

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4556**

A bill to amend 2014 PA 86, entitled  
"Local community stabilization authority act,"  
by amending sections 5, 13, 14, 17, 19, and 20 (MCL 123.1345,  
123.1353, 123.1354, 123.1357, 123.1359, and 123.1360).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 5. As used in this act:

2           (a) "Acquisition cost" means that term as defined in section 3  
3 of the state essential services assessment act, **2014 PA 92, MCL**  
4 **211.1053**, multiplied by the following percentages:

5           (i) For eligible personal property reported to the department  
6 and described in section 5(2)(a) of the state essential services  
7 assessment act, **2014 PA 92, MCL 211.1055**, 100%.

8           (ii) For eligible personal property reported to the department  
9 and described in section 5(2)(b) of the state essential services  
10 assessment act, **2014 PA 92, MCL 211.1055**, 52.1%.

1           (iii) For eligible personal property reported to the  
2 department and described in section 5(2)(c) of the state essential  
3 services assessment act, **2014 PA 92, MCL 211.1055**, 37.5%.

4           (b) "Ambulance services" means patient transport services,  
5 nontransport prehospital life support services, and advanced life  
6 support, paramedic, and medical first-responder services.

7           (c) "Authority" means the local community stabilization  
8 authority, a metropolitan authority established under section 7.

9           (d) "Captured value" means 1 or more of the following:

10           (i) For a tax increment finance authority under the brownfield  
11 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
12 captured taxable value as determined in sections 2 and 7 of the  
13 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652  
14 and 125.2657.

15           (ii) For a tax increment finance authority under 1975 PA 197,  
16 MCL 125.1651 to 125.1681, captured assessed value as defined in  
17 section 1 of 1975 PA 197, MCL 125.1651.

18           (iii) For a tax increment finance authority under the tax  
19 increment finance authority act, 1980 PA 450, MCL 125.1801 to  
20 125.1830, captured assessed value as defined in section 1 of the  
21 tax increment finance authority act, 1980 PA 450, MCL 125.1801.

22           (iv) For a tax increment finance authority under the local  
23 development financing act, 1986 PA 281, MCL 125.2151 to 125.2174,  
24 captured assessed value as defined in section 2 of the local  
25 development financing act, 1986 PA 281, MCL 125.2152.

26           (v) For a tax increment finance authority under the historic  
27 neighborhood tax increment finance authority act, 2004 PA 530, MCL

1 125.2841 to 125.2866, captured assessed value as defined in section  
2 2 of the historic neighborhood tax increment finance authority act,  
3 2004 PA 530, MCL 125.2842.

4 (vi) For a tax increment finance authority under the corridor  
5 improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899,  
6 captured assessed value as defined in section 2 of the corridor  
7 improvement authority act, 2005 PA 280, MCL 125.2872.

8 (vii) For a tax increment finance authority under the  
9 neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to  
10 125.2932, captured assessed value as defined in section 2 of the  
11 neighborhood improvement authority act, 2007 PA 61, MCL 125.2912.

12 (viii) For a tax increment finance authority under the water  
13 resource improvement tax increment finance authority act, 2008 PA  
14 94, MCL 125.1771 to 125.1793, captured assessed value as defined in  
15 section 2 of the water resource improvement tax increment finance  
16 authority act, 2008 PA 94, MCL 125.1772.

17 (ix) For a tax increment finance authority under the private  
18 investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to  
19 125.1883, captured assessed value as defined in section 2 of the  
20 private investment infrastructure funding act, 2010 PA 250, MCL  
21 125.1872.

22 (x) For a tax increment finance authority under the nonprofit  
23 street railway act, 1867 PA 35, MCL 472.1 to 472.27, captured  
24 assessed value as defined in section 23 of the nonprofit street  
25 railway act, 1867 PA 35, MCL 472.23.

26 (e) "Commercial personal property" means, except as otherwise  
27 provided in subparagraph (iii), all of the following:

1           (i) Personal property classified as commercial personal  
2 property under section 34c of the general property tax act, 1893 PA  
3 206, MCL 211.34c.

4           (ii) Personal property subject to the industrial facilities  
5 tax under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is  
6 sited on land classified as commercial real property under section  
7 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

8           (iii) Commercial personal property does not include personal  
9 property that after 2012 was classified in the municipality where  
10 it is currently located as real property or utility personal  
11 property.

12           (f) "Council" means the council established for the authority  
13 under section 9.

14           (g) "Debt loss" means, for a municipality that is not a local  
15 school district, intermediate school district, or tax increment  
16 finance authority, the amount of ad valorem property taxes and any  
17 specific tax levied for the payment of principal and interest of  
18 obligations **EITHER APPROVED BY THE VOTERS BEFORE JANUARY 1, 2013 OR**  
19 incurred before January 1, 2013 pledging the unlimited or limited  
20 taxing power of the municipality that are lost as a result of the  
21 exemption of industrial personal property and commercial personal  
22 property under sections 9m, 9n, and 9o of the general property tax  
23 act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

24           (h) "Department" means the department of treasury.

25           (i) "Eligible personal property" means personal property  
26 described in section 3(e) (i), (iii), and (iv) of the state  
27 essential services assessment act, **2014 PA 92, MCL 211.1053.**

1 (j) "Essential services" means all of the following:

2 (i) Ambulance services.

3 (ii) Fire services.

4 (iii) Police services.

5 (iv) Jail operations.

6 (v) The funding of pensions for personnel providing services  
7 described in subparagraphs (i) to (iv).

8 (k) "Fire services" means services in the prevention and  
9 suppression of fire, homeland security response, hazardous  
10 materials response, rescue, fire marshal, and medical first-  
11 responder services.

12 (l) "Fiscal year" means either an annual period that begins on  
13 October 1 and ends on September 30 or the fiscal year for the  
14 authority established by the council.

15 (m) "Increased captured value" means the anticipated increase  
16 in captured value for all industrial personal property and  
17 commercial personal property in a tax increment finance authority  
18 that would have occurred as a result of either the addition of  
19 personal property as part of a specific project or the expiration  
20 of an exemption under section 7k, 7ff, or 9f of the general  
21 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,  
22 after 2013 if the exemptions under section 9m, 9n, or 9o of the  
23 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
24 211.9o, were not in effect. In order for an anticipated increase in  
25 captured value to qualify as increased captured value, the tax  
26 increment financing plan must have demonstrated before 2013 that  
27 the tax increment finance authority was relying on this anticipated

1 increase in captured value to pay 1 or more qualified obligations  
2 by specifically projecting the anticipated increase in captured  
3 value that would be used to pay the qualified obligations and the  
4 plan must meet all of the following:

5 (i) The tax increment financing plan was fully approved by the  
6 governing body of the applicable local government not later than  
7 December 31, 2012. This does not prevent subsequent amendment to  
8 the tax increment financing plan, provided the amendment does not  
9 change the amount of any obligation under the plan, the scope of  
10 the project or projects described in the plan, or the time needed  
11 to repay any obligation.

12 (ii) If the tax increment financing plan is part of a  
13 brownfield plan under the brownfield redevelopment financing act,  
14 1996 PA 381, MCL 125.2651 to 125.2672, any needed work plans were  
15 also approved by the appropriate state agencies not later than  
16 December 31, 2012. This does not prevent subsequent amendment to a  
17 work plan, provided the amendment does not change the amount of any  
18 obligation under the plan, the scope of the project or projects  
19 described in the plan, or the time needed to repay any obligation.

20 (iii) The tax increment financing plan identifies a particular  
21 site owner and site occupant that is engaged in industrial  
22 processing or direct integrated support, as defined in section 9m  
23 of the general property tax act, 1893 PA 206, MCL 211.9m. This does  
24 not preclude a change in the site owner or occupant, provided that  
25 change in the site owner or occupant did not result from a  
26 financial difficulty encountered during the construction and  
27 installation of the project and provided change in the site owner

1 or occupant will not result in any change in the project.

2 (iv) The tax increment financing plan identifies a particular  
3 project on a specific parcel and that project includes the addition  
4 of particular personal property that is eligible manufacturing  
5 personal property, as defined in section 9m of the general property  
6 tax act, 1893 PA 206, MCL 211.9m, that is also identified in the  
7 tax increment financing plan.

8 (v) The personal property that is eligible manufacturing  
9 personal property, as defined in section 9m of the general property  
10 tax act, 1893 PA 206, MCL 211.9m, and is identified in the tax  
11 increment financing plan comprises not less than 20% of the true  
12 cash value of the improvements to be made as part of the specific  
13 project identified in the tax increment financing plan. The  
14 requirement under this subparagraph does not apply to the addition  
15 of personal property as a result of the expiration of an exemption  
16 under section 7k, 7ff, or 9f of the general property tax act, 1893  
17 PA 206, MCL 211.7k, 211.7ff, and 211.9f.

18 (vi) Before December 31, 2012, the specific project identified  
19 in the tax increment financing plan had obtained all necessary  
20 local zoning approvals, including any necessary rezoning, special  
21 land use, and site plan approvals for that project.

22 (vii) Before December 31, 2012, orders had been placed and  
23 significant investments made in the personal property that is  
24 eligible manufacturing personal property, as defined in section 9m  
25 of the general property tax act, 1893 PA 206, MCL 211.9m, to be  
26 located on the site.

27 (n) "Increased value from expired tax exemptions" means the

1 increase in taxable value subject to tax of industrial personal  
2 property and commercial personal property placed in service before  
3 2013 that would have occurred after 2013 if the exemptions under  
4 section 9m or 9n of the general property tax act, 1893 PA 206, MCL  
5 211.9m and 211.9n, were not in effect as a result of the expiration  
6 of an exemption under section 7k, 7ff, or 9f of the general  
7 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,  
8 that had been in effect in 2013, assuming an exemption under  
9 section 7k of the general property tax act, 1893 PA 206, MCL  
10 211.7k, was not extended under section 11a of 1974 PA 198, MCL  
11 207.561a, and an exemption under section 9f of the general property  
12 tax act, 1893 PA 206, MCL 211.9f, was not extended under section  
13 9f(8) of the general property tax act, 1893 PA 206, MCL 211.9f.

14 (o) "Industrial personal property" means, except as otherwise  
15 provided in subparagraph (iii), all of the following:

16 (i) Personal property classified as industrial personal  
17 property under section 34c of the general property tax act, 1893 PA  
18 206, MCL 211.34c.

19 (ii) Personal property subject to the industrial facilities  
20 tax under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is  
21 sited on land classified as industrial real property under section  
22 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

23 (iii) Industrial personal property does not include personal  
24 property that after 2012 was classified in the municipality where  
25 it is currently located as real property or utility personal  
26 property.

27 (p) "Jail operations" means all of the following:



1           (i) The operation of a jail, holding cell, holding center, or  
2 lockup as those terms are defined in section 62 of the corrections  
3 code of 1953, 1953 PA 232, MCL 791.262.

4           (ii) The operation of a juvenile detention facility by a  
5 county juvenile agency as authorized under section 7 of the county  
6 juvenile agency act, 1998 PA 518, MCL 45.627.

7           (q) "Local community stabilization share" means that portion  
8 of the use tax levied by the authority and authorized under the use  
9 tax act, 1937 PA 94, MCL 205.91 to 205.111.

10           (r) "Municipality" includes, but is not limited to, the  
11 following:

12           (i) Counties.

13           (ii) Cities.

14           (iii) Villages.

15           (iv) Townships.

16           (v) Authorities, excluding an authority created under this  
17 act.

18           (vi) Local school districts.

19           (vii) Intermediate school districts.

20           (viii) Community college districts.

21           (ix) Libraries.

22           (x) Other local and intergovernmental taxing units.

23           (s) "Personal property exemption loss" means 1 of the  
24 following:

25           (i) For a municipality that is not a local school district,  
26 intermediate school district, or tax increment finance authority,  
27 the 2013 taxable value of commercial personal property and

1 industrial personal property minus the current year taxable value  
2 of commercial personal property and industrial personal property  
3 and minus the small taxpayer exemption loss. **THE CALCULATION UNDER**  
4 **THIS SUBPARAGRAPH MUST BE MODIFIED FOR MUNICIPALITY BOUNDARY**  
5 **CHANGES TO THE EXTENT THAT THE BOUNDARY CHANGES AFFECT THE PROPERTY**  
6 **TAXES LEVIED BY THE MUNICIPALITY.**

7 (ii) For a municipality that is a local school district,  
8 intermediate school district, or tax increment finance authority,  
9 the 2013 taxable value of commercial personal property and  
10 industrial personal property minus the current year taxable value  
11 of commercial personal property and industrial personal property.  
12 **THE CALCULATION UNDER THIS SUBPARAGRAPH MUST BE MODIFIED FOR**  
13 **MUNICIPALITY BOUNDARY CHANGES TO THE EXTENT THAT THE BOUNDARY**  
14 **CHANGES AFFECT THE PROPERTY TAXES LEVIED BY THE MUNICIPALITY.**

15 (t) "Police services" means law enforcement services for the  
16 prevention and detection of crime, the enforcement of laws and  
17 ordinances, homeland security response, and medical first-responder  
18 services.

19 (u) "Qualified loss" means the amounts calculated under  
20 section 14(1) ~~and (3)~~ that are not distributed to the municipality  
21 under section ~~17(3)(a)~~. **17(4)(A)**.

22 (v) "Qualified obligation" means a written promise to pay by a  
23 tax increment finance authority, whether evidenced by a contract,  
24 agreement, lease, sublease, bond, resolution promising repayment of  
25 an advance, or note, or a requirement to pay imposed by law. A  
26 qualified obligation does not include a payment required solely  
27 because of default upon an obligation, employee salary, or

1 consideration paid for the use of municipal offices. A qualified  
2 obligation does not include bonds that have been economically  
3 defeased by refunding.

4 (w) "School debt loss" means the amount of revenue lost from  
5 ad valorem property taxes **AND ANY SPECIFIC TAX** specifically levied  
6 for the payment of principal and interest of obligations approved  
7 by the electors before January 1, 2013 or obligations pledging the  
8 unlimited taxing power of a local school district or intermediate  
9 school district incurred before January 1, 2013, as a result of the  
10 exemption of industrial personal property and commercial personal  
11 property under sections 9m, 9n, and 9o of the general property tax  
12 act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.

13 (x) "School operating loss not reimbursed by the school aid  
14 fund" means the amount of revenue lost from ad valorem property  
15 taxes levied under section 1211 of the revised school code, 1976 PA  
16 451, MCL 380.1211, as a result of the exemption of industrial  
17 personal property and commercial personal property under sections  
18 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL  
19 211.9m, 211.9n, and 211.9o, for mills other than basic school  
20 operating mills, as that term is defined in section 2c of the use  
21 tax act, 1937 PA 94, MCL 205.92c.

22 (y) "Small taxpayer exemption loss" means **1 OF THE FOLLOWING:**

23 **(i) FOR THE 2014 CALENDAR YEAR,** the 2013 taxable value of  
24 commercial personal property and industrial personal property minus  
25 the 2014 taxable value of commercial personal property and  
26 industrial personal property. **THE CALCULATION UNDER THIS**  
27 **SUBPARAGRAPH MUST BE MODIFIED FOR MUNICIPALITY BOUNDARY CHANGES TO**

1 THE EXTENT THAT THE BOUNDARY CHANGES AFFECT THE PROPERTY TAXES  
2 LEVIED BY THE MUNICIPALITY.

3 (ii) FOR THE 2015 CALENDAR YEAR AND SUBSEQUENT CALENDAR YEARS,  
4 THE GREATER OF THE AMOUNT CALCULATED UNDER SUBPARAGRAPH (i) AND THE  
5 2013 TAXABLE VALUE OF COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL  
6 PERSONAL PROPERTY MINUS THE 2015 TAXABLE VALUE OF COMMERCIAL  
7 PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY. THE CALCULATION  
8 UNDER THIS SUBPARAGRAPH MUST BE MODIFIED FOR MUNICIPALITY BOUNDARY  
9 CHANGES TO THE EXTENT THAT THE BOUNDARY CHANGES AFFECT THE PROPERTY  
10 TAXES LEVIED BY THE MUNICIPALITY.

11 (z) "Specific tax" means a tax levied under ~~any of the~~  
12 ~~following:~~

13 ~~—— (i) 1974 PA 198, MCL 207.551 to 207.572.~~

14 ~~—— (ii) The commercial redevelopment act, 1978 PA 255, MCL~~  
15 ~~207.651 to 207.668.~~

16 ~~—— (iii) The commercial rehabilitation act, 2005 PA 210, MCL~~  
17 ~~207.841 to 207.856.~~

18 (aa) "Tax increment finance authority" means an authority  
19 created under 1 or more of the following:

20 (i) 1975 PA 197, MCL 125.1651 to 125.1681.

21 (ii) The tax increment finance authority act, 1980 PA 450, MCL  
22 125.1801 to 125.1830.

23 (iii) The local development financing act, 1986 PA 281, MCL  
24 125.2151 to 125.2174.

25 (iv) The brownfield redevelopment financing act, 1996 PA 381,  
26 MCL 125.2651 to 125.2672.

27 (v) The historic neighborhood tax increment finance authority

1 act, 2004 PA 530, MCL 125.2841 to 125.2866.

2 (vi) The corridor improvement authority act, 2005 PA 280, MCL  
3 125.2871 to 125.2899.

4 (vii) The neighborhood improvement authority act, 2007 PA 61,  
5 MCL 125.2911 to 125.2932.

6 (viii) The water resource improvement tax increment finance  
7 authority act, 2008 PA 94, MCL 125.1771 to 125.1793.

8 (ix) The private investment infrastructure funding act, 2010  
9 PA 250, MCL 125.1871 to 125.1883.

10 (x) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to  
11 472.27.

12 (bb) "Tax increment small taxpayer loss" means the amount of  
13 revenue lost by a municipality that is a tax increment finance  
14 authority due to the exemption provided by section 9o of the  
15 general property tax act, 1893 PA 206, MCL 211.9o.

16 (cc) "Taxable value" means all of the following:

17 (i) Except as otherwise provided in subparagraph (ii), that  
18 value determined under section 27a of the general property tax act,  
19 1893 PA 206, MCL 211.27a.

20 (ii) For real or personal property subject to the industrial  
21 facilities tax under section 14(3) or (4) of 1974 PA 198, MCL  
22 207.564, 50% of that value determined under section 27a of the  
23 general property tax act, 1893 PA 206, MCL 211.27a.

24 (dd) "Total qualified loss" means the total amount of  
25 qualified losses of all municipalities, as determined by the  
26 department.

27 (ee) "Utility personal property" means that term as described

1 in section 34c of the general property tax act, 1893 PA 206, MCL  
2 211.34c.

3 Sec. 13. (1) Not later than June 5, 2014, the assessor for  
4 each city and township shall report to the county equalization  
5 director all of the following:

6 (a) The 2013 taxable value of commercial personal property and  
7 industrial personal property for each municipality in the city or  
8 township.

9 (b) The 2014 taxable value of commercial personal property and  
10 industrial personal property for each municipality in the city or  
11 township.

12 (c) The small taxpayer exemption loss for each municipality in  
13 the city or township.

14 (2) Not later than June 20, 2014, the equalization director  
15 for each county shall report to the department the information  
16 described in subsection (1) for each municipality in the county.  
17 For each municipality levying a millage in more than 1 county, the  
18 county equalization director responsible for compiling the  
19 municipality's taxable value under section 34d of the general  
20 property tax act, 1893 PA 206, MCL 211.34d, shall compile the  
21 municipality's information described in subsection (1).

22 (3) Not later than June 5, ~~2016,~~2015, and each June 5  
23 thereafter, the assessor for each city and township shall report to  
24 the county equalization director the current year taxable value of  
25 commercial personal property and industrial personal property for  
26 each municipality in the city or township. Not later than June 20,  
27 ~~2016,~~2015, and each June 20 thereafter, the equalization director

1 for each county shall report to the department the current year  
2 taxable value of commercial personal property and industrial  
3 personal property for each municipality in the county. For each  
4 municipality levying a millage in more than 1 county, the county  
5 equalization director responsible for compiling the municipality's  
6 taxable value under section 34d of the general property tax act,  
7 1893 PA 206, MCL 211.34d, shall compile the municipality's  
8 information described in this subsection.

9 (4) Not later than August 15, 2014, and each August 15  
10 thereafter, each municipality shall report to the department the  
11 millage rate levied or to be levied that year for a millage  
12 described in section 5(g) or (w) that is used to calculate an  
13 appropriation under section 17(1) (a) or a distribution under  
14 section ~~17(3) (a) (i)~~. **17(4) (A) (i)**. For 2014 and 2015, the rate of  
15 that millage shall be calculated using the sum of the  
16 municipality's taxable value and the municipality's small taxpayer  
17 exemption loss. Beginning in 2016 and each year thereafter, the  
18 rate of that millage shall be calculated using the sum of the  
19 municipality's taxable value and the municipality's personal  
20 property exemption loss. For 2014 and 2015, the department shall  
21 calculate each municipality's debt loss or school debt loss by  
22 multiplying the municipality's millage rate reported under this  
23 subsection by the municipality's small taxpayer exemption loss.  
24 Beginning in 2016 and each year thereafter, the department shall  
25 calculate each municipality's school debt loss by multiplying the  
26 municipality's millage rate reported under this subsection by the  
27 municipality's personal property exemption loss.

1           (5) The department shall calculate and make available to each  
2 municipality by May 1 of each year that municipality's sum of the  
3 lowest rate of each individual millage levied in the period between  
4 2012 and the year immediately preceding the current year. For a  
5 municipality, other than a municipality described in section 14,  
6 the calculation shall exclude debt millage. For an individual  
7 millage rate not levied in 1 of the years, the lowest millage rate  
8 is zero. A millage used to make the calculations under this act  
9 must be levied against both real property and personal property.

10           (6) Not later than June 5, 2016, and each June 5 thereafter,  
11 the assessor for each city and township shall report to the county  
12 equalization director the increased value from expired tax  
13 exemptions for each municipality that is subject to section 14(2)  
14 and that levies taxes in the city or township. Not later than June  
15 20, 2016, and each June 20 thereafter, the equalization director  
16 for each county shall report to the department the increased value  
17 from expired tax exemptions for each municipality that is subject  
18 to section 14(2) and that levies taxes in the city or township. For  
19 each municipality subject to section 14(2) that levies a millage in  
20 more than 1 county, the county equalization director responsible  
21 for compiling the municipality's taxable value under section 34d of  
22 the general property tax act, 1893 PA 206, MCL 211.34d, shall  
23 compile the municipality's information described in this  
24 subsection.

25           Sec. 14. (1) Not later than August 15, 2016, and each August  
26 15 thereafter, for each municipality that is not a local school  
27 district, intermediate school district, or tax increment finance



1 authority, the department shall do all of the following:

2 (a) Calculate the municipality's personal property exemption  
3 loss.

4 (b) Multiply the municipality's personal property exemption  
5 loss by the millage rates calculated under section 13(5).

6 (c) Adjust the amount calculated under subdivision (b) by the  
7 amount required to reflect the final order of a court or body of  
8 competent jurisdiction related to any prior year calculation under  
9 this subsection. An adjustment under this subdivision shall only be  
10 made for municipalities for which changes in prior year taxable  
11 values can be calculated from taxable values reported under section  
12 151(1) of the state school aid act of 1979, 1979 PA 94, MCL  
13 388.1751.

14 (d) Adjust the amount calculated under subdivision (b), as  
15 adjusted by subdivision (c), by the amount calculated under section  
16 16a(2) for captured taxes levied by the municipality not including  
17 taxes attributable to increased captured value.

18 (2) Not later than August 15, 2016, and each August 15  
19 thereafter, for each municipality that is a county, township,  
20 village, city, or authority that provides essential services, the  
21 department shall do all of the following:

22 (a) Add to the amount calculated under subsection (1)(a) any  
23 increased value from expired tax exemptions for the current year.

24 (b) Subtract from the amount calculated under subdivision (a)  
25 the amount calculated under section 16a(2)(b) for the municipality,  
26 not including any amount attributable to increased captured value.

27 (c) Multiply the result of the calculation in subdivision (b)

1 by the millage rate calculated under section 13(5) for general  
2 operating millage.

3 (d) Multiply the result of the calculation in subdivision (c)  
4 by the percentage of the municipality's general operating millage  
5 used to fund the cost of essential services in the municipality's  
6 fiscal year ending in 2012. ~~Each municipality's~~ **THE DEPARTMENT**  
7 **SHALL CALCULATE EACH MUNICIPALITY'S PERCENTAGE OF GENERAL OPERATING**  
8 **MILLAGE USED TO FUND THE COST OF ESSENTIAL SERVICES IN THE**  
9 **MUNICIPALITY'S FISCAL YEAR ENDING IN 2012, UNLESS THE MUNICIPALITY**  
10 **INCLUDES THE CALCULATION IN ITS** comprehensive annual financial  
11 report for the municipality's fiscal year ending in **EITHER** 2014  
12 ~~must include a calculation of the municipality's percentage of~~  
13 ~~general operating revenues used to fund essential services in the~~  
14 ~~municipality's fiscal year ending in 2012.~~ **OR 2015 OR OTHERWISE**  
15 **REPORTS THE CALCULATION TO THE DEPARTMENT IN A FORM AND IN A MANNER**  
16 **PRESCRIBED BY THE DEPARTMENT.**

17 (e) Add to the result of the calculation in subdivision (d) an  
18 amount calculated by multiplying the amount calculated under  
19 subsection (2)(b) by the millage rates calculated under section  
20 13(5) that are dedicated solely for the cost of essential services  
21 levied on industrial personal property and commercial personal  
22 property. A millage levied to fund a pension under the fire  
23 fighters and police officers retirement act, 1937 PA 345, MCL  
24 38.551 to 38.562, is dedicated solely for the cost of essential  
25 services.

26 (3) Not later than ~~August 15, 2016,~~ **SEPTEMBER 15, 2015,** for  
27 each municipality that is a city, the department shall do all of

1 the following:

2 (a) Calculate the municipality's small taxpayer exemption  
3 loss.

4 (b) Multiply the amount calculated under subdivision (a) by  
5 the millage rates calculated under section 13(5) for 2014.

6 (c) Multiply the amount calculated under subdivision (a) by  
7 the millage rates calculated under section 13(5) for 2015.

8 (d) Add the amounts calculated under subdivisions (b) and (c).

9 (e) Subtract from the amount calculated under subdivision (d)  
10 the sum of the municipality's debt loss for 2014 and 2015.

11 (f) Subtract from the amount calculated under subdivision (e)  
12 the amount of any tax increment small taxpayer loss for captured  
13 taxes levied by the municipality in 2014 and 2015.

14 (4) Not later than August 15, 2016, and each August 15  
15 thereafter, for each municipality that is not a local school  
16 district, intermediate school district, or tax increment finance  
17 authority, the department shall do all of the following:

18 (a) Calculate the municipality's small taxpayer exemption  
19 loss.

20 (b) Multiply the municipality's small taxpayer exemption loss  
21 by the millage rates calculated under section 13(5).

22 (c) Adjust the amount calculated under subdivision (b) by the  
23 amount required to reflect the final order of a court or body of  
24 competent jurisdiction related to any prior year calculation under  
25 this subsection. An adjustment under this subdivision shall only be  
26 made for municipalities for which changes in prior year taxable  
27 values can be calculated from taxable values reported under section

1 151(1) of the state school aid act of 1979, 1979 PA 94, MCL  
2 388.1751.

3 (d) Adjust the amount calculated under subdivision (b), as  
4 adjusted by subdivision (c), by the amount calculated under section  
5 16a(2) for captured taxes levied by the municipality not including  
6 taxes attributable to increased captured value. The adjustment  
7 under this subdivision shall only be made to the extent that the  
8 adjustment made under subsection (1)(d) did not fully account for  
9 all captured taxes levied by the municipality not including taxes  
10 attributable to increased captured value.

11 Sec. 17. (1) The legislature shall appropriate funds for all  
12 of the following purposes:

13 (a) For fiscal year 2014-2015 and fiscal year 2015-2016, to  
14 the authority, an amount equal to all debt loss for municipalities  
15 that are not a local school district, intermediate school district,  
16 or tax increment finance authority, an amount equal to all school  
17 debt loss for municipalities that are a local school district or  
18 intermediate school district, and an amount equal to all tax  
19 increment small taxpayer loss for municipalities that are a tax  
20 increment finance authority.

21 (b) ~~Beginning in~~ **FOR** fiscal year 2014-2015 ~~and each fiscal~~  
22 ~~year thereafter,~~ **THROUGH FISCAL YEAR 2018-2019** an amount equal to  
23 the necessary expenses incurred by the ~~authority and the department~~  
24 in implementing this act.

25 **(C) BEGINNING IN FISCAL YEAR 2019-2020 AND EACH FISCAL YEAR**  
26 **THEREAFTER, AN AMOUNT EQUAL TO THE NECESSARY EXPENSES INCURRED BY**  
27 **THE AUTHORITY AND THE DEPARTMENT IN IMPLEMENTING THIS ACT.**

1           (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the  
2 authority shall distribute to municipalities those funds  
3 appropriated under subsection (1)(a). However, in fiscal year 2014-  
4 2015, if the authority is not able to make the distribution under  
5 this subsection, the department shall make the distribution under  
6 this subsection on behalf of the authority.

7           (3) **FOR CALENDAR YEARS 2014 AND 2015, THE AUTHORITY SHALL**  
8 **DISTRIBUTE LOCAL COMMUNITY STABILIZATION SHARE REVENUE TO EACH CITY**  
9 **IN AN AMOUNT DETERMINED BY MULTIPLYING THE LOCAL COMMUNITY**  
10 **STABILIZATION SHARE REVENUE FOR THE CALENDAR YEARS BY A FRACTION,**  
11 **THE NUMERATOR OF WHICH IS THAT CITY'S AMOUNT CALCULATED UNDER**  
12 **SECTION 14(3) AND THE DENOMINATOR OF WHICH IS THE TOTAL AMOUNT**  
13 **CALCULATED UNDER SECTION 14(3).**

14           (4) ~~(3) Beginning in fiscal year 2015-2016,~~ **FOR CALENDAR YEAR**  
15 **2016,** the authority shall distribute local community stabilization  
16 share revenue as follows in the following order of priority:

17           (a) The authority shall distribute to each municipality an  
18 amount equal to all of the following:

19           (i) 100% of that municipality's school debt loss in the  
20 current year and 100% of its amount calculated under section 15.

21           (ii) 100% of that municipality's amount calculated under  
22 section 16.

23           (iii) 100% of that municipality's school operating loss not  
24 reimbursed by the school aid fund in the current year.

25           (iv) 100% of the amount calculated in section 14(2). However,  
26 the amount distributed to a municipality under this subparagraph  
27 shall not exceed the amount calculated in section 14(1)(d). All

1 distributions under this subparagraph shall be used to fund  
2 essential services.

3 (v) For a municipality that is a tax increment finance  
4 authority, 100% of its amount calculated under section 16a(2).

5 (vi) 100% of that municipality's amount calculated under  
6 section 14(4).

7 (b) Beginning ~~in fiscal year 2019-2020~~, **FOR CALENDAR YEAR**  
8 **2019**, after the distributions under subdivision (a), and subject to  
9 subparagraph (viii), the authority shall distribute 5% of the  
10 remaining balance of the local community stabilization share fund  
11 for the current ~~fiscal~~-**CALENDAR** year to each municipality that is  
12 not a local school district, intermediate school district, or tax  
13 increment finance authority in an amount determined as follows:

14 (i) Calculate the total acquisition cost of all eligible  
15 personal property in the municipality.

16 (ii) Multiply the result of the calculation in subparagraph  
17 (i) by the sum of the lowest rate of each individual millage levied  
18 by the municipality in the period between 2012 and the year  
19 immediately preceding the current year that is not used to  
20 calculate a distribution under subdivision (a). For an individual  
21 millage rate not levied in 1 of the years, the lowest millage rate  
22 is zero. A millage used to make the calculation under this  
23 subparagraph must be eligible to be levied against both real  
24 property and personal property.

25 (iii) Divide the sum of the amounts calculated under  
26 subparagraph (ii) for all municipalities subject to the calculation  
27 by total qualified loss.

1           (iv) Multiply the result of the calculation in subparagraph  
2           (iii) by the amount calculated under section 16a(2) for captured  
3           taxes levied by the municipality not including taxes attributable  
4           to increased captured value.

5           (v) Subtract from the amount calculated under subparagraph  
6           (ii) the amount calculated under subparagraph (iv).

7           (vi) Divide the result of the calculation in subparagraph (v)  
8           by the sum of the calculation under subparagraph (v) for all  
9           municipalities.

10          (vii) Multiply the result of the calculation in subparagraph  
11          (vi) by the amount to be distributed under this subdivision.

12          (viii) For ~~fiscal year 2020-2021,~~ **CALENDAR YEAR 2020**, and each  
13          ~~fiscal~~ **CALENDAR** year thereafter, the percentage amount described in  
14          this subdivision shall be increased an additional 5% each year, not  
15          to exceed 100%.

16          (c) After the distributions in subdivisions (a) and (b), the  
17          authority shall distribute the remaining balance of ~~that fiscal~~  
18          ~~year's~~ **THE** local community stabilization share fund **FOR A CALENDAR**  
19          **YEAR** to each municipality in an amount determined by multiplying  
20          the remaining balance by a fraction, the numerator of which is that  
21          municipality's qualified loss and the denominator of which is the  
22          total qualified loss.

23          (5) ~~(4)~~ The authority shall make the **PAYMENTS REQUIRED BY**  
24          **SUBSECTION (3) NOT LATER THAN OCTOBER 20, 2015, AND** payments  
25          required by subsection ~~(3)~~ ~~(4)~~ not later than on the following  
26          dates:

27          (a) For county allocated millage, September 20 of the year the

1 millage is levied.

2 (b) For county extra-voted millage, township millage, and  
3 other millages levied 100% in December of a year, February 20 of  
4 the following year.

5 (c) For other millages, October 20 of the year the millage is  
6 levied.

7 (6) ~~(5)~~—If the authority has insufficient funds to make the  
8 payments on the dates required in subsection ~~(4)~~, ~~(5)~~, the  
9 department shall advance to the authority the amount necessary for  
10 the authority to make the required payments. The authority shall  
11 repay the advance to the department from the local community  
12 stabilization share.

13 (7) FOR EACH FISCAL YEAR FROM FISCAL YEAR 2015-2016 THROUGH  
14 FISCAL YEAR 2018-2019, THE AUTHORITY MAY USE UP TO \$300,000.00 OF  
15 THE LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR PURPOSES  
16 CONSISTENT WITH IMPLEMENTING AND ADMINISTERING THIS ACT.

17 (8) THE AUTHORITY SHALL DISTRIBUTE LOCAL COMMUNITY  
18 STABILIZATION SHARE REVENUE UNDER THIS SECTION AS FOLLOWS:

19 (A) FROM FISCAL YEAR 2015-2016 LOCAL COMMUNITY STABILIZATION  
20 SHARE REVENUE, \$19,200,000.00 FOR CALENDAR YEARS 2014 AND 2015 AND  
21 \$76,900,000.00 FOR CALENDAR YEAR 2016.

22 (B) FROM FISCAL YEAR 2016-2017 LOCAL COMMUNITY STABILIZATION  
23 SHARE REVENUE, \$297,400,000.00 FOR CALENDAR YEAR 2016 AND  
24 \$83,200,000.00 FOR CALENDAR YEAR 2017.

25 (C) FROM FISCAL YEAR 2017-2018 LOCAL COMMUNITY STABILIZATION  
26 SHARE REVENUE, \$321,500,000.00 FOR CALENDAR YEAR 2017 AND  
27 \$89,000,000.00 FOR CALENDAR YEAR 2018.



1 (D) FROM FISCAL YEAR 2018-2019 LOCAL COMMUNITY STABILIZATION  
2 SHARE REVENUE, \$341,800,000.00 FOR CALENDAR YEAR 2018 AND  
3 \$95,900,000.00 FOR CALENDAR YEAR 2019.

4 (E) FROM FISCAL YEAR 2019-2020 LOCAL COMMUNITY STABILIZATION  
5 SHARE REVENUE, \$364,500,000.00 FOR CALENDAR YEAR 2019 AND  
6 \$101,400,000.00 FOR CALENDAR YEAR 2020.

7 (F) FROM FISCAL YEAR 2020-2021 LOCAL COMMUNITY STABILIZATION  
8 SHARE REVENUE, \$383,500,000.00 FOR CALENDAR YEAR 2020 AND  
9 \$108,000,000.00 FOR CALENDAR YEAR 2021.

10 (G) FROM FISCAL YEAR 2021-2022 LOCAL COMMUNITY STABILIZATION  
11 SHARE REVENUE, \$405,700,000.00 FOR CALENDAR YEAR 2021 AND  
12 \$115,600,000.00 FOR CALENDAR YEAR 2022.

13 (H) FROM FISCAL YEAR 2022-2023 LOCAL COMMUNITY STABILIZATION  
14 SHARE REVENUE, \$428,300,000.00 FOR CALENDAR YEAR 2022 AND  
15 \$119,700,000.00 FOR CALENDAR YEAR 2023.

16 (I) FROM FISCAL YEAR 2023-2024 LOCAL COMMUNITY STABILIZATION  
17 SHARE REVENUE, \$438,900,000.00 FOR CALENDAR YEAR 2023 AND  
18 \$122,800,000.00 FOR CALENDAR YEAR 2024.

19 (J) FROM FISCAL YEAR 2024-2025 LOCAL COMMUNITY STABILIZATION  
20 SHARE REVENUE, \$445,800,000.00 FOR CALENDAR YEAR 2024 AND  
21 \$124,000,000.00 FOR CALENDAR YEAR 2025.

22 (K) FROM FISCAL YEAR 2025-2026 LOCAL COMMUNITY STABILIZATION  
23 SHARE REVENUE, \$447,100,000.00 FOR CALENDAR YEAR 2025 AND  
24 \$124,300,000.00 FOR CALENDAR YEAR 2026.

25 (l) FROM FISCAL YEAR 2026-2027 LOCAL COMMUNITY STABILIZATION  
26 SHARE REVENUE, \$447,700,000.00 FOR CALENDAR YEAR 2026 AND  
27 \$124,500,000.00 FOR CALENDAR YEAR 2027.

1 (M) FROM FISCAL YEAR 2027-2028 LOCAL COMMUNITY STABILIZATION  
2 SHARE REVENUE, \$448,000,000.00 FOR CALENDAR YEAR 2027 AND  
3 \$124,600,000.00 FOR CALENDAR YEAR 2028.

4 (N) FROM THE LOCAL COMMUNITY STABILIZATION SHARE REVENUE FOR  
5 FISCAL YEAR 2028-2029 AND EACH FISCAL YEAR THEREAFTER, THE  
6 AUTHORITY SHALL INCREASE THE PRIOR FISCAL YEAR'S 2 DISTRIBUTION  
7 AMOUNTS UNDER THIS SUBSECTION BY THE PERSONAL PROPERTY GROWTH  
8 FACTOR, THE FIRST AMOUNT FOR THE CALENDAR YEAR IN WHICH THE FISCAL  
9 YEAR BEGINS AND THE SECOND AMOUNT FOR THE CALENDAR YEAR IN WHICH  
10 THE FISCAL YEAR ENDS. AS USED IN THIS SUBDIVISION, "PERSONAL  
11 PROPERTY GROWTH FACTOR" MEANS THAT TERM AS DEFINED IN SECTION 2C OF  
12 THE USE TAX ACT, 1937 PA 94, MCL 205.92C.

13 Sec. 19. (1) A local unit of government may issue bonds or  
14 other obligations in anticipation of the distribution of local  
15 community stabilization share revenue under section  
16 ~~17(3)(a)(iv)~~. **17(4)(A)(iv)**.

17 (2) Bonds or other obligations issued under this section are  
18 subject to the revised municipal finance act, 2001 PA 34, MCL  
19 141.2101 to 141.2821.

20 (3) If authorized by a majority vote of the qualified electors  
21 of the local unit of government, the local unit of government may,  
22 at the time of issuance, pledge the full faith and credit of the  
23 local unit of government for the payment of bonds or other  
24 obligations issued under this section.

25 Sec. 20. From the amount of local community stabilization  
26 share revenue distributed under section ~~17(3)(a)(iv)~~, **17(4)(A)(iv)**,  
27 a municipality shall first replace the amount of ad valorem

1 property taxes used for the payment of principal and interest of  
2 essential services obligations incurred before 2013 pledging the  
3 unlimited or limited taxing power of the municipality that are lost  
4 from the exemptions provided by sections 9m, 9n, and 9o of the  
5 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and  
6 211.9o. A municipality shall not receive distributions under  
7 section ~~17(3)(a)(iv)~~ **17(4)(A)(iv)** if it has increased a millage  
8 rate without voter approval in order to replace lost property taxes  
9 that would otherwise be reimbursed under section ~~17(3)(a)(iv)~~  
10 **17(4)(A)(iv)** that were repaying essential service obligations  
11 incurred before 2013 pledging the unlimited or limited taxing power  
12 of the municipality and that were lost as a result of the  
13 exemptions provided by sections 9m, 9n, and 9o of the general  
14 property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o.