

HOUSE BILL No. 6029

November 9, 2016, Introduced by Rep. Hughes and referred to the Committee on Tax Policy.

A bill to amend 2014 PA 86, entitled
"Local community stabilization authority act,"
by amending sections 13 and 16a (MCL 123.1353 and 123.1356a),
section 13 as amended by 2015 PA 122.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

10 (c) The small taxpayer exemption loss for each municipality in

1 the city or township.

2 (2) Not later than June 20, 2014, the equalization director
3 for each county shall report to the department the information
4 described in subsection (1) for each municipality in the county.
5 For each municipality levying a millage in more than 1 county, the
6 county equalization director responsible for compiling the
7 municipality's taxable value under section 34d of the general
8 property tax act, 1893 PA 206, MCL 211.34d, shall compile the
9 municipality's information described in subsection (1).

10 (3) Not later than June 5, 2015, and each June 5 thereafter,
11 the assessor for each city and township shall report to the county
12 equalization director the current year taxable value of commercial
13 personal property and industrial personal property for each
14 municipality in the city or township. Not later than June 20, 2015,
15 and each June 20 thereafter, the equalization director for each
16 county shall report to the department the current year taxable
17 value of commercial personal property and industrial personal
18 property for each municipality in the county. For each municipality
19 levying a millage in more than 1 county, the county equalization
20 director responsible for compiling the municipality's taxable value
21 under section 34d of the general property tax act, 1893 PA 206, MCL
22 211.34d, shall compile the municipality's information described in
23 this subsection.

24 (4) Not later than August 15, 2014, and each August 15
25 thereafter, each municipality shall report to the department the
26 millage rate levied or to be levied that year for a millage
27 described in section 5(g) or (w) that is used to calculate an

1 appropriation under section 17(1) (a) or a distribution under
2 section 17(4) (a) (i). For 2014 and 2015, the rate of that millage
3 shall be calculated using the sum of the municipality's taxable
4 value and the municipality's small taxpayer exemption loss.
5 Beginning in 2016 and each year thereafter, the rate of that
6 millage shall be calculated using the sum of the municipality's
7 taxable value and the municipality's personal property exemption
8 loss. For 2014 and 2015, the department shall calculate each
9 municipality's debt loss or school debt loss by multiplying the
10 municipality's millage rate reported under this subsection by the
11 municipality's small taxpayer exemption loss. Beginning in 2016 and
12 each year thereafter, the department shall calculate each
13 municipality's school debt loss by multiplying the municipality's
14 millage rate reported under this subsection by the municipality's
15 personal property exemption loss.

16 (5) The department shall calculate and make available to each
17 municipality by May 1 of each year that municipality's sum of the
18 lowest rate of each individual millage levied in the period between
19 ~~2012~~ 2013 and the year immediately preceding the current year. For
20 a municipality, other than a municipality described in section 14,
21 the calculation shall exclude debt millage. For an individual
22 millage rate not levied in 1 of the years, the lowest millage rate
23 is zero. A millage used to make the calculations under this act
24 must be levied against both real property and personal property.

25 (6) Not later than June 5, 2016, and each June 5 thereafter,
26 the assessor for each city and township shall report to the county
27 equalization director the increased value from expired tax

1 exemptions for each municipality that is subject to section 14(2)
2 and that levies taxes in the city or township. Not later than June
3 20, 2016, and each June 20 thereafter, the equalization director
4 for each county shall report to the department the increased value
5 from expired tax exemptions for each municipality that is subject
6 to section 14(2) and that levies taxes in the city or township. For
7 each municipality subject to section 14(2) that levies a millage in
8 more than 1 county, the county equalization director responsible
9 for compiling the municipality's taxable value under section 34d of
10 the general property tax act, 1893 PA 206, MCL 211.34d, shall
11 compile the municipality's information described in this
12 subsection.

13 Sec. 16a. (1) Not later than June 15, 2014 and June 15, 2015,
14 each municipality that is a tax increment finance authority shall
15 calculate and report to the department the municipality's tax
16 increment small taxpayer loss for the current calendar year.

17 (2) Not later than June 15, 2016, and each June 15 thereafter,
18 each municipality that is a tax increment finance authority shall
19 do all of the following for each of its tax increment financing
20 plans:

21 (a) Calculate the total captured value of all industrial
22 personal property and commercial personal property in the
23 municipality that is a tax increment finance authority in 2013 and
24 add any increased captured value for the current year.

25 (b) From the amount calculated in subdivision (a), subtract
26 the total captured value of all industrial personal property and
27 commercial personal property in the municipality that is a tax

1 increment finance authority in the current year. If the resulting
2 amount, when added to the taxable value of all property within the
3 tax increment finance authority in the current year, would result
4 in a captured value for all property within the tax increment
5 finance authority that is less than the resulting amount, then this
6 captured value shall be used instead of the resulting amount.

7 (c) Multiply the result of the calculation in subdivision (b)
8 by the sum of the lowest rate of each individual millage levied in
9 the period between ~~2012~~—**2013** and the year immediately preceding the
10 current year, to the extent the millage is subject to capture by
11 that tax increment finance authority. For an individual millage
12 rate not levied in 1 of the years, the lowest millage rate is zero.
13 A millage used to make the calculation under this subdivision must
14 be eligible to be levied against both real property and personal
15 property.

16 (d) Adjust the amount calculated under subdivision (c) by the
17 amount required to reflect the final order of a court or body of
18 competent jurisdiction related to any prior year calculation under
19 this section.

20 (e) For an obligation refinanced after 2012, estimate for the
21 term of the obligation:

22 (i) The cumulative school district operating tax and state
23 education tax that would have been captured to repay the obligation
24 had the obligation not been refinanced.

25 (ii) The cumulative amount calculated under subdivision (c),
26 as adjusted by subdivision (d), for school district operating tax
27 and state education tax for the obligation had it not been

1 refinanced.

2 (f) Once the amount included in subdivision (c), as adjusted
3 by subdivision (d), for the current and prior years for school
4 operating tax and state education tax for the refinanced obligation
5 equals the amount estimated in subdivision (e) (ii), subtract from
6 the amount calculated under subdivision (c), as adjusted by
7 subdivision (d), the amount calculated under subdivision (c), as
8 adjusted by subdivision (d), for school district operating tax and
9 state education tax for the refinanced obligation.

10 (g) Once the amount of school district operating tax and state
11 education tax captured for the current and prior years to pay the
12 refinanced obligation equals the amount estimated under subdivision
13 (e) (i), subtract from the amount calculated in subdivision (c), as
14 adjusted by subdivision (d), the amount of school operating tax and
15 state education tax captured to repay the refinanced obligation.

16 (3) Not later than June 15, 2016, and each June 15 thereafter,
17 each municipality that is a tax increment finance authority shall
18 report to the department the results of the calculations under
19 subsection (2) for each tax increment financing plan.