.1662, and 388.1681 of the Michigan Compiled Laws,
11 of the amount that would otherwise be disbursed to or retained by
12 the intermediate school district, all or a portion, to be deter-
13 mined on the basis of the tax rates being utilized to compute the
14 amount of state aid, shall be paid to the state treasury to the
15 credit of the state school aid fund established by section 11 of
16 article IX of the state constitution of 1963. If and for the
17 period that the state school aid act of 1979, Act No. 94 of the
18 Public Acts of 1979, being sections 388.1601 to 388.1772 of the
19 Michigan Compiled Laws, is amended or its successor act is
20 enacted or amended to include a provision that provides for
21 adjustments in state school aid to account for the receipt of
22 revenues provided under this act in place of exempted ad valorem
23 property tax, revenues required to be remitted or returned to the
24 state treasury to the credit of the state school aid fund shall
25 be distributed instead to the intermediate school districts. If
26 the sum of any industrial facility tax levied under Act No. 198
27 of the Public Acts of 1974, being sections 207.551 to 207.572 of

1 the Michigan Compiled Laws, the commercial facilities tax levied
2 under the commercial redevelopment act, Act No. 255 of the Public
3 Acts of 1978, being sections 207.651 to 207.668 of the Michigan
4 Compiled Laws, and the neighborhood enterprise zone tax paid to
5 the state treasury to the credit of the state school aid fund
6 that would otherwise be disbursed to the intermediate school dis-
7 trict exceeds the amount received by the intermediate school dis-
8 trict under sections 56, 62, and 81 of Act No. 94 of the Public
9 Acts of 1979, the department of treasury shall allocate to each
10 eligible intermediate school district an amount equal to the dif-
11 ference between the sum of the industrial facility tax, the com-
12 mercial facilities tax, and the neighborhood enterprise zone tax
13 paid to the state treasury to the credit of the state school aid
14 fund and the amount the intermediate school district received
15 under sections 56, 62, and 81 of Act No. 94 of the Public Acts of
16 1979.

17 (7) For neighborhood enterprise zone taxes levied after 1993
18 for school operating purposes, the amount that would otherwise be
19 disbursed to a local school district shall be paid instead to the
20 state treasury and credited to the state school aid fund estab-
21 lished by section 11 of article IX of the state constitution of
22 1963.

23 (8) The officer or officers shall send a copy of the amount
24 of disbursement made to each unit under this section to the com-
25 mission on a form provided by the commission. The neighborhood
26 enterprise zone tax is a lien on the real property upon which the
27 new facility or rehabilitated facility subject to the certificate

1 is located until paid. The continuance of a certificate is
2 conditional upon the annual payment of the neighborhood enter-
3 prise zone tax and the ad valorem tax on the land under Act
4 No. 206 of the Public Acts of 1893.

5 (9) If payment of the tax under this act is not made by the
6 March 1 following the levy of the tax, the tax shall be turned
7 over to the county treasurer and collected in the same manner as
8 a delinquent tax under Act No. 206 of the Public Acts of 1893.

9 (10) A NEW FACILITY OR A REHABILITATED FACILITY LOCATED IN A
10 RENAISSANCE ZONE UNDER THE MICHIGAN RENAISSANCE ZONE ACT IS
11 EXEMPT FROM THE NEIGHBORHOOD ENTERPRISE ZONE TAX LEVIED UNDER
12 THIS ACT TO THE EXTENT AND FOR THE DURATION PROVIDED PURSUANT TO
13 THE MICHIGAN RENAISSANCE ZONE ACT.