

**QUALIFIED HEAVY EQUIPMENT RENTAL PERSONAL PROPERTY SPECIFIC TAX ACT  
(EXCERPT)  
Act 35 of 2022**

**211.1129 Qualified heavy equipment rental personal property exemption reimbursement fund; investment; distribution; "eligible local tax collecting unit" defined.**

Sec. 9.

(1) The qualified heavy equipment rental personal property exemption reimbursement fund is created within the state treasury. All proceeds from the qualified heavy equipment rental personal property specific tax levied under this act are dedicated to this fund.

(2) The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year must remain in the fund and not lapse to the general fund.

(4) The department is the administrator of the fund for auditing purposes.

(5) The department shall distribute money from the fund, upon appropriation, only for the following purposes and in the following order of priority:

(a) Starting for fiscal year 2022-2023, to the department, for administrative costs associated with administering this act, an amount equal to \$400,000.00. For each fiscal year after fiscal year 2022-2023, to the department, for administrative costs associated with administering this act, an amount equal to the amount allowed under this subdivision in the prior fiscal year increased for inflation, as measured by the ratio of the average published monthly Detroit Consumer Price Index values for the previous fiscal year to the published monthly Detroit Consumer Price Index values for the fiscal year prior to the previous fiscal year, minus 1.

(b) After the distribution in subdivision (a), distribute the remaining balance as follows:

(i) By September 30, 2023, and each September 30 thereafter, distribute 90% of the revenues deposited into the fund in the preceding January through June, less any amount distributed under subdivision (a) during the preceding January through June, to eligible local tax collecting units. By March 31, 2024, and each March 31 thereafter, distribute 90% of the revenues deposited into the fund in the preceding July through December, less any amount distributed under subdivision (a) during the preceding July through December, to eligible local tax collecting units. The distribution under this subparagraph must be allocated to each eligible local tax collecting unit based on the proportion that the total tax collected in the 2 immediately preceding quarterly reporting periods from each qualified renter business location in the eligible local tax collecting unit bears to the total tax collected in the 2 immediately preceding quarterly reporting periods from all qualified renter business locations. At the time the department makes distributions under this subparagraph, the department shall provide each eligible local tax collecting unit information regarding the amount of tax collected in the 2 immediately preceding quarterly reporting periods from each qualified renter business location in the eligible local tax collecting unit. Within 35 days after an eligible local tax collecting unit receives an allocation under this subparagraph, the eligible local tax collecting unit shall, subject to sub-subparagraph (D), distribute its allocation to the taxing units in accordance with sub-subparagraphs (A) to (C), as follows:

(A) For each qualified renter business location in the eligible local tax collecting unit, apportion the allocation received by the eligible local tax collecting unit by multiplying the allocation received by the eligible local tax collecting unit by a fraction, the numerator of which is the tax levied under this act and paid from the qualified renter business location in the eligible local tax collecting unit and the denominator of which is the total tax levied under this act and paid from all qualified renter business locations in the eligible local tax collecting unit.

(B) For each taxing unit that levied millage at the qualified renter business location in the eligible local tax collecting unit, multiply the amount calculated under sub-subparagraph (A) for the associated qualified renter business location by a fraction, the numerator of which is the sum of the millage rates levied on commercial personal property for the associated taxing unit in the prior calendar year and the denominator of which is the total of all millage rates levied on commercial personal property by all taxing units that levied millage at the qualified renter business location in the prior calendar year.

(C) For each taxing unit that levied millage at a qualified renter business location in the eligible local tax collecting unit, distribute to the taxing unit the sum of all amounts calculated under sub-subparagraph (B) for that taxing unit.

(D) The amount that would otherwise be disbursed under this subsection to a local school district for school operating purposes must be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963. Of the amount that would otherwise be disbursed under this subsection to an intermediate school district receiving state aid under section 56 or 62 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656 and 388.1662, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of state aid, must be paid to the state treasury to the credit of the state

school aid fund established by section 11 of article IX of the state constitution of 1963.

(E) As used in this subparagraph, "eligible local tax collecting unit" means a local tax collecting unit in which is located a qualified renter business location that was reported under section 7(3) for the 2 immediately preceding quarterly reporting periods.

(ii) By July 31, 2024, and each July 31 thereafter, distribute 10% of the revenues deposited into the fund in the previous calendar year, less any amount distributed under subdivision (a) during the previous calendar year, to those cities, villages, townships, and counties that do not directly or indirectly receive money distributed under subparagraph (i). The distribution under this subparagraph must be allocated to each city, village, township, or county, that does not directly or indirectly receive money distributed under subparagraph (i), based on the proportion that its distribution of local community stabilization share revenue, for the calendar year in question, under section 17(4)(a)(i) to (vi) and 17(4)(b) to (e) of the local community stabilization authority act, 2014 PA 86, MCL 123.1357, bears to the total amount of local community stabilization share revenue distributed, for the calendar year in question, under section 17(4)(a)(i) to (vi) and 17(4)(b) to (e) of the local community stabilization authority act, 2014 PA 86, MCL 123.1357, to all cities, villages, townships, and counties not directly or indirectly receiving money distributed under subparagraph (i).

**History:** 2022, Act 35, Eff. Mar. 23, 2022