

SENATE BILL No. 1156

November 9, 2016, Introduced by Senator KNOLLENBERG and referred to the Committee on Local Government.

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

1 township.

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

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

12 (3) Not later than June 5, 2015, and each June 5 thereafter,
13 the assessor for each city and township shall report to the county
14 equalization director the current year taxable value of commercial
15 personal property and industrial personal property for each
16 municipality in the city or township. Not later than June 20, 2015,
17 and each June 20 thereafter, the equalization director for each
18 county shall report to the department the current year taxable
19 value of commercial personal property and industrial personal
20 property for each municipality in the county. For each municipality
21 levying a millage in more than 1 county, the county equalization
22 director responsible for compiling the municipality's taxable value
23 under section 34d of the general property tax act, 1893 PA 206, MCL
24 211.34d, shall compile the municipality's information described in
25 this subsection.

26 (4) Not later than August 15, 2014, and each August 15
27 thereafter, each municipality shall report to the department the

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

18 (5) The department shall calculate and make available to each
19 municipality by May 1 of each year that municipality's sum of the
20 lowest rate of each individual millage levied in the period between
21 2012 and the year immediately preceding the current year. **HOWEVER,**
22 **FOR PURPOSES OF THE CALCULATION UNDER THIS SUBSECTION, IF A**
23 **MUNICIPALITY RESTRUCTURED THE FUNDING OF POLICE SERVICES BY**
24 **INCREASING THE RATE OF MILLAGE LEVIED FOR POLICE SERVICES TO OFFSET**
25 **A CORRESPONDING DECREASE TO NONDEDICATED GENERAL OPERATING MILLAGE**
26 **PREVIOUSLY USED TO FUND POLICE SERVICES IN THE PERIOD BETWEEN 2012**
27 **AND THE YEAR IMMEDIATELY PRECEDING THE CURRENT YEAR, THE LOWEST**

1 RATE OF THAT MUNICIPALITY'S POLICE SERVICES MILLAGE LEVIED IN THE
2 PERIOD BETWEEN 2012 AND THE YEAR IMMEDIATELY PRECEDING THE CURRENT
3 YEAR IS THE LOWEST MILLAGE RATE LEVIED FOR POLICE SERVICES DURING
4 THAT PERIOD THAT REFLECTS THE RESTRUCTURING. For a municipality,
5 other than a municipality described in section 14, the calculation
6 shall exclude debt millage. For an individual millage rate not
7 levied in 1 of the years, the lowest millage rate is zero. A
8 millage used to make the calculations under this act must be levied
9 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. 16a. (1) Not later than June 15, 2014 and June 15, 2015,
26 each municipality that is a tax increment finance authority shall
27 calculate and report to the department the municipality's tax

1 increment small taxpayer loss for the current calendar year.

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

6 (a) Calculate the total captured value of all industrial
7 personal property and commercial personal property in the
8 municipality that is a tax increment finance authority in 2013 and
9 add any increased captured value for the current year.

10 (b) From the amount calculated in subdivision (a), subtract
11 the total captured value of all industrial personal property and
12 commercial personal property in the municipality that is a tax
13 increment finance authority in the current year. If the resulting
14 amount, when added to the taxable value of all property within the
15 tax increment finance authority in the current year, would result
16 in a captured value for all property within the tax increment
17 finance authority that is less than the resulting amount, then this
18 captured value shall be used instead of the resulting amount.

19 (c) Multiply the result of the calculation in subdivision (b)
20 by the sum of the lowest rate of each individual millage levied in
21 the period between 2012 and the year immediately preceding the
22 current year, to the extent the millage is subject to capture by
23 that tax increment finance authority. **FOR PURPOSES OF THE**
24 **CALCULATION UNDER THIS SUBDIVISION, THE LOWEST RATE OF A MILLAGE**
25 **LEVIED FOR POLICE SERVICES IN THE PERIOD BETWEEN 2012 AND THE YEAR**
26 **IMMEDIATELY PRECEDING THE CURRENT YEAR IS SUBJECT TO THE ADJUSTMENT**
27 **FOR RESTRUCTURED FUNDING OF POLICE SERVICES DESCRIBED IN SECTION**

1 13(5). For an individual millage rate not levied in 1 of the years,
2 the lowest millage rate is zero. A millage used to make the
3 calculation under this subdivision must be eligible to be levied
4 against both real property and personal property.

5 (d) Adjust the amount calculated under subdivision (c) by the
6 amount required to reflect the final order of a court or body of
7 competent jurisdiction related to any prior year calculation under
8 this section.

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

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

14 (ii) The cumulative amount calculated under subdivision (c),
15 as adjusted by subdivision (d), for school district operating tax
16 and state education tax for the obligation had it not been
17 refinanced.

18 (f) Once the amount included in subdivision (c), as adjusted
19 by subdivision (d), for the current and prior years for school
20 operating tax and state education tax for the refinanced obligation
21 equals the amount estimated in subdivision (e) (ii), subtract from
22 the amount calculated under subdivision (c), as adjusted by
23 subdivision (d), the amount calculated under subdivision (c), as
24 adjusted by subdivision (d), for school district operating tax and
25 state education tax for the refinanced obligation.

26 (g) Once the amount of school district operating tax and state
27 education tax captured for the current and prior years to pay the

1 refinanced obligation equals the amount estimated under subdivision
2 (e) (i), subtract from the amount calculated in subdivision (c), as
3 adjusted by subdivision (d), the amount of school operating tax and
4 state education tax captured to repay the refinanced obligation.

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