

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5908**

A bill to amend 2014 PA 86, entitled
"Local community stabilization authority act,"
by amending sections 17 and 18 (MCL 123.1357 and 123.1358), section
17 as amended by 2017 PA 102.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17. (1) The legislature shall appropriate funds for all
2 of the following purposes:

3 (a) For fiscal year 2014-2015 and fiscal year 2015-2016, to
4 the authority, an amount equal to all debt loss for municipalities
5 that are not a local school district, intermediate school district,
6 or tax increment finance authority, an amount equal to all school
7 debt loss for municipalities that are a local school district or
8 intermediate school district, and an amount equal to all tax

1 increment small taxpayer loss for municipalities that are a tax
2 increment finance authority. Funds appropriated under this
3 subdivision for fiscal year 2015-2016 may be used to pay a
4 corrected tax increment small taxpayer exemption loss for 2014 if a
5 tax increment finance authority submits before June 1, 2016 a
6 correction to a report that was filed under section 16a before
7 October 1, 2014.

8 (b) For fiscal year 2014-2015 through fiscal year 2018-2019 an
9 amount equal to the necessary expenses incurred by the department
10 in implementing this act.

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

14 (2) In fiscal year 2014-2015 and fiscal year 2015-2016, the
15 authority shall distribute to municipalities those funds
16 appropriated under subsection (1)(a). However, in fiscal year 2014-
17 2015, if the authority is not able to make the distribution under
18 this subsection, the department shall make the distribution under
19 this subsection on behalf of the authority.

20 (3) For calendar years 2014 and 2015, the authority shall
21 distribute local community stabilization share revenue to each city
22 in an amount determined by multiplying the sum of the local
23 community stabilization share revenue for the calendar years and
24 the amounts calculated under section 14(3)(e) and (f) by a
25 fraction, the numerator of which is that city's amount calculated
26 under section 14(3)(d) and the denominator of which is the total
27 amount calculated under section 14(3)(d), and subtracting from the

1 result each city's amounts calculated under section 14(3)(e) and
2 (f).

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

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

8 (i) 100% of that municipality's school debt loss in the
9 current year **AS CALCULATED UNDER SECTION 13(4)** and 100% of its
10 amount calculated under section 15.

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

13 (iii) 100% of that municipality's school operating loss not
14 reimbursed by the school aid fund in the current year, **CALCULATED**
15 **BY MULTIPLYING THE OPERATING MILLAGE RATE REPORTED UNDER SECTION**
16 **13(4) OR THE OPERATING MILLAGE RATE CALCULATED UNDER SECTION 13(5)**
17 **BY THE LOCAL SCHOOL DISTRICT'S PERSONAL PROPERTY EXEMPTION LOSS FOR**
18 **THE PERSONAL PROPERTY SUBJECT TO THE RESPECTIVE MILLAGE REIMBURSED**
19 **UNDER THIS SUBPARAGRAPH.**

20 (iv) 100% of the amount calculated in section 14(2). ~~However,~~
21 ~~the amount distributed to a municipality under this subparagraph~~
22 ~~shall not exceed the amount calculated in section 14(1)(d). All FOR~~
23 **CALENDAR YEARS 2016 AND 2017 ONLY, HOWEVER, THE AMOUNT DISTRIBUTED**
24 **TO A MUNICIPALITY UNDER THIS SUBPARAGRAPH SHALL NOT EXCEED THE**
25 **AMOUNT CALCULATED IN SECTION 14(1)(D). FOR ALL CALENDAR YEARS, ALL**
26 distributions under this subparagraph shall be used to fund
27 essential services.

1 (v) For a municipality that is a tax increment finance
 2 authority, 100% of its amount calculated under section 16a(2), **AS**
 3 **CONFIRMED OR ADJUSTED BY THE DEPARTMENT. FOR CALCULATIONS MADE**
 4 **UNDER SECTION 16A(2), AS MODIFIED BY SECTION 16B(2), IN CALENDAR**
 5 **YEARS 2016 AND 2017 ONLY, AMOUNTS CLAIMED FOR INCREASED CAPTURED**
 6 **VALUE SHALL BE INCLUDED AS CLAIMED.**

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

9 (b) Beginning for calendar year ~~2019,~~**2021**, after the
 10 distributions under subdivision (a), and subject to subparagraph
 11 (viii), the authority shall distribute ~~5% of the remaining balance~~
 12 ~~of the local community stabilization share fund~~**AN AMOUNT EQUAL TO**
 13 **15% OF THE TOTAL QUALIFIED LOSS** for the current calendar year to
 14 each municipality that is not a local school district, intermediate
 15 school district, or tax increment finance authority in an amount
 16 determined as follows:

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

19 (ii) Multiply the result of the calculation in subparagraph
 20 (i) by ~~the sum of the lowest rate of each individual millage levied~~
 21 ~~by the municipality in the period between 2012 and the year~~
 22 ~~immediately preceding the current year~~**AS CALCULATED UNDER SECTION**
 23 **13(5)** that is not used to calculate a distribution under
 24 subdivision (a)(i) to (iv). ~~For an individual millage rate not~~
 25 ~~levied in 1 of the years, the lowest millage rate is zero. A~~
 26 ~~millage used to make the calculation under this subparagraph must~~
 27 ~~be eligible to be levied against both real property and personal~~

1 ~~property.~~

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

5 (iv) Multiply the result of the calculation in subparagraph
6 (iii) by the **DIFFERENCE BETWEEN THE** amount calculated under section
7 16a(2) for captured taxes **FOR EACH INDIVIDUAL MILLAGE** levied by the
8 municipality not including taxes attributable to increased captured
9 value **AND THE SUBTRACTION AMOUNTS CALCULATED UNDER SECTION**
10 **14(2)(D), (2)(F), AND (4)(D) FOR THAT MILLAGE.**

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

14 (vi) Divide the result of the calculation in subparagraph (v)
15 by the sum of the calculation under subparagraph (v) for all
16 **MILLAGES FOR ALL** municipalities.

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

19 (viii) For calendar year ~~2020,~~ **2022**, and each calendar year
20 thereafter, the percentage amount described in this subdivision
21 shall be increased an additional 5% each year, not to exceed 100%.

22 (c) ~~After~~ **FOR CALENDAR YEARS 2016 AND 2017, AFTER** the
23 distributions in ~~subdivisions~~ **SUBDIVISION (a), and (b),** the
24 authority shall distribute the remaining balance of the local
25 community stabilization share fund for a calendar year to each
26 municipality in an amount determined by multiplying the remaining
27 balance by a fraction, the numerator of which is that

1 municipality's qualified loss and the denominator of which is the
2 total qualified loss. BEGINNING FOR CALENDAR YEAR 2018, AFTER THE
3 DISTRIBUTIONS IN SUBDIVISIONS (A) AND (B), THE AUTHORITY SHALL
4 DISTRIBUTE LOCAL COMMUNITY STABILIZATION SHARE REVENUE UNDER THIS
5 SUBDIVISION TO EACH MUNICIPALITY IN AN AMOUNT DETERMINED BY
6 MULTIPLYING TOTAL QUALIFIED LOSS MINUS THE TOTAL AMOUNT DISTRIBUTED
7 IN SUBDIVISION (B) FOR A CALENDAR YEAR BY A FRACTION, THE NUMERATOR
8 OF WHICH IS THAT MUNICIPALITY'S QUALIFIED LOSS AND THE DENOMINATOR
9 OF WHICH IS THE TOTAL QUALIFIED LOSS.

10 (D) AFTER THE DISTRIBUTIONS UNDER SUBDIVISIONS (A) TO (C),
11 BEGINNING FOR CALENDAR YEAR 2018, THE DEPARTMENT SHALL ADJUST THE
12 AMOUNTS CALCULATED UNDER SUBDIVISIONS (B) AND (C) FOR A
13 MUNICIPALITY THAT IS A COUNTY, TOWNSHIP, VILLAGE, CITY, OR
14 COMMUNITY COLLEGE DISTRICT BY THE AMOUNT OF ANY OVERPAYMENT TO THAT
15 MUNICIPALITY UNDER THOSE SUBDIVISIONS FOR THAT CALENDAR YEAR AND
16 THE AUTHORITY SHALL DISTRIBUTE THE FOLLOWING:

17 (i) TO A MUNICIPALITY, THE AMOUNT OF ANY UNDERPAYMENT
18 CALCULATED UNDER SUBSECTION (5) FOR CALENDAR YEARS AFTER 2016.

19 (ii) A TOTAL OF \$13,600,000.00 TO MUNICIPALITIES WITH STATE
20 FACILITIES UNDER 1977 PA 289, MCL 141.951 TO 141.956. THE
21 DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS SHALL CERTIFY TO THE
22 DEPARTMENT THE AMOUNT TO BE PAID TO EACH MUNICIPALITY UNDER THIS
23 SUBPARAGRAPH.

24 (E) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, AFTER
25 THE DISTRIBUTIONS UNDER SUBDIVISIONS (A) TO (D), THE AUTHORITY
26 SHALL DISTRIBUTE THE REMAINING BALANCE OF THE LOCAL COMMUNITY
27 STABILIZATION SHARE FUND FOR THE CALENDAR YEAR TO EACH MUNICIPALITY

1 THAT IS A COUNTY, TOWNSHIP, VILLAGE, CITY, OR COMMUNITY COLLEGE
2 DISTRICT IN AN AMOUNT DETERMINED BY MULTIPLYING THE REMAINING
3 BALANCE BY A FRACTION, THE NUMERATOR OF WHICH IS THE SUM OF THAT
4 MUNICIPALITY'S AMOUNT RECEIVED UNDER SUBDIVISIONS (B), (C), AND
5 (D), ONLY TO THE EXTENT THAT THE DISTRIBUTION UNDER SUBDIVISION (D)
6 IS FOR AN UNDERPAYMENT OF THE CURRENT CALENDAR YEAR'S SUBDIVISIONS
7 (B) OR (C) AMOUNT, AND THE OVERPAYMENT ADJUSTMENT UNDER SUBDIVISION
8 (D), AND THE DENOMINATOR OF WHICH IS THE SUM OF THE TOTAL AMOUNT
9 DISTRIBUTED TO ALL COUNTIES, TOWNSHIPS, VILLAGES, CITIES, AND
10 COMMUNITY COLLEGE DISTRICTS UNDER SUBDIVISIONS (B), (C), AND (D),
11 ONLY TO THE EXTENT THAT THE DISTRIBUTION UNDER SUBDIVISION (D) IS
12 FOR AN UNDERPAYMENT OF THE CURRENT CALENDAR YEAR'S SUBDIVISIONS (B)
13 OR (C) AMOUNT, AND THE TOTAL OVERPAYMENT ADJUSTMENTS FOR ALL
14 COUNTIES, TOWNSHIPS, VILLAGES, CITIES, AND COMMUNITY COLLEGE
15 DISTRICTS UNDER SUBDIVISION (D). FOR ANY MUNICIPALITY THAT, IN
16 TOTAL, WAS OVERPAID UNDER SUBDIVISIONS (A), (B), AND (C), THE
17 DISTRIBUTION UNDER THIS SUBDIVISION, WHICH FOR PURPOSES OF THIS
18 CALCULATION FOR ANY MUNICIPALITY OTHER THAN A COUNTY, TOWNSHIP,
19 VILLAGE, CITY, OR COMMUNITY COLLEGE DISTRICT SHALL BE \$0, SHALL BE
20 REDUCED BY ANY POSITIVE AMOUNT DETERMINED BY SUBTRACTING THE
21 CORRECTED AMOUNTS UNDER SUBDIVISIONS (A) TO (C) FOR THAT
22 MUNICIPALITY FROM THE DISTRIBUTED AMOUNTS UNDER SUBDIVISIONS (A) TO
23 (C) FOR THAT MUNICIPALITY AND SUBTRACTING \$10,000.00. IF THE
24 RESULTING DISTRIBUTION AMOUNT IS NEGATIVE, THE MUNICIPALITY HAS
25 BEEN OVERPAID FOR THE YEAR BY THE AMOUNT OF THE NEGATIVE BALANCE.
26 THE MUNICIPALITY SHALL PAY TO THE AUTHORITY THE AMOUNT OF THE
27 OVERPAYMENT IN 3 EQUAL ANNUAL PAYMENTS, DUE BY SEPTEMBER 20 1 YEAR

1 FOLLOWING NOTICE OF THE OVERPAYMENT AND BY SEPTEMBER 20 OF THE
2 SUBSEQUENT 2 YEARS. A MUNICIPALITY MAY PAY THE AMOUNT OF THE
3 OVERPAYMENT AT ANY TIME DURING THE 3-YEAR PERIOD. IF A MUNICIPALITY
4 FAILS TO REPAY THE AMOUNT OF THE OVERPAYMENT AS PROVIDED IN THIS
5 SUBDIVISION, THE AUTHORITY SHALL ADD INTEREST TO THE ENTIRE AMOUNT
6 OF THE ORIGINAL OVERPAYMENT FROM THE DATE OF NOTICE OF THE
7 OVERPAYMENT AND MAY REDUCE SUBSEQUENT DISTRIBUTIONS TO THE
8 MUNICIPALITY UNDER THIS SECTION TO RECOVER THE OUTSTANDING BALANCE
9 OF THE OVERPAYMENT AND INTEREST. INTEREST ADDED UNDER THIS
10 SUBDIVISION SHALL BE AT THE RATE DETERMINED UNDER SECTION 23 OF
11 1941 PA 122, MCL 205.23. ANY OVERPAYMENT AMOUNTS REPAID TO THE
12 AUTHORITY UNDER THIS SUBDIVISION BY SEPTEMBER 30 OF EACH YEAR SHALL
13 BE ADDED TO THE LOCAL COMMUNITY STABILIZATION SHARE REVENUE
14 AVAILABLE FOR DISTRIBUTION FOR THE CALENDAR YEAR. IF REDUCTIONS TO
15 DISTRIBUTIONS CALCULATED UNDER THIS SECTION RESULT IN THE AUTHORITY
16 HAVING A YEAR-END BALANCE OF LOCAL COMMUNITY STABILIZATION SHARE
17 REVENUE, THAT REVENUE SHALL BE ADDED TO THE LOCAL COMMUNITY
18 STABILIZATION SHARE REVENUE AVAILABLE FOR DISTRIBUTION FOR THE
19 SUBSEQUENT CALENDAR YEAR.

20 (5) THE DEPARTMENT AND AUTHORITY SHALL ADMINISTER OVERPAYMENTS
21 AND UNDERPAYMENTS AS FOLLOWS:

22 (A) FOR CALENDAR YEARS BEFORE 2016, IF A MUNICIPALITY RECEIVED
23 AN OVERPAYMENT UNDER THIS SECTION DUE TO AN ERROR IN REPORTING OR
24 CALCULATION, THE AUTHORITY MAY REDUCE A SUBSEQUENT PAYMENT TO THE
25 MUNICIPALITY OR BILL THE MUNICIPALITY TO RECOVER THE OVERPAYMENT.

26 (B) BEFORE NOVEMBER 7, 2017, THE DEPARTMENT SHALL RECALCULATE
27 2016 PAYMENTS TO CORRECT ANY ERRORS IN REPORTING UNDER SECTION

1 13(3) OR (4) AND ANY CALCULATION ERRORS MADE BY THE DEPARTMENT, AND
2 ADJUST THE 2017 PAYMENT TO EACH MUNICIPALITY FOR ANY CHANGE IN ITS
3 2016 PAYMENT.

4 (C) FOR CALENDAR YEAR 2018, FOR ANY ERRORS IN REPORTING UNDER
5 SECTION 13(3) OR (4) IN CALENDAR YEAR 2017 OR 2018, ANY CALCULATION
6 ERRORS MADE BY THE DEPARTMENT IN CALENDAR YEAR 2017 OR 2018, OR ANY
7 PRIOR YEAR ERROR ADJUSTMENT USED IN THE CALCULATION OF THE CALENDAR
8 YEAR 2017 DISTRIBUTIONS, THAT RESULTED IN AN UNDERPAYMENT OR
9 OVERPAYMENT UNDER THIS SECTION TO A MUNICIPALITY FOR THE PRIOR
10 CALENDAR YEAR OR CURRENT CALENDAR YEAR, THE DEPARTMENT SHALL
11 CALCULATE THE AMOUNT OF UNDERPAYMENT OR OVERPAYMENT. FOR EACH
12 MUNICIPALITY, THE DEPARTMENT SHALL ADD TOGETHER THE CALENDAR YEAR
13 2016 AND CALENDAR YEAR 2017 UNDERPAYMENT AND OVERPAYMENT AMOUNTS.
14 IF A MUNICIPALITY HAS A NET UNDERPAYMENT FOR CALENDAR YEARS 2016
15 AND 2017, THE AMOUNT OF THE NET UNDERPAYMENT SHALL BE ADDED TO THE
16 CALENDAR YEAR 2018 UNDERPAYMENT OR OVERPAYMENT AMOUNT FOR THAT
17 MUNICIPALITY. IF A MUNICIPALITY HAS A NET OVERPAYMENT FOR CALENDAR
18 YEARS 2016 AND 2017, THE AMOUNT OF THE NET OVERPAYMENT SHALL BE
19 EXCUSED BY THE AUTHORITY AND SHALL NOT BE ADDED TO THE CALENDAR
20 YEAR 2018 UNDERPAYMENT OR OVERPAYMENT AMOUNT FOR THAT MUNICIPALITY.
21 THE FOLLOWING APPLY TO DETERMINING UNDERPAYMENT OR OVERPAYMENT
22 AMOUNTS:

23 (i) FOR CALENDAR YEAR 2016, THE UNDERPAYMENT OR OVERPAYMENT OF
24 A MUNICIPALITY'S QUALIFIED LOSS SHALL BE CALCULATED BY MULTIPLYING
25 THE MUNICIPALITY'S QUALIFIED LOSS BY 261.3820%.

26 (ii) FOR CALENDAR YEAR 2017, THE UNDERPAYMENT OR OVERPAYMENT
27 OF A MUNICIPALITY'S QUALIFIED LOSS SHALL BE CALCULATED BY

1 MULTIPLYING THE MUNICIPALITY'S QUALIFIED LOSS BY 292.4677%.

2 (D) BEGINNING FOR CALENDAR YEAR 2019, FOR ANY ERRORS IN
3 REPORTING UNDER SECTION 13(3) OR (4), AND FOR ANY CALCULATION
4 ERRORS MADE BY THE DEPARTMENT, THAT RESULTED IN AN UNDERPAYMENT OR
5 OVERPAYMENT UNDER THIS SECTION TO A MUNICIPALITY FOR THE CURRENT
6 CALENDAR YEAR, THE DEPARTMENT SHALL CALCULATE THE AMOUNT OF
7 UNDERPAYMENT OR OVERPAYMENT. A CALCULATION MADE UNDER THIS
8 SUBDIVISION SHALL NOT RECALCULATE A PRIOR YEAR PAYMENT.

9 (E) EXCEPT AS PROVIDED IN SUBSECTION (6), ANY UNDERPAYMENT
10 SHALL BE PAID TO THE MUNICIPALITY AS PROVIDED IN SUBSECTION (4)(D).
11 ANY UNDERPAYMENT AMOUNT DETERMINED BY THE DEPARTMENT TO BE THE
12 FAULT OF THAT MUNICIPALITY, BY EITHER THE MUNICIPALITY REPORTING
13 INACCURATE INFORMATION OR FILING INFORMATION AFTER THE REPORTING
14 DUE DATES, SHALL NOT BE INCLUDED IN ANY PAYMENT MADE UNDER
15 SUBSECTION (4)(D) OR (6).

16 (F) FOR ANY OVERPAYMENT FOR WHICH THE STATE TREASURER
17 DETERMINES THAT THE MUNICIPALITY WAS AT FAULT AND ACTED IN BAD
18 FAITH, THE DEPARTMENT MAY CALCULATE THE AMOUNT OF THE OVERPAYMENT
19 FOR ALL YEARS TO WHICH THE BAD FAITH APPLIED WITHOUT ANY ADJUSTMENT
20 AND THE MUNICIPALITY SHALL IMMEDIATELY REPAY THE AMOUNT OF THE
21 OVERPAYMENT AND INTEREST TO THE AUTHORITY WITHIN 30 DAYS FOLLOWING
22 NOTICE OF THE OVERPAYMENT. IF A MUNICIPALITY FAILS TO REPAY THE
23 AMOUNT OF THE OVERPAYMENT AND INTEREST TO THE AUTHORITY, THE
24 AUTHORITY SHALL REDUCE SUBSEQUENT PAYMENTS TO THE MUNICIPALITY
25 UNDER THIS SECTION TO RECOVER THE OUTSTANDING BALANCE OF THE
26 OVERPAYMENT AND INTEREST. INTEREST ADDED UNDER THIS SUBSECTION
27 SHALL BE AT THE RATE DETERMINED UNDER SECTION 23 OF 1941 PA 122,

1 MCL 205.23. ANY OVERPAYMENT AMOUNTS REPAID TO THE AUTHORITY UNDER
2 THIS SUBSECTION BY SEPTEMBER 30 OF EACH YEAR SHALL BE ADDED TO THE
3 LOCAL COMMUNITY STABILIZATION SHARE REVENUE AVAILABLE FOR
4 DISTRIBUTION FOR THE CALENDAR YEAR. ANY REDUCTION OF SUBSEQUENT
5 PAYMENTS DUE TO MUNICIPALITIES FAILING TO REPAY THE AMOUNT OF THE
6 OVERPAYMENT AND INTEREST SHALL BE ADDED TO THE LOCAL COMMUNITY
7 STABILIZATION SHARE REVENUE AVAILABLE FOR DISTRIBUTION FOR THE
8 SUBSEQUENT CALENDAR YEAR.

9 (6) IF A MUNICIPALITY RECEIVED AN UNDERPAYMENT UNDER THIS
10 SECTION OF \$500,000.00 OR MORE FOR CALENDAR YEAR 2017 DUE TO AN
11 ERROR IN REPORTING UNDER SECTION 13(3) OR (4), OR A CALCULATION
12 ERROR MADE BY THE DEPARTMENT, INCLUDING A PRIOR YEAR ERROR
13 ADJUSTMENT USED IN THE CALCULATION OF THE CALENDAR YEAR 2017
14 DISTRIBUTIONS, THE MUNICIPALITY MAY NOTIFY THE DEPARTMENT OF ANY
15 ERRORS IDENTIFIED BY PROVIDING SUBSTANTIATING DOCUMENTATION TO
16 SUPPORT AN ADJUSTMENT TO THE PAYMENT AMOUNT BY AUGUST 1, 2018. UPON
17 THE DEPARTMENT'S REVIEW OF THE SUBSTANTIATING DOCUMENTATION AND
18 VERIFICATION OF THE ERRORS, THE DEPARTMENT SHALL CALCULATE AN
19 UNDERPAYMENT AMOUNT IN ACCORDANCE WITH SUBSECTION (5)(C). THE
20 UNDERPAYMENT AMOUNT SHALL BE CALCULATED USING THE APPROPRIATE
21 PRORATION FACTOR PROVIDED FOR UNDER SUBSECTION (5)(C). THE
22 DEPARTMENT SHALL DETERMINE IF THE SUBSTANTIATING DOCUMENTATION IS
23 SUFFICIENT. THE DEPARTMENT SHALL NOTIFY THE AUTHORITY TO MAKE AN
24 ADVANCE 2018 PAYMENT TO THE MUNICIPALITY FOR THE AMOUNT OF THE 2017
25 UNDERPAYMENT. THE ADVANCE PAYMENT SHALL BE DEDUCTED FROM THE
26 MUNICIPALITY'S PAYMENT FOR CALENDAR YEAR 2018 THAT INCLUDES THE
27 DISTRIBUTION UNDER SUBSECTION (4)(D).

1 (7) FOR PAYMENTS RECEIVED BEGINNING OCTOBER 20, 2018, A
2 MUNICIPALITY SHALL DO ALL OF THE FOLLOWING:

3 (A) ALLOCATE PAYMENTS RECEIVED, UP TO 100% REIMBURSEMENT,
4 UNDER THIS SECTION BASED ON THE PORTION OF THE MUNICIPALITY'S
5 PAYMENT ATTRIBUTABLE TO EACH MILLAGE LEVIED BY THE MUNICIPALITY.
6 THE PORTION OF THE PAYMENT ALLOCATED TO EACH MILLAGE OTHER THAN THE
7 GENERAL OPERATING MILLAGE SHALL BE CONSIDERED RESTRICTED AND
8 RECORDED BY THE MUNICIPALITY IN THE SAME MANNER AS THE MILLAGE
9 LEVIED. AS USED IN THIS SUBSECTION, "100% REIMBURSEMENT" MEANS THE
10 AMOUNTS RECEIVED UNDER SUBSECTION (4) (A), (B), (C), AND (D) (i),
11 ONLY TO THE EXTENT THAT THE DISTRIBUTION UNDER SUBSECTION (4) (D) (i)
12 IS FOR AN UNDERPAYMENT OF THE CURRENT CALENDAR YEAR'S SUBSECTION
13 (4) (A), (B), OR (C) AMOUNT.

14 (B) FOR MILLAGE LEVIED BY A COUNTY UNDER SECTION 20B OF 1909
15 PA 283, MCL 224.20B, THE GOVERNING BODIES OF THE CITIES AND
16 VILLAGES IN THE COUNTY AND THE BOARD OF COUNTY ROAD COMMISSIONERS
17 SHALL AGREE TO A FORMULA THAT ALLOCATES A PORTION OF THE PAYMENTS
18 UNDER THIS SECTION TO EACH CITY AND VILLAGE BASED ON THE CITY AND
19 VILLAGE SHARE OF THE LOSSES AND ACQUISITION COST USED TO CALCULATE
20 THE PAYMENT TO THE COUNTY DESCRIBED IN THIS SUBDIVISION AND EACH
21 CITY'S AND VILLAGE'S PORTION OF THAT SHARE. THE FORMULA ONCE
22 ESTABLISHED WILL BE IN EFFECT UNTIL THE EFFECTIVE DATE OF ANY
23 SUBSEQUENT AGREEMENT. IF THE GOVERNING BODIES OF THE CITIES AND
24 VILLAGES AND THE BOARD OF COUNTY ROAD COMMISSIONERS DESCRIBED IN
25 THIS SUBDIVISION DO NOT AGREE ON A FORMULA BY MARCH 31 FOLLOWING
26 THE RECEIPT OF THE SUBSECTION (8) (B) PAYMENT, THE DEPARTMENT MAY
27 PRESCRIBE A FORMULA FOR ALLOCATING THE PAYMENTS UNDER THIS SECTION.

1 (C) PAYMENTS UNDER THIS SECTION, EXCEPT FOR THE PAYMENTS UNDER
2 SUBSECTION (4) (D) (ii), TO A MUNICIPALITY THAT IS PARTICIPATING IN
3 AN INTERGOVERNMENTAL CONDITIONAL TRANSFER BY CONTRACT UNDER 1984 PA
4 425, MCL 124.21 TO 124.30, OR ANY OTHER INTERLOCAL AGREEMENT THAT
5 PROVIDES FOR A MILLAGE-BASED SHARING OF REVENUE, SHALL BE ALLOCATED
6 BETWEEN THE PARTIES BASED ON THE PROPORTIONATE SHARE OF THE PAYMENT
7 AS IT IS ATTRIBUTABLE TO THE AREA SUBJECT TO THE AGREEMENT.

8 (8) ~~(5)~~—The authority shall make the payments required by
9 subsection (3) not later than ~~May~~ **JUNE 20, 2016, PAYMENTS REQUIRED**
10 **BY SUBSECTION (6) NOT LATER THAN OCTOBER 20, 2018,** and payments
11 required by subsection (4) not later than on the following dates:

12 (a) ~~For~~ **EXCEPT AS PROVIDED IN SUBDIVISION (D), FOR** county
13 allocated millage, November 20, 2017, and thereafter ~~September~~
14 **OCTOBER 20** of the year the millage is levied.

15 (b) ~~For~~ **EXCEPT AS PROVIDED IN SUBDIVISION (D), FOR** county
16 extra-voted millage, township millage, and other millages levied
17 100% in December of a year, February 20 of the following year.

18 (c) ~~For~~ **EXCEPT AS PROVIDED IN SUBDIVISION (D), FOR** other
19 millages, November 20, 2017, and thereafter October 20 of the year
20 the millage is levied.

21 (D) PAYMENT UNDER SUBSECTION (4) (D) (i) AND (E) SHALL BE MADE
22 ON MAY 20 OF THE YEAR FOLLOWING THE CALENDAR YEAR FOR WHICH THE
23 PAYMENTS ARE CALCULATED.

24 (E) PAYMENT UNDER SUBSECTION (4) (D) (ii) SHALL BE MADE ON
25 NOVEMBER 30 EVERY YEAR.

26 (9) ~~(6)~~—If the authority has insufficient funds to make the
27 payments on the dates required in subsection ~~(5)~~, **(8)**, the

1 department shall advance to the authority the amount necessary for
2 the authority to make the required payments. The authority shall
3 repay the advance to the department from the local community
4 stabilization share.

5 (10) ~~(7)~~—For each fiscal year from fiscal year 2015-2016
6 through fiscal year 2018-2019, the authority may use up to
7 \$300,000.00 of the local community stabilization share revenue for
8 purposes consistent with implementing and administering this act.

9 (11) ~~(8)~~—The authority shall distribute local community
10 stabilization share revenue under this section as follows:

11 (a) From fiscal year 2015-2016 local community stabilization
12 share revenue, \$19,200,000.00 for calendar years 2014 and 2015 and
13 \$76,900,000.00 for calendar year 2016.

14 (b) From fiscal year 2016-2017 local community stabilization
15 share revenue, \$297,400,000.00 for calendar year 2016 and
16 \$83,200,000.00 for calendar year 2017.

17 (c) From fiscal year 2017-2018 local community stabilization
18 share revenue, \$321,500,000.00 for calendar year 2017 and
19 \$89,000,000.00 for calendar year 2018.

20 (d) From fiscal year 2018-2019 local community stabilization
21 share revenue, \$341,800,000.00 for calendar year 2018 and
22 \$95,900,000.00 for calendar year 2019.

23 (e) From fiscal year 2019-2020 local community stabilization
24 share revenue, \$364,500,000.00 for calendar year 2019 and
25 \$101,400,000.00 for calendar year 2020.

26 (f) From fiscal year 2020-2021 local community stabilization
27 share revenue, \$383,500,000.00 for calendar year 2020 and

1 \$108,000,000.00 for calendar year 2021.

2 (g) From fiscal year 2021-2022 local community stabilization
3 share revenue, \$405,700,000.00 for calendar year 2021 and
4 \$115,600,000.00 for calendar year 2022.

5 (h) From fiscal year 2022-2023 local community stabilization
6 share revenue, \$428,300,000.00 for calendar year 2022 and
7 \$119,700,000.00 for calendar year 2023.

8 (i) From fiscal year 2023-2024 local community stabilization
9 share revenue, \$438,900,000.00 for calendar year 2023 and
10 \$122,800,000.00 for calendar year 2024.

11 (j) From fiscal year 2024-2025 local community stabilization
12 share revenue, \$445,800,000.00 for calendar year 2024 and
13 \$124,000,000.00 for calendar year 2025.

14 (k) From fiscal year 2025-2026 local community stabilization
15 share revenue, \$447,100,000.00 for calendar year 2025 and
16 \$124,300,000.00 for calendar year 2026.

17 (l) From fiscal year 2026-2027 local community stabilization
18 share revenue, \$447,700,000.00 for calendar year 2026 and
19 \$124,500,000.00 for calendar year 2027.

20 (m) From fiscal year 2027-2028 local community stabilization
21 share revenue, \$448,000,000.00 for calendar year 2027 and
22 \$124,600,000.00 for calendar year 2028.

23 (n) From the local community stabilization share revenue for
24 fiscal year 2028-2029 and each fiscal year thereafter, the
25 authority shall increase the prior fiscal year's 2 distribution
26 amounts under this subsection by the personal property growth
27 factor, the first amount for the calendar year in which the fiscal

1 year begins and the second amount for the calendar year in which
2 the fiscal year ends. As used in this subdivision, "personal
3 property growth factor" means that term as defined in section 2c of
4 the use tax act, 1937 PA 94, MCL 205.92c.

5 Sec. 18. (1) Beginning in fiscal year 2015-2016, and each
6 fiscal year thereafter, the department shall determine the amount
7 of the distributions under this act, **EXCEPT FOR THE PAYMENTS UNDER**
8 **SECTION 17(4)(D)(ii)**.

9 (2) Each municipality shall submit to the department
10 sufficient information for the department to make its calculations
11 under this act, **EXCEPT FOR THE PAYMENTS UNDER SECTION 17(4)(D)(ii)**,
12 as determined by the department.

13 (3) **THE DEPARTMENT SHALL ANNUALLY MAKE THE DISTRIBUTION**
14 **CALCULATIONS, EXCEPT FOR THE PAYMENTS UNDER SECTION 17(4)(D)(ii),**
15 **AND THE COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL**
16 **PROPERTY TAXABLE VALUES AVAILABLE ON THE INTERNET.**

17 (4) **FOR CALENDAR YEAR 2018, EACH MUNICIPALITY MAY REVIEW THE**
18 **PRIOR YEAR DISTRIBUTION CALCULATIONS THAT THE DEPARTMENT POSTED ON**
19 **THE INTERNET TO DETERMINE IF THERE ARE ANY ERRORS IN REPORTING**
20 **UNDER SECTION 13(4) OR ANY CALCULATION ERRORS MADE BY THE**
21 **DEPARTMENT. FOR CALENDAR YEAR 2018 AND SUBSEQUENT CALENDAR YEARS,**
22 **EACH MUNICIPALITY MAY REVIEW THE CURRENT YEAR DISTRIBUTION**
23 **CALCULATIONS THAT THE DEPARTMENT POSTED ON THE INTERNET TO**
24 **DETERMINE IF THERE ARE ANY ERRORS IN REPORTING UNDER SECTION 13(4)**
25 **OR ANY CALCULATION ERRORS MADE BY THE DEPARTMENT. A MUNICIPALITY**
26 **MAY NOTIFY THE DEPARTMENT OF ANY ERRORS IDENTIFIED BY PROVIDING**
27 **SUBSTANTIATING DOCUMENTATION TO SUPPORT AN ADJUSTMENT TO THE**

1 PAYMENT AMOUNT BY MARCH 31 OF THE YEAR FOLLOWING THE CALENDAR YEAR
2 FOR WHICH THE PAYMENTS ARE CALCULATED, EXCEPT THAT FOR ERRORS
3 IDENTIFIED IN CALCULATIONS UNDER SECTION 13(5) FOR THE CURRENT
4 CALENDAR YEAR, A MUNICIPALITY SHALL NOTIFY THE DEPARTMENT BY AUGUST
5 1 OF THE CALENDAR YEAR FOR WHICH THE PAYMENTS ARE CALCULATED. UPON
6 THE DEPARTMENT'S REVIEW OF THE SUBSTANTIATING DOCUMENTATION AND
7 VERIFICATION OF THE ERRORS, THE DEPARTMENT SHALL CALCULATE AN
8 UNDERPAYMENT OR OVERPAYMENT AMOUNT IN ACCORDANCE WITH SECTION
9 17(5). THE DEPARTMENT SHALL DETERMINE IF THE SUBSTANTIATING
10 DOCUMENTATION IS SUFFICIENT.

11 (5) EACH MUNICIPALITY MAY REVIEW THE ANNUAL COMMERCIAL
12 PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES
13 POSTED BY THE DEPARTMENT ON THE INTERNET TO DETERMINE IF THERE ARE
14 ANY ERRORS IN REPORTING UNDER SECTION 13(3) OR ANY CALCULATION
15 ERRORS MADE BY THE DEPARTMENT. A MUNICIPALITY MAY NOTIFY THE
16 DEPARTMENT OF ANY ERRORS IDENTIFIED BY PROVIDING SUBSTANTIATING
17 DOCUMENTATION TO SUPPORT AN ADJUSTMENT TO THE PAYMENT AMOUNT, AS
18 DESCRIBED IN SUBDIVISIONS (A) TO (E). UPON THE DEPARTMENT'S REVIEW
19 OF THE SUBSTANTIATING DOCUMENTATION AND VERIFICATION OF THE ERRORS,
20 THE DEPARTMENT SHALL CALCULATE AN UNDERPAYMENT OR OVERPAYMENT
21 AMOUNT IN ACCORDANCE WITH SECTION 17(5). THE DEPARTMENT SHALL
22 DETERMINE IF THE SUBSTANTIATING DOCUMENTATION IS SUFFICIENT. ERROR
23 NOTIFICATIONS UNDER THIS SUBSECTION ARE SUBJECT TO THE FOLLOWING,
24 AS APPLICABLE:

25 (A) FOR THE 2013, 2014, AND 2015 COMMERCIAL PERSONAL PROPERTY
26 AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES, AS REPORTED BY THE
27 COUNTY EQUALIZATION DIRECTOR IN CALENDAR YEAR 2015 UNDER SECTION

1 13(3), MUNICIPALITIES MUST REPORT ANY INACCURATE COMMERCIAL
2 PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES
3 TO THE COUNTY EQUALIZATION DIRECTOR BY AUGUST 1, 2018, EXCEPT AS
4 PROVIDED IN SECTION 17(6). COUNTY EQUALIZATION DIRECTORS SHALL
5 NOTIFY THE DEPARTMENT BY AUGUST 13, 2018, OF ANY CORRECTED 2013,
6 2014, AND 2015 COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL
7 PROPERTY TAXABLE VALUES, BY PROVIDING SUBSTANTIATING DOCUMENTATION
8 TO SUPPORT THE CORRECTED VALUES.

9 (B) FOR THE 2013 AND 2016 COMMERCIAL PERSONAL PROPERTY AND
10 INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES, AS REPORTED BY THE
11 COUNTY EQUALIZATION DIRECTOR IN CALENDAR YEAR 2016 UNDER SECTION
12 13(3), MUNICIPALITIES MUST REPORT ANY INACCURATE COMMERCIAL
13 PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES
14 TO THE COUNTY EQUALIZATION DIRECTOR BY FEBRUARY 28, 2019, EXCEPT AS
15 PROVIDED IN SECTION 17(6). COUNTY EQUALIZATION DIRECTORS SHALL
16 NOTIFY THE DEPARTMENT BY MARCH 29, 2019, OF ANY CORRECTED 2013 AND
17 2016 COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY
18 TAXABLE VALUES BY PROVIDING SUBSTANTIATING DOCUMENTATION TO SUPPORT
19 THE CORRECTED VALUES.

20 (C) FOR THE 2013, 2014, 2015, AND 2016 COMMERCIAL PERSONAL
21 PROPERTY AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES, AS
22 REPORTED ON JULY 10, 2017, UNDER SECTION 151(1) OF THE STATE SCHOOL
23 AID ACT OF 1979, 1979 PA 94, MCL 388.1751, MUNICIPALITIES MUST
24 REPORT ANY INACCURATE COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL
25 PERSONAL PROPERTY TAXABLE VALUES TO THE COUNTY TREASURER BY
26 FEBRUARY 28, 2019, EXCEPT AS PROVIDED IN SECTION 17(6). COUNTY
27 TREASURERS SHALL NOTIFY THE DEPARTMENT BY MARCH 29, 2019, OF ANY

1 CORRECTED 2013, 2014, 2015, AND 2016 COMMERCIAL PERSONAL PROPERTY
2 AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES BY PROVIDING
3 SUBSTANTIATING DOCUMENTATION TO SUPPORT THE CORRECTED VALUES. FOR
4 PURPOSES OF THIS SUBDIVISION, THE CORRECTED 2013, 2014, 2015, AND
5 2016 COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY
6 TAXABLE VALUES SHALL BE THE CURRENT TAXABLE VALUES ON JULY 10,
7 2017.

8 (D) FOR THE 2013 AND 2017 COMMERCIAL PERSONAL PROPERTY AND
9 INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES, AS REPORTED BY THE
10 COUNTY EQUALIZATION DIRECTOR IN CALENDAR YEAR 2017 UNDER SECTION
11 13(3), MUNICIPALITIES MUST REPORT ANY INACCURATE COMMERCIAL
12 PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES
13 TO THE COUNTY EQUALIZATION DIRECTOR BY FEBRUARY 28, 2019, EXCEPT AS
14 PROVIDED IN SECTION 17(6). COUNTY EQUALIZATION DIRECTORS SHALL
15 NOTIFY THE DEPARTMENT BY MARCH 29, 2019, OF ANY CORRECTED 2013 AND
16 2017 COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY
17 TAXABLE VALUES BY PROVIDING SUBSTANTIATING DOCUMENTATION TO SUPPORT
18 THE CORRECTED VALUES.

19 (E) FOR 2018 AND SUBSEQUENT YEARS' COMMERCIAL PERSONAL
20 PROPERTY AND INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES, AS
21 REPORTED BY THE COUNTY EQUALIZATION DIRECTOR BY MAY 31 OF EACH YEAR
22 UNDER SECTION 13(3), MUNICIPALITIES MUST REPORT ANY INACCURATE
23 COMMERCIAL PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY
24 TAXABLE VALUES FOR THE CURRENT YEAR TO THE COUNTY EQUALIZATION
25 DIRECTOR BY FEBRUARY 28 OF THE FOLLOWING YEAR. COUNTY EQUALIZATION
26 DIRECTORS SHALL NOTIFY THE DEPARTMENT BY MARCH 31 OF EACH YEAR OF
27 ANY CORRECTED PRIOR YEAR COMMERCIAL PERSONAL PROPERTY AND

- 1 INDUSTRIAL PERSONAL PROPERTY TAXABLE VALUES, BY PROVIDING
- 2 SUBSTANTIATING DOCUMENTATION TO SUPPORT THE CORRECTED VALUES.