

**SUBSTITUTE FOR
HOUSE BILL NO. 5666**

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 2007 PA 146.

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 under
13 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
14 and the number of mills from which the property is exempt under
15 section 1211(1) of the revised school code, 1976 PA 451, MCL

16 380.1211. FOR TAXES LEVIED AFTER DECEMBER 31, 2007, FOR THE
17 PERSONAL PROPERTY TAX COMPONENT OF AN INDUSTRIAL FACILITIES
18 EXEMPTION CERTIFICATE FOR A NEW FACILITY OR A SPECULATIVE BUILDING
19 THAT IS SITED ON REAL PROPERTY CLASSIFIED AS COMMERCIAL REAL
20 PROPERTY UNDER SECTION 34C OF THE GENERAL PROPERTY TAX ACT, 1893 PA
21 206, MCL 211.34C, THE AMOUNT OF THE INDUSTRIAL FACILITY TAX IN EACH
22 YEAR FOR A NEW FACILITY OR A SPECULATIVE BUILDING SHALL BE
23 DETERMINED BY MULTIPLYING THE TAXABLE VALUE OF THE FACILITY
24 EXCLUDING THE LAND AND THE INVENTORY PERSONAL PROPERTY BY THE SUM
25 OF 1/2 OF THE TOTAL MILLS LEVIED AS AD VALOREM TAXES FOR THAT YEAR
26 BY ALL TAXING UNITS WITHIN WHICH THE FACILITY IS LOCATED OTHER THAN
27 THE NUMBER OF MILLS FROM WHICH THE PROPERTY IS EXEMPT UNDER SECTION

1 1211(1) OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

2 (5) For a termination or revocation of only the real property
3 component, or only the personal property component, of an
4 industrial facilities exemption certificate as provided in this
5 act, the valuation and the tax determined using that valuation
6 shall be reduced proportionately to reflect the exclusion of the
7 component with respect to which the termination or revocation has
8 occurred.