

HOUSE BILL No. 6559

November 29, 2018, Introduced by Rep. Maturen and referred to the Committee on Tax Policy.

A bill to amend 2018 PA 57, entitled "Recodified tax increment financing act," by amending sections 213c, 312b, and 411b (MCL 125.4213c, 125.4312b, and 125.4411b).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 213c. (1) If the amount of tax increment revenues lost as
2 a result of the personal property tax exemptions provided by
3 section ~~1211(4)~~ **1211(1) AND (4)** of the revised school code, 1976 PA
4 451, MCL 380.1211, section 3 of the state education tax act, 1993
5 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and
6 section 9k of the general property tax act, 1893 PA 206, MCL
7 211.9k, will reduce the allowable school tax capture received in a
8 fiscal year, then, notwithstanding any other provision of this
9 part, the authority, with approval of the department of treasury

1 under subsection (3), may request the local tax collecting
2 treasurer to retain and pay to the authority taxes levied under the
3 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be
4 used for the following:

5 (a) To repay an eligible advance.

6 (b) To repay an eligible obligation.

7 (c) To repay an other protected obligation.

8 (2) Not later than June 15, 2008, not later than September 30,
9 2009, and not later than June 1 of each subsequent year, except for
10 2011, not later than June 15, an authority eligible under
11 subsection (1) to have taxes levied under the state education tax
12 act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the
13 authority under this section, shall apply for approval with the
14 department of treasury. The application for approval shall include
15 the following information:

16 (a) The property tax millage rates expected to be levied by
17 local school districts within the jurisdictional area of the
18 authority for school operating purposes for that fiscal year.

19 (b) The tax increment revenues estimated to be received by the
20 authority for that fiscal year based upon actual property tax
21 levies of all taxing jurisdictions within the jurisdictional area
22 of the authority.

23 (c) The tax increment revenues the authority estimates it
24 would have received for that fiscal year if the personal property
25 tax exemptions described in subsection (1) were not in effect.

26 (d) A list of eligible obligations, eligible advances, and
27 other protected obligations, the payments due on each of those in

1 that fiscal year, and the total amount of all the payments due on
2 all of those in that fiscal year.

3 (e) The amount of money, other than tax increment revenues,
4 estimated to be received in that fiscal year by the authority that
5 is primarily pledged to, and to be used for, the payment of an
6 eligible obligation, the repayment of an eligible advance, or the
7 payment of an other protected obligation. That amount shall not
8 include excess tax increment revenues of the authority that are
9 permitted by law to be retained by the authority for purposes that
10 further the development program. However, that amount shall include
11 money to be obtained from sources authorized by law, which law is
12 enacted on or after December 1, 1993, for use by the municipality
13 or authority to finance a development plan.

14 (f) The amount of a distribution received pursuant to this
15 part for a fiscal year in excess of or less than the distribution
16 that would have been required if calculated upon actual tax
17 increment revenues received for that fiscal year.

18 (3) Not later than August 15, 2008; for 2009, not later than
19 February 3, 2010; for 2011 only, not later than 30 days after the
20 effective date of the amendatory act that amended this sentence;
21 and not later than August 15 for 2010, 2012, and each subsequent
22 year, based on the calculations under subsection (5), the
23 department of treasury shall approve, modify, or deny the
24 application for approval to have taxes levied under the state
25 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained
26 and paid to the authority under this section. If the application
27 for approval contains the information required under subsection

1 (2) (a) through (f) and appears to be in substantial compliance with
2 the provisions of this section, then the department of treasury
3 shall approve the application. If the application is denied by the
4 department of treasury, then the department of treasury shall
5 provide the opportunity for a representative of the authority to
6 discuss the denial within 21 days after the denial occurs and shall
7 sustain or modify its decision within 30 days after receiving
8 information from the authority. If the application for approval is
9 approved or modified by the department of treasury, the local tax
10 collecting treasurer shall retain and pay to the authority the
11 amount described in subsection (5) as approved by the department.
12 If the department of treasury denies the authority's application
13 for approval, the local tax collecting treasurer shall not retain
14 or pay to the authority the taxes levied under the state education
15 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the
16 department does not prohibit a subsequent audit of taxes retained
17 in accordance with the procedures currently authorized by law.

18 (4) Each year the legislature shall appropriate and distribute
19 an amount sufficient to pay each authority the following:

20 (a) If the amount to be retained and paid under subsection (3)
21 is less than the amount calculated under subsection (5), the
22 difference between those amounts.

23 (b) If the application for approval is denied by the
24 department of treasury, an amount verified by the department equal
25 to the amount calculated under subsection (5).

26 (5) Subject to subsection (6), the aggregate amount under this
27 section shall be the sum of the amounts determined under

1 subdivisions (a) and (b) minus the amount determined under
2 subdivision (c), as follows:

3 (a) The amount by which the tax increment revenues the
4 authority would have received and retained for the fiscal year,
5 excluding taxes exempt under section 7ff of the general property
6 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax
7 exemptions described in subsection (1) were not in effect, exceed
8 the tax increment revenues the authority actually received for the
9 fiscal year. **FOR FISCAL YEARS BEGINNING JANUARY 1, 2019 AND**
10 **THEREAFTER, THE AMOUNT UNDER THIS SUBDIVISION SHALL BE CALCULATED**
11 **USING THE GREATER OF THE FOLLOWING:**

12 (i) **THE CAPTURED ASSESSED VALUE OF INDUSTRIAL PERSONAL**
13 **PROPERTY, COMMERCIAL PERSONAL PROPERTY, AND THE PERSONAL PROPERTY**
14 **COMPONENT OF EXEMPTION CERTIFICATES GRANTED UNDER 1974 PA 198, MCL**
15 **207.551 TO 207.572, THAT ARE SITED ON PROPERTY CLASSIFIED AS EITHER**
16 **INDUSTRIAL OR COMMERCIAL, FOR THE AUTHORITY'S FISCAL YEAR ENDING IN**
17 **THE CURRENT YEAR.**

18 (ii) **THE 2013 CAPTURED ASSESSED VALUE OF INDUSTRIAL PERSONAL**
19 **PROPERTY, COMMERCIAL PERSONAL PROPERTY, AND THE PERSONAL PROPERTY**
20 **COMPONENT OF EXEMPTION CERTIFICATES GRANTED UNDER 1974 PA 198, MCL**
21 **207.551 TO 207.572, THAT ARE SITED ON PROPERTY CLASSIFIED AS EITHER**
22 **INDUSTRIAL OR COMMERCIAL.**

23 (b) A shortfall required to be reported under subsection
24 (2)(f) that had not previously increased a distribution.

25 (c) An excess amount required to be reported under subsection
26 (2)(f) that had not previously decreased a distribution.

27 (6) A distribution or taxes retained under this section

1 replacing tax increment revenues pledged by an authority or a
2 municipality are subject to any lien of the pledge described in
3 subsection (1), whether or not there has been physical delivery of
4 the distribution.

5 (7) Obligations for which distributions are made under this
6 section are not a debt or liability of this state; do not create or
7 constitute an indebtedness, liability, or obligation of this state;
8 and are not and do not constitute a pledge of the faith and credit
9 of this state.

10 (8) Not later than September 15 of each year, the authority
11 shall provide a copy of the application for approval approved by
12 the department of treasury to the local tax collecting treasurer
13 and provide the amount of the taxes retained and paid to the
14 authority under subsection (5).

15 (9) Calculations of amounts retained and paid and
16 appropriations to be distributed under this section shall be made
17 on the basis of each development area of the authority.

18 (10) The state tax commission may provide that the
19 reimbursement calculations under this section and the calculation
20 of allowable capture of school taxes shall be made for each
21 calendar year's tax increment revenues using a 12-month debt
22 payment period used by the authority and approved by the state tax
23 commission.

24 (11) It is the intent of the legislature that, to the extent
25 that the total amount of taxes levied under the state education tax
26 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be
27 retained under this section and section 411b, section 15a of the

1 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a,
2 and section 312b, exceeds the difference of the total school aid
3 fund revenue for the tax year minus the estimated amount of revenue
4 the school aid fund would have received for the tax year had the
5 tax exemptions described in subsection (1) and the earmark created
6 by section 515 of the Michigan business tax act, 2007 PA 36, MCL
7 208.1515, not taken effect, the general fund shall reimburse the
8 school aid fund the difference.

9 Sec. 312b. (1) If the amount of tax increment revenues lost as
10 a result of the personal property tax exemptions provided by
11 section ~~1211(4)~~**1211(1) AND (4)** of the revised school code, 1976 PA
12 451, MCL 380.1211, section 3 of the state education tax act, 1993
13 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and
14 section 9k of the general property tax act, 1893 PA 206, MCL
15 211.9k, will reduce the allowable school tax capture received in a
16 fiscal year, then, notwithstanding any other provision of this
17 part, the authority, with approval of the department of treasury
18 under subsection (3), may request the local tax collecting
19 treasurer to retain and pay to the authority taxes levied within
20 the municipality under the state education tax act, 1993 PA 331,
21 MCL 211.901 to 211.906, to be used for the following:

22 (a) To repay an eligible advance.

23 (b) To repay an eligible obligation.

24 (c) To repay an other protected obligation.

25 (2) Not later than June 15, 2008, not later than September 30,
26 2009, and not later than June 1 of each subsequent year, an
27 authority eligible under subsection (1) to have taxes levied under

1 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
2 retained and paid to the authority under this section, shall apply
3 for approval with the department of treasury. The application for
4 approval shall include the following information:

5 (a) The property tax millage rates expected to be levied by
6 local school districts within the jurisdictional area of the
7 authority for school operating purposes for that fiscal year.

8 (b) The tax increment revenues estimated to be received by the
9 authority for that fiscal year based upon actual property tax
10 levies of all taxing jurisdictions within the jurisdictional area
11 of the authority.

12 (c) The tax increment revenues the authority estimates it
13 would have received for that fiscal year if the personal property
14 tax exemptions described in subsection (1) were not in effect.

15 (d) A list of eligible obligations, eligible advances, and
16 other protected obligations, the payments due on each of those in
17 that fiscal year, and the total amount of all the payments due on
18 all of those in that fiscal year.

19 (e) The amount of money, other than tax increment revenues,
20 estimated to be received in that fiscal year by the authority that
21 is primarily pledged to, and to be used for, the payment of an
22 eligible obligation, the repayment of an eligible advance, or the
23 payment of an other protected obligation. That amount shall not
24 include excess tax increment revenues of the authority that are
25 permitted by law to be retained by the authority for purposes that
26 further the development program. However, that amount shall include
27 money to be obtained from sources authorized by law, which law is

1 enacted on or after December 1, 1993, for use by the municipality
2 or authority to finance a development plan.

3 (f) The amount of a distribution received pursuant to this
4 part for a fiscal year in excess of or less than the distribution
5 that would have been required if calculated upon actual tax
6 increment revenues received for that fiscal year.

7 (3) Not later than August 15, 2008; for 2009 only, not later
8 than 30 days after the effective date of the amendatory act that
9 amended this sentence; and not later than August 15 of each
10 subsequent year, based on the calculations under subsection (5),
11 the department of treasury shall approve, modify, or deny the
12 application for approval to have taxes levied under the state
13 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained
14 and paid to the authority under this section. If the application
15 for approval contains the information required under subsection
16 (2)(a) through (f) and appears to be in substantial compliance with
17 the provisions of this section, then the department of treasury
18 shall approve the application. If the application is denied by the
19 department of treasury, then the department of treasury shall
20 provide the opportunity for a representative of the authority to
21 discuss the denial within 21 days after the denial occurs and shall
22 sustain or modify its decision within 30 days after receiving
23 information from the authority. If the application for approval is
24 approved or modified by the department of treasury, the local tax
25 collecting treasurer shall retain and pay to the authority the
26 amount described in subsection (5) as approved by the department.
27 If the department of treasury denies the authority's application

1 for approval, the local tax collecting treasurer shall not retain
2 or pay to the authority the taxes levied under the state education
3 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the
4 department does not prohibit a subsequent audit of taxes retained
5 in accordance with the procedures currently authorized by law.

6 (4) Each year, the legislature shall appropriate and
7 distribute an amount sufficient to pay each authority the
8 following:

9 (a) If the amount to be retained and paid under subsection (3)
10 is less than the amount calculated under subsection (5), the
11 difference between those amounts.

12 (b) If the application for approval is denied by the
13 department of treasury, an amount verified by the department equal
14 to the amount calculated under subsection (5).

15 (5) Subject to subsection (6), the aggregate amount under this
16 section shall be the sum of the amounts determined under
17 subdivisions (a) and (b) minus the amount determined under
18 subdivision (c), as follows:

19 (a) The amount by which the tax increment revenues the
20 authority would have received and retained for the fiscal year,
21 excluding taxes exempt under section 7ff of the general property
22 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax
23 exemptions described in subsection (1) were not in effect, exceed
24 the tax increment revenues the authority actually received for the
25 fiscal year. **FOR FISCAL YEARS BEGINNING JANUARY 1, 2019 AND**
26 **THEREAFTER, THE AMOUNT UNDER THIS SUBDIVISION SHALL BE CALCULATED**
27 **USING THE GREATER OF THE FOLLOWING:**

1 (i) THE CAPTURED ASSESSED VALUE OF INDUSTRIAL PERSONAL
2 PROPERTY, COMMERCIAL PERSONAL PROPERTY, AND THE PERSONAL PROPERTY
3 COMPONENT OF EXEMPTION CERTIFICATES GRANTED UNDER 1974 PA 198, MCL
4 207.551 TO 207.572, THAT ARE SITED ON PROPERTY CLASSIFIED AS EITHER
5 INDUSTRIAL OR COMMERCIAL, FOR THE AUTHORITY'S FISCAL YEAR ENDING IN
6 THE CURRENT YEAR.

7 (ii) THE 2013 CAPTURED ASSESSED VALUE OF INDUSTRIAL PERSONAL
8 PROPERTY, COMMERCIAL PERSONAL PROPERTY, AND THE PERSONAL PROPERTY
9 COMPONENT OF EXEMPTION CERTIFICATES GRANTED UNDER 1974 PA 198, MCL
10 207.551 TO 207.572, THAT ARE SITED ON PROPERTY CLASSIFIED AS EITHER
11 INDUSTRIAL OR COMMERCIAL.

12 (b) A shortfall required to be reported under subsection
13 (2)(f) that had not previously increased a distribution.

14 (c) An excess amount required to be reported under subsection
15 (2)(f) that had not previously decreased a distribution.

16 (6) A distribution or taxes retained under this section
17 replacing tax increment revenues pledged by an authority or a
18 municipality are subject to any lien of the pledge described in
19 subsection (1), whether or not there has been physical delivery of
20 the distribution.

21 (7) Obligations for which distributions are made under this
22 section are not a debt or liability of this state; do not create or
23 constitute an indebtedness, liability, or obligation of this state;
24 and are not and do not constitute a pledge of the faith and credit
25 of this state.

26 (8) Not later than September 15 of each year, the authority
27 shall provide a copy of the application for approval approved by

1 the department of treasury to the local tax collecting treasurer
2 and provide the amount of the taxes retained and paid to the
3 authority under subsection (5).

4 (9) Calculations of amounts retained and paid and
5 appropriations to be distributed under this section shall be made
6 on the basis of each development area of the authority.

7 (10) The state tax commission may provide that the
8 reimbursement calculations under this section and the calculation
9 of allowable capture of school taxes shall be made for each
10 calendar year's tax increment revenues using a 12-month debt
11 payment period used by the authority and approved by the state tax
12 commission.

13 (11) It is the intent of the legislature that, to the extent
14 that the total amount of taxes levied under the state education tax
15 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be
16 retained under this section and section 411b, section 15a of the
17 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a,
18 and section 213c, exceeds the difference of the total school aid
19 fund revenue for the tax year minus the estimated amount of revenue
20 the school aid fund would have received for the tax year had the
21 tax exemptions described in subsection (1) and the earmark created
22 by section 515 of the Michigan business tax act, 2007 PA 36, MCL
23 208.1515, not taken effect, the general fund shall reimburse the
24 school aid fund the difference.

25 Sec. 411b. (1) If the amount of tax increment revenues lost as
26 a result of the personal property tax exemptions provided by
27 section ~~1211(4)~~**1211(1) AND (4)** of the revised school code, 1976 PA

1 451, MCL 380.1211, section 3 of the state education tax act, 1993
2 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and
3 section 9k of the general property tax act, 1893 PA 206, MCL
4 211.9k, will reduce the allowable school tax capture received in a
5 fiscal year, then, notwithstanding any other provision of this
6 part, the authority, with approval of the department of treasury
7 under subsection (3), may request the local tax collecting
8 treasurer to retain and pay to the authority taxes levied under the
9 state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be
10 used for the following:

11 (a) To repay an eligible advance.

12 (b) To repay an eligible obligation.

13 (c) To repay an other protected obligation.

14 (d) To pay an advance or an obligation identified in a
15 development plan, or an amendment to that plan for property located
16 in a certified technology park approved by the board of the
17 authority not later than 90 days after July 19, 2010 if the plan
18 contains all of the following and the plan for the capture of
19 school taxes has been approved within 1 year after July 19, 2010:

20 (i) A detailed description of the project.

21 (ii) A statement of the estimated cost of the project.

22 (iii) The specific location of the project.

23 (iv) The name of any developer of the project.

24 (e) To pay an advance or an obligation identified in a
25 development plan, or an amendment to that plan for property located
26 in a certified alternative energy park approved by the board of the
27 authority if the plan contains all of the following and the plan

1 for the capture of school taxes has been approved not later than
2 December 31, 2012:

3 (i) A detailed description of the project.

4 (ii) A statement of the estimated cost of the project.

5 (iii) The specific location of the project.

6 (iv) The name of any developer of the project.

7 (2) Not later than June 15, 2008, not later than September 30,
8 2009, and not later than June 1 of each subsequent year, an
9 authority eligible under subsection (1) to have taxes levied under
10 the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
11 retained and paid to the authority under this section, shall apply
12 for approval with the department of treasury. The application for
13 approval shall include the following information:

14 (a) The property tax millage rates expected to be levied by
15 local school districts within the jurisdictional area of the
16 authority for school operating purposes for that fiscal year.

17 (b) The tax increment revenues estimated to be received by the
18 authority for that fiscal year based upon actual property tax
19 levies of all taxing jurisdictions within the jurisdictional area
20 of the authority.

21 (c) The tax increment revenues the authority estimates it
22 would have received for that fiscal year if the personal property
23 tax exemptions described in subsection (1) were not in effect.

24 (d) A list of eligible obligations, eligible advances, other
25 protected obligations, and advances and obligations described in
26 subsection (1)(d) for expenditures authorized in a certified
27 technology park or described in subsection (1)(e) for expenditures

1 authorized in a certified alternative energy park; the payments due
2 on each of those in that fiscal year; and the total amount of
3 payments due on all of those in that fiscal year.

4 (e) The amount of money, other than tax increment revenues,
5 estimated to be received in that fiscal year by the authority that
6 is primarily pledged to, and to be used for, the payment of an
7 eligible obligation, the repayment of an eligible advance, the
8 payment of another protected obligation, the payment of obligations
9 or advances described in subsection (1)(d) for expenditures
10 authorized in a certified technology park, or the payment of
11 obligations or advances described in subsection (1)(e) for
12 expenditures authorized in a certified alternative energy park.
13 That amount shall not include excess tax increment revenues of the
14 authority that are permitted by law to be retained by the authority
15 for purposes that further the development program. However, that
16 amount shall include money to be obtained from sources authorized
17 by law, which law is enacted on or after December 1, 1993, for use
18 by the municipality or authority to finance a development plan.

19 (f) The amount of a distribution received pursuant to this
20 part for a fiscal year in excess of or less than the distribution
21 that would have been required if calculated upon actual tax
22 increment revenues received for that fiscal year.

23 (3) Not later than August 15, 2008; for 2009 only, not later
24 than 30 days after August 1, 2012; and not later than August 15 of
25 each subsequent year, based on the calculations under subsection
26 (5), the department of treasury shall approve, modify, or deny the
27 application for approval to have taxes levied under the state

1 education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained
2 and paid to the authority under this section. If the application
3 for approval contains the information required under subsection
4 (2)(a) through (f) and appears to be in substantial compliance with
5 the provisions of this section, then the department of treasury
6 shall approve the application. If the application is denied by the
7 department of treasury, then the department of treasury shall
8 provide the opportunity for a representative of the authority to
9 discuss the denial within 21 days after the denial occurs and shall
10 sustain or modify its decision within 30 days after receiving
11 information from the authority. If the application for approval is
12 approved or modified by the department of treasury, the local tax
13 collecting treasurer shall retain and pay to the authority the
14 amount described in subsection (5) as approved by the department.
15 If the department of treasury denies the authority's application
16 for approval, the local tax collecting treasurer shall not retain
17 or pay to the authority the taxes levied under the state education
18 tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the
19 department does not prohibit a subsequent audit of taxes retained
20 in accordance with the procedures currently authorized by law.

21 (4) Each year, the legislature shall appropriate and
22 distribute an amount sufficient to pay each authority the
23 following:

24 (a) If the amount to be retained and paid under subsection (3)
25 is less than the amount calculated under subsection (5), the
26 difference between those amounts.

27 (b) If the application for approval is denied by the

1 department of treasury, an amount verified by the department equal
2 to the amount calculated under subsection (5).

3 (5) Subject to subsection (6), the aggregate amount under this
4 section shall be the sum of the amounts determined under
5 subdivisions (a) and (b) minus the amount determined under
6 subdivision (c), as follows:

7 (a) The amount by which the tax increment revenues the
8 authority would have received and retained for the fiscal year,
9 excluding taxes exempt under section 7ff of the general property
10 tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax
11 exemptions described in subsection (1) were not in effect, exceed
12 the tax increment revenues the authority actually received for the
13 fiscal year. **FOR FISCAL YEARS BEGINNING JANUARY 1, 2019 AND**
14 **THEREAFTER, THE AMOUNT UNDER THIS SUBDIVISION SHALL BE CALCULATED**
15 **USING THE GREATER OF THE FOLLOWING:**

16 (i) **THE CAPTURED ASSESSED VALUE OF INDUSTRIAL PERSONAL**
17 **PROPERTY, COMMERCIAL PERSONAL PROPERTY, AND THE PERSONAL PROPERTY**
18 **COMPONENT OF EXEMPTION CERTIFICATES GRANTED UNDER 1974 PA 198, MCL**
19 **207.551 TO 207.572, THAT ARE SITED ON PROPERTY CLASSIFIED AS EITHER**
20 **INDUSTRIAL OR COMMERCIAL, FOR THE AUTHORITY'S FISCAL YEAR ENDING IN**
21 **THE CURRENT YEAR.**

22 (ii) **THE 2013 CAPTURED ASSESSED VALUE OF INDUSTRIAL PERSONAL**
23 **PROPERTY, COMMERCIAL PERSONAL PROPERTY, AND THE PERSONAL PROPERTY**
24 **COMPONENT OF EXEMPTION CERTIFICATES GRANTED UNDER 1974 PA 198, MCL**
25 **207.551 TO 207.572, THAT ARE SITED ON PROPERTY CLASSIFIED AS EITHER**
26 **INDUSTRIAL OR COMMERCIAL.**

27 (b) A shortfall required to be reported under subsection

1 (2) (f) that had not previously increased a distribution.

2 (c) An excess amount required to be reported under subsection
3 (2) (f) that had not previously decreased a distribution.

4 (6) A distribution or taxes retained under this section
5 replacing tax increment revenues pledged by an authority or a
6 municipality are subject to any lien of the pledge described in
7 subsection (1), whether or not there has been physical delivery of
8 the distribution.

9 (7) Obligations for which distributions are made under this
10 section are not a debt or liability of this state; do not create or
11 constitute an indebtedness, liability, or obligation of this state;
12 and are not and do not constitute a pledge of the faith and credit
13 of this state.

14 (8) Not later than September 15 of each year, the authority
15 shall provide a copy of the application for approval approved by
16 the department of treasury to the local tax collecting treasurer
17 and provide the amount of the taxes retained and paid to the
18 authority under subsection (5).

19 (9) Calculations of amounts retained and paid and
20 appropriations to be distributed under this section shall be made
21 on the basis of each development area of the authority.

22 (10) The state tax commission may provide that the
23 reimbursement calculations under this section and the calculation
24 of allowable capture of school taxes shall be made for each
25 calendar year's tax increment revenues using a 12-month debt
26 payment period used by the authority and approved by the state tax
27 commission.

1 (11) It is the intent of the legislature that, to the extent
2 that the total amount of taxes levied under the state education tax
3 act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be
4 retained under this section and section 15a of the brownfield
5 redevelopment financing act, 1996 PA 381, MCL 125.2665a, section
6 312b, and section 213c exceeds the difference of the total school
7 aid fund revenue for the tax year minus the estimated amount of
8 revenue the school aid fund would have received for the tax year
9 had the tax exemptions described in subsection (1) and the earmark
10 created by section 515 of the Michigan business tax act, 2007 PA
11 36, MCL 208.1515, not taken effect, the general fund shall
12 reimburse the school aid fund the difference.