

HOUSE BILL No. 5086

October 11, 2017, Introduced by Rep. Maturen and referred to the Committee on Tax Policy.

A bill to amend 2014 PA 86, entitled
"Local community stabilization authority act,"
by amending sections 5, 13, 14, 15, 16, 16a, 17, and 21 (MCL
123.1345, 123.1353, 123.1354, 123.1355, 123.1356, 123.1356a,
123.1357, and 123.1361), sections 5 and 13 as amended by 2015 PA
122, sections 14, 15, 16, and 17 as amended by 2017 PA 102, and
section 21 as amended by 2016 PA 124.

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%.

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

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

7 (b) "Ambulance services" means patient transport services,
8 nontransport prehospital life support services, and advanced life
9 support, paramedic, and medical first-responder services.

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

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

13 (i) For a tax increment finance authority under the brownfield
14 redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~
15 **125.2670**, captured taxable value as determined in sections 2 and 7
16 of the brownfield redevelopment financing act, 1996 PA 381, MCL
17 125.2652 and 125.2657.

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

21 (iii) For a tax increment finance authority under the tax
22 increment finance authority act, 1980 PA 450, MCL 125.1801 to
23 125.1830, captured assessed value as defined in section 1 of the
24 tax increment finance authority act, 1980 PA 450, MCL 125.1801.

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

1 development financing act, 1986 PA 281, MCL 125.2152.

2 (v) For a tax increment finance authority under the historic
3 neighborhood tax increment finance authority act, 2004 PA 530, MCL
4 125.2841 to 125.2866, captured assessed value as defined in section
5 2 of the historic neighborhood tax increment finance authority act,
6 2004 PA 530, MCL 125.2842.

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

11 (vii) For a tax increment finance authority under the
12 neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to
13 125.2932, captured assessed value as defined in section 2 of the
14 neighborhood improvement authority act, 2007 PA 61, MCL 125.2912.

15 (viii) For a tax increment finance authority under the water
16 resource improvement tax increment finance authority act, 2008 PA
17 94, MCL 125.1771 to 125.1793, captured assessed value as defined in
18 section 2 of the water resource improvement tax increment finance
19 authority act, 2008 PA 94, MCL 125.1772.

20 (ix) For a tax increment finance authority under the private
21 investment infrastructure funding act, 2010 PA 250, MCL 125.1871 to
22 125.1883, captured assessed value as defined in section 2 of the
23 private investment infrastructure funding act, 2010 PA 250, MCL
24 125.1872.

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

1 railway act, 1867 PA 35, MCL 472.23.

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

4 (i) Personal property classified as commercial personal
5 property under section 34c of the general property tax act, 1893 PA
6 206, MCL 211.34c.

7 (ii) Personal property subject to the industrial facilities
8 tax under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is
9 sited on land classified as commercial real property under section
10 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

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

15 (f) "Council" means the council established for the authority
16 under section 9.

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

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

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

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

5 (i) Ambulance services.

6 (ii) Fire services.

7 (iii) Police services.

8 (iv) Jail operations.

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

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

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

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

1 captured value to qualify as increased captured value, the tax
2 increment financing plan must have demonstrated before 2013 that
3 the tax increment finance authority was relying on this anticipated
4 increase in captured value to pay 1 or more qualified obligations
5 by specifically projecting the anticipated increase in captured
6 value that would be used to pay the qualified obligations and the
7 plan must meet all of the following:

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

15 (ii) If the tax increment financing plan is part of a
16 brownfield plan under the brownfield redevelopment financing act,
17 1996 PA 381, MCL 125.2651 to ~~125.2672~~, **125.2670**, any needed work
18 plans were also approved by the appropriate state agencies not
19 later than December 31, 2012. This does not prevent subsequent
20 amendment to a work plan, provided the amendment does not change
21 the amount of any obligation under the plan, the scope of the
22 project or projects described in the plan, or the time needed to
23 repay any obligation.

24 (iii) The tax increment financing plan identifies a particular
25 site owner and site occupant that is engaged in industrial
26 processing or direct integrated support, as defined in section 9m
27 of the general property tax act, 1893 PA 206, MCL 211.9m. This does

1 not preclude a change in the site owner or occupant, provided that
2 change in the site owner or occupant did not result from a
3 financial difficulty encountered during the construction and
4 installation of the project and provided change in the site owner
5 or occupant will not result in any change in the project.

6 (iv) The tax increment financing plan identifies a particular
7 project on a specific parcel and that project includes the addition
8 of particular 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, that is also identified in the
11 tax increment financing plan.

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

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

26 (vii) Before December 31, 2012, orders had been placed and
27 significant investments made in the personal property that is

1 eligible manufacturing personal property, as defined in section 9m
2 of the general property tax act, 1893 PA 206, MCL 211.9m, to be
3 located on the site.

4 (n) "Increased value from expired tax exemptions" means the
5 increase in taxable value subject to tax of industrial personal
6 property and commercial personal property placed in service before
7 2013 that would have occurred after 2013 if the exemptions under
8 section 9m or 9n of the general property tax act, 1893 PA 206, MCL
9 211.9m and 211.9n, were not in effect as a result of the expiration
10 of an exemption under section 7k, 7ff, or 9f of the general
11 property tax act, 1893 PA 206, MCL 211.7k, 211.7ff, and 211.9f,
12 that had been in effect in 2013, assuming an exemption under
13 section 7k of the general property tax act, 1893 PA 206, MCL
14 211.7k, was not extended under section 11a of 1974 PA 198, MCL
15 207.561a, and an exemption under section 9f of the general property
16 tax act, 1893 PA 206, MCL 211.9f, was not extended under section
17 9f(8) of the general property tax act, 1893 PA 206, MCL 211.9f.

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

20 (i) Personal property classified as industrial personal
21 property under section 34c of the general property tax act, 1893 PA
22 206, MCL 211.34c.

23 (ii) Personal property subject to the industrial facilities
24 tax under section 14(1) or (4) of 1974 PA 198, MCL 207.564, that is
25 sited on land classified as industrial real property under section
26 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

27 (iii) Industrial personal property does not include personal

property that after 2012 was classified in the municipality where it is currently located as real property or utility personal property.

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

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

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

(Q) "LOCAL AUTHORITY" MEANS ANY AUTHORITY, EXCLUDING AN AUTHORITY CREATED UNDER THIS ACT OR A TAX INCREMENT FINANCE AUTHORITY.

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

(S) ~~(r)~~ "Municipality" includes, but is not limited to, the following:

(i) Counties.

(ii) Cities.

(iii) Villages.

(iv) Townships.

(v) ~~Authorities, excluding an authority created under this act.~~ **LOCAL AUTHORITIES.**

(vi) Local school districts.

(vii) Intermediate school districts.

(viii) Community college districts.

1 (ix) Libraries.

2 (x) Other local and intergovernmental taxing units.

3 **(T)** ~~(s)~~—"Personal property exemption loss" means 1 of the
4 following:

5 (i) For a municipality that is not a local school district,
6 intermediate school district, or tax increment finance authority,
7 the 2013 taxable value of commercial personal property and
8 industrial personal property minus the current year taxable value
9 of commercial personal property and industrial personal property

10 and minus the small taxpayer exemption loss **IF, FOR YEARS AFTER**

11 **2017, THE SMALL TAXPAYER EXEMPTION LOSS IS GREATER THAN ZERO.** The

12 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. **FOR**

15 **MILLAGES FROM WHICH RENAISSANCE ZONE PROPERTY IS EXEMPT, THE**

16 **CALCULATION UNDER THIS SUBPARAGRAPH MUST BE ADJUSTED TO EXCLUDE THE**

17 **TAXABLE VALUE OF COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL**

18 **PERSONAL PROPERTY EXEMPT UNDER THE MICHIGAN RENAISSANCE ZONE ACT,**

19 **1996 PA 376, MCL 125.2681 TO 125.2696.**

20 (ii) For a municipality that is a local school district,

21 intermediate school district, or tax increment finance authority,

22 the 2013 taxable value of commercial personal property and

23 industrial personal property minus the current year taxable value

24 of commercial personal property and industrial personal property.

25 The calculation under this subparagraph must be modified for

26 municipality boundary changes to the extent that the boundary

27 changes affect the property taxes levied by the municipality. **FOR**

1 MILLAGES FROM WHICH RENAISSANCE ZONE PROPERTY IS EXEMPT, THE
2 CALCULATION UNDER THIS SUBPARAGRAPH MUST BE ADJUSTED TO EXCLUDE THE
3 TAXABLE VALUE OF COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL
4 PERSONAL PROPERTY EXEMPT UNDER THE MICHIGAN RENAISSANCE ZONE ACT,
5 1996 PA 376, MCL 125.2681 TO 125.2696.

6 (U) ~~(t)~~—"Police services" means law enforcement services for
7 the prevention and detection of crime, the enforcement of laws and
8 ordinances, homeland security response, and medical first-responder
9 services.

10 (V) ~~(u)~~—"Qualified loss" means the amounts calculated under
11 section 14(1) that are not distributed to the municipality under
12 section 17(4) (a) .

13 (W) ~~(v)~~—"Qualified obligation" means a written promise to pay
14 by a tax increment finance authority, whether evidenced by a
15 contract, agreement, lease, sublease, bond, resolution promising
16 repayment of an advance, or note, or a requirement to pay imposed
17 by law. A qualified obligation does not include a payment required
18 solely because of default upon an obligation, employee salary, or
19 consideration paid for the use of municipal offices. A qualified
20 obligation does not include bonds that have been economically
21 defeased by refunding.

22 (X) ~~(w)~~—"School debt loss" means the amount of revenue lost
23 from ad valorem property taxes and any specific tax specifically
24 levied for the payment of principal and interest of obligations
25 approved by the electors before January 1, 2013 or obligations
26 pledging the unlimited taxing power of a local school district or
27 intermediate school district incurred before January 1, 2013, as a

1 result of the exemption of industrial personal property and
2 commercial personal property under sections 9m, 9n, and 9o of the
3 general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and
4 211.9o.

5 **(Y)** ~~(*)~~—"School operating loss not reimbursed by the school
6 aid fund" means the amount of revenue lost from ad valorem property
7 taxes levied under section 1211 of the revised school code, 1976 PA
8 451, MCL 380.1211, as a result of the exemption of industrial
9 personal property and commercial personal property under sections
10 9m, 9n, and 9o of the general property tax act, 1893 PA 206, MCL
11 211.9m, 211.9n, and 211.9o, for mills other than basic school
12 operating mills, as that term is defined in section 2c of the use
13 tax act, 1937 PA 94, MCL 205.92c.

14 **(Z)** ~~(y)~~—"Small taxpayer exemption loss" means 1 of the
15 following:

16 (i) For the 2014 calendar year, the 2013 taxable value of
17 commercial personal property and industrial personal property minus
18 the 2014 taxable value of commercial personal property and
19 industrial personal property. The calculation under this
20 subparagraph must be modified for municipality boundary changes to
21 the extent that the boundary changes affect the property taxes
22 levied by the municipality. **FOR MILLAGES FROM WHICH RENAISSANCE**
23 **ZONE PROPERTY IS EXEMPT, THE CALCULATION UNDER THIS SUBPARAGRAPH**
24 **MUST BE ADJUSTED TO EXCLUDE THE TAXABLE VALUE OF COMMERCIAL**
25 **PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY EXEMPT UNDER THE**
26 **MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO**
27 **125.2696.**

(ii) For the 2015 calendar year and subsequent calendar years, the greater of the amount calculated under subparagraph (i) and the 2013 taxable value of commercial personal property and industrial personal property minus the 2015 taxable value of commercial personal property and industrial personal property. The calculation under this subparagraph must be modified for municipality boundary changes to the extent that the boundary changes affect the property taxes levied by the municipality. **FOR MILLAGES FROM WHICH RENAISSANCE ZONE PROPERTY IS EXEMPT, THE CALCULATION UNDER THIS SUBPARAGRAPH MUST BE ADJUSTED TO EXCLUDE THE TAXABLE VALUE OF COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY EXEMPT UNDER THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.**

(AA) ~~(z)~~ "Specific tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572.

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

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

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

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

(iv) The brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672~~ **125.2670**.

(v) The historic neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866.

(vi) The corridor improvement authority act, 2005 PA 280, MCL

1 125.2871 to 125.2899.

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

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

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

8 (x) The nonprofit street railway act, 1867 PA 35, MCL 472.1 to
9 472.27.

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

14 **(DD)** ~~(ee)~~ "Taxable value" means all of the following:

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

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

22 **(EE)** ~~(dd)~~ "Total qualified loss" means the total amount of
23 qualified losses of all municipalities, as determined by the
24 department.

25 **(FF)** ~~(ee)~~ "Utility personal property" means that term as
26 described in section 34c of the general property tax act, 1893 PA
27 206, MCL 211.34c.

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
 11 the city or township.

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

20 (3) Not later than June 5, 2015, **JUNE 5, 2016, JUNE 5, 2017,**
 21 and each ~~June 5~~ **MAY 15** thereafter, the assessor for each city and
 22 township shall report to the county equalization director the
 23 current year taxable value of commercial personal property and
 24 industrial personal property for each municipality in the city or
 25 township. Not later than June 20, 2015, **JUNE 20, 2016, JUNE 20,**
 26 **2017,** and each ~~June 20~~ **MAY 31** thereafter, the equalization director
 27 for each county shall report to the department the **2013 AND** current

1 year taxable value of commercial personal property and industrial
 2 personal property for each municipality in the county. ~~For~~ **NOT**
 3 **LATER THAN JUNE 20, 2015, JUNE 20, 2016, JUNE 20, 2017, AND EACH**
 4 **JUNE 7 THEREAFTER, FOR** each municipality levying a millage in more
 5 than 1 county, the county equalization director responsible for
 6 compiling the municipality's taxable value under section 34d of the
 7 general property tax act, 1893 PA 206, MCL 211.34d, shall compile
 8 **AND REPORT TO THE DEPARTMENT** the municipality's ~~information~~
 9 ~~described in this subsection.~~ **2013 AND CURRENT YEAR TAXABLE VALUE OF**
 10 **COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY.**

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

1 municipality's millage rate reported under this subsection by the
 2 municipality's personal property exemption loss.

3 (5) ~~The~~ **FOR THE 2016 AND 2017 CALENDAR YEARS' CALCULATIONS,**
 4 **THE** department shall calculate and make available to each
 5 municipality by May 1 of each year that municipality's sum of the
 6 lowest rate of each individual millage levied in the period between
 7 2012 and the year immediately preceding the current year. **FOR THE**
 8 **CALENDAR YEAR 2018 AND SUBSEQUENT YEARS' CALCULATIONS, THE**
 9 **DEPARTMENT SHALL CALCULATE AND MAKE AVAILABLE TO EACH MUNICIPALITY**
 10 **BY MAY 1 OF EACH YEAR THAT MUNICIPALITY'S SUM OF THE LOWEST RATE OF**
 11 **EACH INDIVIDUAL MILLAGE LEVIED IN THE PERIOD BETWEEN 2014 AND THE**
 12 **YEAR IMMEDIATELY PRECEDING THE CURRENT YEAR.** For a municipality,
 13 other than a municipality described in section 14, the calculation
 14 shall exclude debt millage. For an individual millage rate not
 15 levied in 1 of the years, the lowest millage rate is zero. A
 16 millage used to make the calculations under this act must be levied
 17 against both real property and personal property.

18 (6) Not later than June 5, 2016, **JUNE 5, 2017,** and each ~~June 5~~
 19 **MAY 31** thereafter, the assessor for each city and township shall
 20 report to the **DEPARTMENT AND THE** county equalization director the
 21 increased value from expired tax exemptions for each municipality
 22 that is subject to section 14(2) and that levies taxes in the city
 23 or township. ~~Not later than June 20, 2016, and each June 20~~
 24 ~~thereafter, the equalization director for each county shall report~~
 25 ~~to the department the increased value from expired tax exemptions~~
 26 ~~for each municipality that is subject to section 14(2) and that~~
 27 ~~levies taxes in the city or township. For each municipality subject~~

~~to section 14(2) that levies a millage in more than 1 county, the county equalization director responsible for compiling the municipality's taxable value under section 34d of the general property tax act, 1893 PA 206, MCL 211.34d, shall compile the municipality's information described in this subsection.~~

Sec. 14. (1) Not later than November 7, 2017, and each ~~September~~ **OCTOBER** 7 thereafter, for each municipality that is not a local school district, intermediate school district, or tax increment finance authority, the department shall do all of the following:

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

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

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

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

(2) Not later than November 7, 2017, and each ~~September~~
OCTOBER 7 thereafter, for each municipality that is a county,
township, village, city, or **LOCAL** authority that provides essential
services, the department shall do all of the following:

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

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

~~—— (c) Multiply the result of the calculation in subdivision (b)
by the millage rate calculated under section 13(5) for general
operating millage.~~

~~—— (d) Multiply the result of the calculation in subdivision (c)
by the percentage of the municipality's general operating millage
used to fund the cost of essential services in the municipality's
fiscal year ending in 2012. The department shall calculate each
municipality's percentage of general operating millage used to fund
the cost of essential services in the municipality's fiscal year
ending in 2012, unless the municipality includes the calculation in
its comprehensive annual financial report for the municipality's
fiscal year ending in either 2014 or 2015 or otherwise reports the
calculation to the department in a form and in a manner prescribed
by the department.~~

**(B) MULTIPLY THE MILLAGE RATE CALCULATED UNDER SECTION 13(5)
FOR GENERAL OPERATING MILLAGE BY THE PERCENTAGE OF THE
MUNICIPALITY'S GENERAL OPERATING MILLAGE USED TO FUND THE COST OF
ESSENTIAL SERVICES IN THE MUNICIPALITY'S FISCAL YEAR ENDING IN**

2012. THE DEPARTMENT SHALL CALCULATE EACH MUNICIPALITY'S PERCENTAGE OF GENERAL OPERATING MILLAGE USED TO FUND THE COST OF ESSENTIAL SERVICES IN THE MUNICIPALITY'S FISCAL YEAR ENDING IN 2012, UNLESS THE MUNICIPALITY INCLUDES THE CALCULATION IN ITS COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE MUNICIPALITY'S FISCAL YEAR ENDING IN EITHER 2014 OR 2015 OR OTHERWISE REPORTS THE CALCULATION TO THE DEPARTMENT IN A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT.

(C) MULTIPLY THE RESULT OF THE CALCULATION IN SUBDIVISION (A) BY THE RESULT OF THE CALCULATION IN SUBDIVISION (B) .

(D) MULTIPLY THE AMOUNT CALCULATED UNDER SECTION 16A(2) FOR CAPTURED TAXES FROM THE GENERAL OPERATING MILLAGE LEVIED BY THE MUNICIPALITY NOT INCLUDING TAXES ATTRIBUTABLE TO INCREASED CAPTURED VALUE BY THE PERCENTAGE OF THE MUNICIPALITY'S GENERAL OPERATING MILLAGE USED TO FUND THE COST OF ESSENTIAL SERVICES IN THE MUNICIPALITY'S FISCAL YEAR ENDING IN 2012 AND SUBTRACT THE RESULTING ADJUSTMENT FROM THE AMOUNT CALCULATED UNDER SUBDIVISION (C) .

(e) Add to the result of the calculation in subdivision (d) an amount calculated by multiplying the amount calculated under subdivision ~~(b)~~ **(A)** by the **PORTION OF** millage rates calculated under section 13(5) that are dedicated ~~solely~~ for the cost of essential services levied on industrial personal property and commercial personal property. A millage levied to fund a pension under the fire fighters and police officers retirement act, 1937 PA 345, MCL 38.551 to 38.562, is dedicated solely for the cost of essential services.

(F) SUBTRACT FROM THE RESULT OF THE CALCULATION IN SUBDIVISION

1 (E) THE AMOUNT CALCULATED UNDER SECTION 16A(2) FOR CAPTURED TAXES
 2 FROM THE MILLAGE DEDICATED FOR THE COST OF ESSENTIAL SERVICES
 3 LEVIED BY THE MUNICIPALITY NOT INCLUDING TAXES ATTRIBUTABLE TO
 4 INCREASED CAPTURED VALUE.

5 (3) Not later than May ~~10,~~ **24**, 2016, for each municipality
 6 that is a city, the department shall do all of the following:

7 (a) Calculate the municipality's 2014 and 2015 small taxpayer
 8 exemption loss.

9 (b) Multiply the 2014 small taxpayer exemption loss if greater
 10 than zero by the millage rates calculated under section 13(5) for
 11 2014, excluding debt millage.

12 (c) Multiply the 2015 small taxpayer exemption loss if greater
 13 than zero by the millage rates calculated under section 13(5) for
 14 2015, excluding debt millage.

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

16 (e) Calculate the sum of the municipality's debt loss for 2014
 17 and 2015 reimbursed under section 17(1)(a) for millages used to
 18 calculate the amounts under subdivisions (b) and (c).

19 (f) Calculate the amount of any tax increment small taxpayer
 20 loss for captured taxes levied by the municipality in 2014 and 2015
 21 for millages used to calculate the amounts under subdivisions (b)
 22 and (c).

23 (4) Not later than November 7, 2017, and each ~~September~~
 24 **OCTOBER** 7 thereafter, for each municipality that is not a local
 25 school district, intermediate school district, or tax increment
 26 finance authority, the department shall do all of the following:

27 (a) Calculate the municipality's 2015 small taxpayer exemption

1 loss.

2 (b) Multiply the municipality's 2015 small taxpayer exemption
3 loss by the millage rates calculated under section 13(5).

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

12 (d) ~~Adjust~~ **SUBTRACT FROM** the amount calculated under
13 subdivision (b), as adjusted by subdivision (c), ~~by~~ the amount
14 calculated under section 16a(2) for captured taxes levied by the
15 municipality not including taxes attributable to increased captured
16 value. The adjustment under this subdivision shall only be made to
17 the extent that the adjustment made under subsection (1)(d) did not
18 fully account for all captured taxes levied by the municipality not
19 including taxes attributable to increased captured value.

20 Sec. 15. Not later than November 7, 2017, and each ~~August 15~~
21 **OCTOBER 7** thereafter, for each municipality that is a local school
22 district, the department shall do all of the following:

23 (a) Calculate the municipality's personal property exemption
24 loss.

25 (b) Multiply the result of the calculation in subdivision (a)
26 by the ~~sum of the lowest rate of each~~ individual millage levied
27 under section 1212 of the revised school code, 1976 PA 451, MCL

1 380.1212, and section 2 of 1917 PA 156, MCL 123.52, ~~levied by that~~
2 ~~municipality in the period between 2012 and the year immediately~~
3 ~~preceding the current year. For an individual millage rate not~~
4 ~~levied in 1 of the years, the lowest millage rate is zero.~~**AS**

5 **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 section.

10 (d) Subtract from the result of the calculation in subdivision
11 (b), as adjusted by subdivision (c), the amount calculated under
12 section 16a(2) for captured taxes levied by the municipality under
13 section 1212 of the revised school code, 1976 PA 451, MCL 380.1212,
14 and section 2 of 1917 PA 156, MCL 123.52, not including taxes
15 attributable to increased captured value.

16 Sec. 16. Not later than November 7, 2017, and each ~~August 15~~
17 **OCTOBER 7** thereafter, for each municipality that is an intermediate
18 school district, the department shall do all of the following:

19 (a) Calculate the municipality's personal property exemption
20 loss.

21 (b) Multiply the result of the calculation in subdivision (a)
22 by the millage rates calculated under section 13(5).

23 (c) Adjust the amount calculated under subdivision (b) by the
24 amount required to reflect the final order of a court or body of
25 competent jurisdiction related to any prior year calculation under
26 this section.

27 (d) Subtract from the result of the calculation in subdivision

1 (b), as adjusted by subdivision (c), the amount calculated under
2 section 16a(2) for captured taxes levied by that municipality not
3 including taxes attributable to increased captured value.

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

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

12 (a) Calculate the total captured value of all industrial
13 personal property and commercial personal property in the
14 municipality that is a tax increment finance authority in 2013 and
15 add any increased captured value for the current year.

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

25 (c) Multiply the result of the calculation in subdivision (b)
26 by ~~the sum of the lowest rate of each individual millage levied in~~
27 ~~the period between 2012 and the year immediately preceding the~~

1 ~~current year, **RATE CALCULATED UNDER SECTION 13(5)**, to the extent~~
2 ~~the millage is subject to capture by that tax increment finance~~
3 ~~authority. For an individual millage rate not levied in 1 of the~~
4 ~~years, the lowest millage rate is zero. A millage used to make the~~
5 ~~calculation under this subdivision must be eligible to be levied~~
6 ~~against both real property and personal property.~~

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

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

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

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

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

1 (g) Once the amount of school district operating tax and state
2 education tax captured for the current and prior years to pay the
3 refinanced obligation equals the amount estimated under subdivision
4 (e) (i), subtract from the amount calculated in subdivision (c), as
5 adjusted by subdivision (d), the amount of school operating tax and
6 state education tax captured to repay the refinanced obligation.

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

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. Funds appropriated under this
21 subdivision for fiscal year 2015-2016 may be used to pay a
22 corrected tax increment small taxpayer exemption loss for 2014 if a
23 tax increment finance authority submits before June 1, 2016 a
24 correction to a report that was filed under section 16a before
25 October 1, 2014.

26 (b) For fiscal year 2014-2015 through fiscal year 2018-2019 an
27 amount equal to the necessary expenses incurred by the department

1 in implementing this act.

2 (c) Beginning in fiscal year 2019-2020 and each fiscal year
3 thereafter, an amount equal to the necessary expenses incurred by
4 the authority and the department in implementing this act.

5 (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the
6 authority shall distribute to municipalities those funds
7 appropriated under subsection (1)(a). However, in fiscal year 2014-
8 2015, if the authority is not able to make the distribution under
9 this subsection, the department shall make the distribution under
10 this subsection on behalf of the authority.

11 (3) For calendar years 2014 and 2015, the authority shall
12 distribute local community stabilization share revenue to each city
13 in an amount determined by multiplying the sum of the local
14 community stabilization share revenue for the calendar years and
15 the amounts calculated under section 14(3)(e) and (f) by a
16 fraction, the numerator of which is that city's amount calculated
17 under section 14(3)(d) and the denominator of which is the total
18 amount calculated under section 14(3)(d), and subtracting from the
19 result each city's amounts calculated under section 14(3)(e) and
20 (f).

21 (4) Beginning for calendar year 2016, the authority shall
22 distribute local community stabilization share revenue as follows
23 in the following order of priority:

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

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

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

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

(iv) 100% of the amount calculated in section 14(2). ~~However, the amount distributed to a municipality under this subparagraph shall not exceed the amount calculated in section 14(1)(d). All~~ distributions under this subparagraph shall be used to fund essential services.

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

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

(b) Beginning for calendar year 2019, after the distributions under subdivision (a), and subject to subparagraph (viii), the authority shall distribute 5% of the remaining balance of the local community stabilization share fund for the current calendar year to each municipality that is not a local school district, intermediate school district, or tax increment finance authority in an amount determined as follows:

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

(ii) Multiply the result of the calculation in subparagraph (i) by ~~the sum of the lowest rate of each individual millage levied by the municipality in the period between 2012 and the year immediately preceding the current year~~ **AS CALCULATED UNDER SECTION 13(5)** that is not used to calculate a distribution under

subdivision (a) (i) to (iv). ~~For an individual millage rate not levied in 1 of the years, the lowest millage rate is zero. A millage used to make the calculation under this subparagraph must be eligible to be levied against both real property and personal property.~~ **FOR MILLAGES FROM WHICH RENAISSANCE ZONE PROPERTY IS EXEMPT, THE CALCULATION UNDER THIS SUBPARAGRAPH MUST BE ADJUSTED TO EXCLUDE THE ACQUISITION COST OF ELIGIBLE PERSONAL PROPERTY EXEMPT UNDER THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.**

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

(iv) Multiply the result of the calculation in subparagraph (iii) by the **DIFFERENCE BETWEEN THE** amount calculated under section 16a(2) for captured taxes **FOR EACH INDIVIDUAL MILLAGE** levied by the municipality not including taxes attributable to increased captured value **AND THE ADJUSTMENTS CALCULATED UNDER SECTION 14(2)(D), (2)(F), AND (4)(D) FOR THE MUNICIPALITY.**

(v) Subtract from the amount calculated under subparagraph (ii) the amount calculated under subparagraph (iv) **FOR THE INDIVIDUAL MILLAGE LEVIED.**

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

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

(viii) For calendar year 2020, and each calendar year

thereafter, the percentage amount described in this subdivision shall be increased an additional 5% each year, not to exceed 100%.

(c) After the distributions in subdivisions (a) and (b), the authority shall distribute the remaining balance of the local community stabilization share fund for a calendar year to each municipality in an amount determined by multiplying the remaining balance by a fraction, the numerator of which is that municipality's qualified loss and the denominator of which is the total qualified loss.

(5) FOR PAYMENTS RECEIVED BEGINNING OCTOBER 20, 2018, A MUNICIPALITY SHALL ALLOCATE PAYMENTS RECEIVED, UP TO 100% REIMBURSEMENT, UNDER THIS SECTION BASED ON THE PORTION OF THE MUNICIPALITY'S PAYMENT ATTRIBUTABLE TO EACH MILLAGE LEVIED BY THE MUNICIPALITY. THE PORTION OF THE PAYMENT ALLOCATED TO EACH MILLAGE OTHER THAN THE GENERAL OPERATING MILLAGE SHALL BE CONSIDERED RESTRICTED AND RECORDED BY THE MUNICIPALITY IN THE SAME MANNER AS THE MILLAGE LEVIED. PAYMENTS UNDER THIS SECTION FOR MILLAGE LEVIED BY A COUNTY UNDER SECTION 20B OF 1909 PA 283, MCL 224.20B, SHALL BE ALLOCATED IN THE SAME MANNER AS THE MILLAGE LEVIED UNDER SECTION 20B OF 1909 PA 283, MCL 224.20B. AS USED IN THIS SUBSECTION, "100% REIMBURSEMENT" MEANS THE AMOUNTS RECEIVED UNDER SUBSECTION (4) (B) AND (C), NOT TO EXCEED THE MUNICIPALITY'S QUALIFIED LOSS, AND AMOUNTS RECEIVED UNDER SUBSECTION (4) (A) .

(6) ~~(5)~~—The authority shall make the payments required by subsection (3) not later than ~~May~~**JUNE** 20, 2016, and payments required by subsection (4) not later than on the following dates:

(a) For county allocated millage, November 20, 2017, and

1 thereafter ~~September~~**OCTOBER** 20 of the year the 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, November 20, 2017, and thereafter
6 October 20 of the year the millage is levied.

7 **(7)** ~~(6)~~—If the authority has insufficient funds to make the
8 payments on the dates required in subsection ~~(5)~~, **(6)**, 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 **(8)** ~~(7)~~—For each fiscal year from fiscal year 2015-2016
14 through fiscal year 2018-2019, the authority may use up to
15 \$300,000.00 of the local community stabilization share revenue for
16 purposes consistent with implementing and administering this act.

17 **(9)** ~~(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. 21. (1) If a municipality does not adjust its debt
14 millage rate to reflect reimbursement for the small taxpayer
15 exemption loss under section 17(1)(a), the reimbursement under
16 section 17(1)(a) shall be reduced by the excess debt taxes levied.

17 (2) A municipality shall use the amount received under section
18 17(4) for debt millage to pay debt. If a payment under section
19 17(4) for debt millage is not used to pay debt, the amount not used
20 to pay debt shall be deducted from a subsequent payment under
21 section 17(4), **UNLESS ALL DEBTS HAVE BEEN REPAID, IN WHICH CASE THE**
22 **AMOUNT RECEIVED UNDER SECTION 17(4) FOR DEBT MILLAGE MAY BE USED BY**
23 **THE MUNICIPALITY IN ANY MANNER AND SHALL NOT BE DEDUCTED FROM A**
24 **SUBSEQUENT PAYMENT UNDER SECTION 17(4) .**