

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5069**

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 section 14 (MCL 207.564), as amended by 2008 PA 457.

**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  
3 multiplying the total mills levied as ad valorem taxes for that  
4 year by all taxing units within which the facility is situated by  
5 the taxable value of the real and personal property of the obsolete

1 industrial property for the tax year immediately preceding the  
2 effective date of the industrial facilities exemption certificate  
3 after deducting the taxable value of the land and of the inventory  
4 as specified in section 19.

5 (2) The amount of the industrial facility tax, in each year  
6 for a new facility or a speculative building for which an  
7 industrial facilities exemption certificate became effective before  
8 January 1, 1994, shall be determined by multiplying the taxable  
9 value of the facility excluding the land and the inventory personal  
10 property by the sum of 1/2 of the total mills levied as ad valorem  
11 taxes for that year by all taxing units within which the facility  
12 is located other than mills levied for school operating purposes by  
13 a local school district within which the facility is located or  
14 mills levied under the state education tax act, 1993 PA 331, MCL  
15 211.901 to 211.906, plus 1/2 of the number of mills levied for  
16 local school district operating purposes in 1993.

17 (3) Except as provided in subsection (4), the amount of the  
18 industrial facility tax in each year for a new facility or a  
19 speculative building for which an industrial facilities exemption  
20 certificate becomes effective after December 31, 1993, shall be  
21 determined by multiplying the taxable value of the facility  
22 excluding the land and the inventory personal property by the sum  
23 of 1/2 of the total mills levied as ad valorem taxes for that year  
24 by all taxing units within which the facility is located other than  
25 mills levied under the state education tax act, 1993 PA 331, MCL  
26 211.901 to 211.906, plus, subject to section 14a, the number of  
27 mills levied under the state education tax act, 1993 PA 331, MCL

1 211.901 to 211.906.

2 (4) For taxes levied after December 31, 2007, for the personal  
3 property tax component of an industrial facilities exemption  
4 certificate for a new facility or a speculative building that is  
5 sited on real property classified as industrial real property under  
6 section 34c of the general property tax act, 1893 PA 206, MCL  
7 211.34c, the amount of the industrial facility tax in each year for  
8 a new facility or a speculative building shall be determined by  
9 multiplying the taxable value of the facility excluding the land  
10 and the inventory personal property by the sum of 1/2 of the total  
11 mills levied as ad valorem taxes for that year by all taxing units  
12 within which the facility is located other than mills levied **ON**  
13 **INDUSTRIAL PERSONAL PROPERTY** under the state education tax act,  
14 1993 PA 331, MCL 211.901 to 211.906, and the number of mills from  
15 which ~~the~~**INDUSTRIAL PERSONAL** property is exempt under section  
16 1211(1) of the revised school code, 1976 PA 451, MCL 380.1211. For  
17 taxes levied after December 31, 2007, for the personal property tax  
18 component of an industrial facilities exemption certificate for a  
19 new facility or a speculative building that is sited on real  
20 property classified as commercial real property under section 34c  
21 of the general property tax act, 1893 PA 206, MCL 211.34c, the  
22 amount of the industrial facility tax in each year for a new  
23 facility or a speculative building shall be determined by  
24 multiplying the taxable value of the facility excluding the land  
25 and the inventory personal property by the sum of 1/2 of the total  
26 mills levied as ad valorem taxes for that year by all taxing units  
27 within which the facility is located other than the number of mills

1 from which the property is exempt under section 1211(1) of the  
2 revised school code, 1976 PA 451, MCL 380.1211. **AS USED IN THIS**  
3 **SUBSECTION, "INDUSTRIAL PERSONAL PROPERTY" MEANS THE FOLLOWING:**

4 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (B), PERSONAL  
5 PROPERTY CLASSIFIED UNDER SECTION 34C OF THE GENERAL PROPERTY TAX  
6 ACT, 1893 PA 206, MCL 211.34C, AS INDUSTRIAL PERSONAL PROPERTY.

7 (B) BEGINNING DECEMBER 31, 2011, INDUSTRIAL PERSONAL PROPERTY  
8 DOES NOT INCLUDE A TURBINE POWERED BY GAS, STEAM, NUCLEAR ENERGY,  
9 COAL, OR OIL THE PRIMARY PURPOSE OF WHICH IS THE GENERATION OF  
10 ELECTRICITY FOR SALE.

11 (5) For a termination or revocation of only the real property  
12 component, or only the personal property component, of an  
13 industrial facilities exemption certificate as provided in this  
14 act, the valuation and the tax determined using that valuation  
15 shall be reduced proportionately to reflect the exclusion of the  
16 component with respect to which the termination or revocation has  
17 occurred.

18 Enacting section 1. This amendatory act is effective December  
19 31, 2011.