



HOUSE BILL No. 5120

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October 12, 1993, Introduced by Reps. Dolan, Munsell and Bobier and referred to the Committee on Local Government.

A bill to amend the title and sections 2, 3, 4, 5, 7, 8, 9, 10, 11, 14, 15, 16, 17, 19, and 21 of Act No. 198 of the Public Acts of 1974, entitled as amended

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

section 2 as amended by Act No. 66 of the Public Acts of 1986, sections 3, 4, 7, 10, 14, 15, and 16 as amended by Act No. 417 of the Public Acts of 1982, section 9 as amended by Act No. 201 of the Public Acts of 1991, and section 11 as amended by Act No. 122 of the Public Acts of 1984, being sections 207.552, 207.553, 207.554, 207.555, 207.557, 207.558, 207.559, 207.560, 207.561, 207.564, 207.565, 207.566, 207.567, 207.569, and 207.571 of the

Michigan Compiled Laws; to add section 14a; and to repeal certain parts of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 2, 3, 4, 5, 7, 8, 9, 10,
2 11, 14, 15, 16, 17, 19, and 21 of Act No. 198 of the Public Acts
3 of 1974, section 2 as amended by Act No. 66 of the Public Acts of
4 1986, sections 3, 4, 7, 10, 14, 15, and 16 as amended by Act
5 No. 417 of the Public Acts of 1982, section 9 as amended by Act
6 No. 201 of the Public Acts of 1991, and section 11 as amended by
7 Act No. 122 of the Public Acts of 1984, being sections 207.552,
8 207.553, 207.554, 207.555, 207.557, 207.558, 207.559, 207.560,
9 207.561, 207.564, 207.565, 207.566, 207.567, 207.569, and 207.571
10 of the Michigan Compiled Laws, are amended and section 14a is
11 added to read as follows:

TITLE

12
13 An act to provide for the establishment of plant rehabilita-
14 tion districts and industrial development districts in local gov-
15 ernmental units; to provide for the exemption from certain taxes;
16 to levy and collect a specific tax upon the owners of certain
17 facilities; to provide for the disposition of the tax; to provide
18 for the obtaining and transferring of an exemption certificate
19 and to prescribe the contents of those certificates; to prescribe
20 the powers and duties of ~~the state tax commission and~~ certain
21 officers of local governmental units; and to ~~provide~~ PRESCRIBE
22 penalties AND PROVIDE REMEDIES.

23 Sec. 2. (1) ~~"Commission"~~ "COUNTY" means the ~~state tax~~
24 ~~commission created by Act No. 360 of the Public Acts of 1927, as~~

1 ~~amended, being sections 209.101 to 209.107 of the Michigan~~
2 ~~Compiled Laws~~ COUNTY BOARD OF COMMISSIONERS OR A COMMITTEE DES-
3 IGNATED BY THE COUNTY BOARD OF COMMISSIONERS.

4 (2) "Facility" means either a replacement facility, a new
5 facility, or, if applicable by its usage, a speculative
6 building.

7 (3) "Replacement facility" means:

8 (a) ~~In the case of~~ FOR a replacement or restoration
9 ~~which~~ THAT occurs on the same or contiguous land as that which
10 is replaced or restored, industrial property ~~which~~ THAT is or
11 is to be acquired, constructed, altered, or installed for the
12 purpose of replacement or restoration of obsolete industrial
13 property together with any part of the old altered property
14 ~~which~~ THAT remains for use as industrial property after the
15 replacement, restoration, or alteration.

16 (b) ~~In the case of~~ FOR construction on vacant noncontigu-
17 ous land, property ~~which~~ THAT is or will be used as industrial
18 property ~~which~~ THAT is or is to be acquired, constructed,
19 transferred, or installed for the purpose of being substituted
20 for obsolete industrial property if the obsolete industrial prop-
21 erty is situated in a plant rehabilitation district in the same
22 city, village, or township as the land on which the facility is
23 or is to be constructed and includes the obsolete industrial
24 property itself until ~~such time as~~ the substituted facility is
25 completed.

1 (4) "New facility" means new industrial property other than
2 a replacement facility to be built in a plant rehabilitation
3 district or industrial development district.

4 (5) "Local governmental unit" means a city, village, or
5 township.

6 (6) "Industrial property" means land improvements, build-
7 ings, structures, and other real property, and machinery, equip-
8 ment, furniture, and fixtures or any part or accessory thereof
9 whether completed or in the process of construction comprising an
10 integrated whole, the primary purpose and use of which is the
11 manufacture of goods or materials or the processing of goods and
12 materials by physical or chemical change; the operation of a
13 theme and recreation park located in an industrial park district;
14 property acquired, constructed, altered, or installed due to the
15 passage of proposal A in 1976; the operation of a hydro-electric
16 dam by a private company other than a public utility; or agricul-
17 tural processing facilities. For certificates granted between
18 April 1, 1986 and September 30, 1986, industrial property ~~shall~~
19 ~~include~~ INCLUDES the real and personal property of a nonprofit
20 cooperative power corporation that is used as an office, ware-
21 house, or similar facility, and that is located on land owned by
22 the nonprofit cooperative corporation. Industrial property
23 ~~shall include~~ INCLUDES facilities related to a manufacturing
24 operation under the same ownership, including but not limited to
25 office, engineering, research and development, warehousing, or
26 parts distribution facilities. Industrial property ~~shall~~ also
27 ~~include~~ INCLUDES research and development laboratories of

1 companies other than those companies ~~which~~ THAT manufacture the
2 products developed from their research activities and research
3 development laboratories of a manufacturing company that are
4 unrelated to the products of the company. Industrial property
5 ~~shall~~ DOES not include ~~any of the following: (a) Land. (b)~~
6 ~~Property~~ LAND, PROPERTY of a public utility other than a non-
7 profit cooperative power corporation as described in this
8 section, ~~.(c) Inventory~~ OR INVENTORY. Industrial property
9 may be owned or leased if, ~~in the case of~~ FOR leased property,
10 the lessee is liable for payment of ad valorem property taxes and
11 furnishes proof of that liability.

12 (7) "Obsolete industrial property" means industrial property
13 the condition of which is substantially less than an economically
14 efficient functional condition.

15 (8) "Economically efficient functional condition" means a
16 state or condition of property the desirability and usefulness of
17 which is not impaired due to changes in design, construction,
18 technology, or improved production processes, or from external
19 influencing factors ~~which~~ THAT make the property less desirable
20 and valuable for continued use.

21 (9) "Research and development laboratories" means building
22 and structures, including the machinery, equipment, furniture,
23 and fixtures located therein, used or to be used for research or
24 experimental purposes that would be considered qualified research
25 as that term is used in section 30 of the internal revenue code,
26 except that qualified research ~~shall include~~ INCLUDES qualified

1 research funded by grant, contract, or otherwise by another
2 person or governmental entity.

3 (10) "Manufacture of goods or materials" or "processing of
4 goods or materials" means any type of operation that would be
5 conducted by an entity included in the classifications provided
6 by division D, manufacturing, of the standard classification
7 manual of 1972, published by the United States office of manage-
8 ment and budget, regardless of whether the entity conducting
9 ~~such an~~ THE operation is included ~~therein~~ IN THE
10 CLASSIFICATIONS.

11 (11) For purposes of this act, "nonprofit power corporation"
12 means a nonprofit power corporation as described in section
13 261(4) of Act No. 162 of the Public Acts of 1982, being section
14 450.2261 of the Michigan Compiled Laws, whose primary business is
15 the sale of electric power to other nonprofit electric corpora-
16 tions in this state.

17 (12) "COUNTY EQUALIZED VALUATION" MEANS THE VALUATION DETER-
18 MINED UNDER SECTION 34 OF THE GENERAL PROPERTY TAX ACT, ACT
19 NO. 206 OF THE PUBLIC ACTS OF 1893, BEING SECTION 211.34 OF THE
20 MICHIGAN COMPILED LAWS.

21 Sec. 3. (1) "Plant rehabilitation district" means an area
22 of a local governmental unit established as provided in section
23 4.

24 (2) "Industrial development district" means an area estab-
25 lished by a local governmental unit as provided in section 4.

26 (3) "Industrial facility tax" means the specific tax levied
27 under this act.

1 (4) "Industrial facilities exemption certificate" means a
2 certificate issued pursuant to sections 5 ~~6~~ and 7.

3 (5) "Replacement" means the complete or partial demolition
4 of obsolete industrial property and the complete or partial
5 reconstruction or installation of new property of similar
6 utility.

7 (6) "Restoration" means changes to obsolete industrial prop-
8 erty other than replacement as may be required to restore the
9 property, together with all appurtenances ~~thereto~~ TO THE
10 PROPERTY, to an economically efficient functional condition.

11 Restoration shall not include delayed maintenance or the substi-
12 tution or addition of tangible personal property without major
13 renovation of the industrial property. A program involving
14 expenditures for changes to the industrial property improvements
15 aggregating less than 10% of the true cash value at commencement
16 of the restoration of the industrial property improvements ~~shall~~
17 ~~be deemed~~ IS CONSIDERED to be delayed maintenance. Restoration
18 ~~shall include~~ INCLUDES major renovation including but not
19 ~~necessarily~~ limited to the improvement of floor loads, correc-
20 tion of deficient or excessive height, new or improved building
21 equipment, including heating, ventilation, and lighting, reducing
22 multistory facilities to 1 or 2 stories, improved structural sup-
23 port including foundations, improved roof structure and cover,
24 floor replacement, improved wall placement, improved exterior and
25 interior appearance of buildings, improvements or modifications
26 of machinery and equipment to improve efficiency, decrease
27 operating costs, or to increase productive capacity, and other

1 physical changes as ~~may be~~ required to restore the industrial
2 property to an economically efficient functional condition, and
3 ~~shall include~~ INCLUDES land and building improvements and other
4 tangible personal property incident ~~thereto~~ TO THE LAND AND
5 BUILDING IMPROVEMENTS.

6 (7) "State equalized valuation" means the valuation deter-
7 mined under Act No. 44 of the Public Acts of 1911, as amended,
8 being sections 209.1 to 209.8 of the Michigan Compiled Laws.

9 (8) "Speculative building" means a new building that meets
10 all of the following criteria and the machinery, equipment, fur-
11 niture, and fixtures located ~~therein~~ IN THE BUILDING:

12 (a) The building is owned by, or approved as a speculative
13 building by resolution of, a local governmental unit in which the
14 building is located or the building is owned by a development
15 organization and located in the district of the development
16 organization.

17 (b) The building is constructed for the purpose of providing
18 a manufacturing facility before the identification of a specific
19 user of that building.

20 (c) The building does not qualify as a replacement
21 facility.

22 (9) "Development organization" means any economic develop-
23 ment corporation, downtown development authority, tax increment
24 financing authority, or an organization under the supervision of
25 and created for economic development purposes by a local govern-
26 mental unit.

(10) "Manufacturing facility" means buildings and

structures, including the machinery, equipment, furniture, and fixtures located ~~therein~~ IN THE FACILITY, the primary purpose of which is 1 or more of the following:

(a) The manufacture of goods or materials or the processing of goods and materials by physical or chemical change.

(b) The provision of research and development laboratories of companies whether or not the company manufactures the products developed from their research activities.

Sec. 4. (1) A local governmental unit, by resolution of its legislative body, may establish ~~, pursuant to subsection (2),~~ plant rehabilitation districts and industrial development districts ~~, which~~ THAT may consist of 1 or more parcels or tracts of land or a portion OF A PARCEL OR TRACT OF LAND. ~~thereof, if at the time of adoption of the resolution the local governmental unit qualifies under any of the following.~~

~~(a) Levies ad valorem taxes at a rate which, when taken together with the rates of ad valorem taxes levied by any other taxing authority which levies taxes within that local governmental unit, equals or exceeds \$30.00 for each \$1,000.00 of state equalized valuation.~~

~~(b) Levies an income tax.~~

~~(2) The legislative body of a local governmental unit may establish a plant rehabilitation district or an industrial development district on its own initiative or upon a written request filed by the owner or owners of 75% of the state equalized value of the industrial property located within a proposed plant~~

~~1 rehabilitation district or industrial development district. This~~
~~2 request shall be filed with the clerk of the local governmental~~
~~3 unit.~~

~~4 (3) After December 31, 1983, a request for the establishment~~
~~5 of a proposed plant rehabilitation district or industrial devel-~~
~~6 opment district shall be filed only in connection with a proposed~~
~~7 replacement facility or new facility, the construction, acquisi-~~
~~8 tion, alteration, or installation of or for which has not com-~~
~~9 menced at the time of the filing of the request. The legislative~~
~~10 body of a local governmental unit shall not establish a plant~~
~~11 rehabilitation district or an industrial development district~~
~~12 pursuant to subsection (2) if it finds that the request for the~~
~~13 district was filed after the commencement of construction, alter-~~
~~14 ation, or installation of, or of an acquisition related to, the~~
~~15 proposed replacement facility or new facility. This subsection~~
~~16 shall not apply to a speculative building.~~

~~17 (4) Before adopting a resolution establishing a plant reha-~~
~~18 bilitation district or industrial development district, the leg-~~
~~19 islative body shall give written notice by certified mail to the~~
~~20 owners of all real property within the proposed plant rehabilita-~~
~~21 tion district or industrial development district and shall hold a~~
~~22 public hearing on the establishment of the plant rehabilitation~~
~~23 district or industrial development district at which any of those~~
~~24 owners and any other resident or taxpayer of the local governmen-~~
~~25 tal unit shall have a right to appear and be heard.~~

~~26 (5) The legislative body of the local governmental unit, in~~
~~27 its resolution establishing a plant rehabilitation district,~~

~~1 shall set forth a finding and determination that property
2 comprising not less than 50% of the state equalized valuation of
3 the industrial property within the district is obsolete.~~

4 (2) ~~(6)~~ A plant rehabilitation district or industrial
5 development district established by a township shall be applica-
6 ble only within the unincorporated territory of the township and
7 shall not be within a village.

8 (3) ~~(7)~~ Industrial property included as part of an indus-
9 trial development district or a plant rehabilitation district may
10 also be part of a tax increment district established pursuant to
11 the tax increment finance authority act, Act No. 450 of the
12 Public Acts of 1980, being sections 125.1801 to ~~+25.1827-~~
13 125.1830 of the Michigan Compiled Laws.

14 Sec. 5. (1) After the establishment of a district, the
15 owner or lessee of a facility may file an application for an
16 industrial facilities exemption certificate with the clerk of the
17 local governmental unit that established the plant rehabilitation
18 district or industrial development district AND THE CLERK OF THE
19 COUNTY IN WHICH THE FACILITY IS LOCATED. The application shall
20 be filed in the manner and form prescribed by the ~~commission~~
21 DEPARTMENT OF TREASURY. ~~The application shall contain or be~~
22 ~~accompanied by a general description of the facility and a gen-~~
23 ~~eral description of the proposed use of the facility, the general~~
24 ~~nature and extent of the restoration, replacement, or construc-~~
25 ~~tion to be undertaken, a descriptive list of the equipment which~~
26 ~~will be a part of the facility, a time schedule for undertaking~~
27 ~~and completing the restoration, replacement, or construction of~~

~~1 the facility, and information relating to the requirements in~~
~~2 section 9.~~

3 (2) Upon receipt of an application for an industrial facili-
4 ties exemption certificate, the clerk of the ~~local governmental~~
5 ~~unit~~ COUNTY IN WHICH THE FACILITY IS LOCATED shall notify in
6 writing the assessor of the assessing unit in which the facility
7 is located or to be located, and ~~to~~ the legislative body of
8 each taxing unit ~~which~~ THAT levies ad valorem property taxes in
9 the local governmental unit in which the facility is located or
10 to be located. Before acting upon the application, the
11 ~~legislative body of the local governmental unit~~ COUNTY shall
12 afford the applicant, the assessor, and a representative of the
13 affected taxing units an opportunity for a hearing.

14 Sec. 7. (1) Within 60 days after receipt of an ~~approved~~
15 application, ~~or an appeal of a disapproved application, the~~
16 ~~commission~~ THE COUNTY shall determine whether the facility is a
17 speculative building or designed and acquired primarily for the
18 purpose of restoration or replacement of obsolete industrial
19 property or the construction of new industrial property, and
20 whether the facility otherwise complies with section 9 and with
21 the other provisions of this act. If the ~~commission~~ COUNTY so
22 finds, ~~it shall~~ THE COUNTY MAY issue an industrial facilities
23 exemption certificate. ~~Before issuing a certificate the commis-~~
24 ~~sion shall notify the state treasurer of the application and~~
25 ~~shall obtain the written concurrence of the department of com-~~
26 ~~merce that the application complies with the requirements in~~
27 ~~section 9.~~ The effective date of the certificate for a

1 replacement facility or new facility shall be the December 31
2 next following the date of issuance of the certificate. For a
3 speculative building or a portion ~~thereof~~ OF A SPECULATIVE
4 BUILDING, the effective date of the certificate shall be the
5 December 31 next following the date the speculative building, or
6 the portion ~~thereof~~ OF THE SPECULATIVE BUILDING, is being used
7 as a manufacturing facility.

8 (2) The ~~commission~~ COUNTY shall send an industrial facili-
9 ties exemption certificate, when issued, by certified mail to the
10 applicant, and a certified copy by certified mail to the assessor
11 of the assessing unit in which the facility is located or to be
12 located, which copy shall be filed of record in his or her
13 office. Notice of the ~~commission's~~ COUNTY'S refusal to issue a
14 certificate shall be sent by certified mail to the same persons.

15 Sec. 8. A facility for which an industrial facilities
16 exemption certificate is in effect, but not the land on which the
17 facility is located or to be located nor inventory of the facili-
18 ty, shall for the period on and after the effective date of the
19 certificate and continuing so long as the industrial facilities
20 exemption certificate is in force, be exempt from ad valorem real
21 and personal property taxes imposed under THE GENERAL PROPERTY
22 TAX ACT, Act No. 206 of the Public Acts of 1893, as amended,
23 being sections 211.1 to 211.157 of the Michigan Compiled Laws,
24 and the lessee, occupant, user, or person in possession ~~thereof~~
25 OF THE PROPERTY shall for the same period be exempt from ad
26 valorem taxes imposed under Act No. 189 of the Public Acts of

1 1953, as amended, being sections 211.181 and 211.182 of the
2 Michigan Compiled Laws.

3 Sec. 9. ~~(1) The legislative body of the local governmental~~
4 ~~unit, in its resolution approving an application, shall set forth~~
5 ~~a finding and determination that the granting of the industrial~~
6 ~~facilities exemption certificate, considered together with the~~
7 ~~aggregate amount of industrial facilities exemption certificates~~
8 ~~previously granted and currently in force, shall not have the~~
9 ~~effect of substantially impeding the operation of the local gov-~~
10 ~~ernmental unit or impairing the financial soundness of a taxing~~
11 ~~unit that levies an ad valorem property tax in the local govern-~~
12 ~~mental unit in which the facility is located or to be located.~~
13 ~~If the state equalized valuation of property proposed to be~~
14 ~~exempt pursuant to an application under consideration, considered~~
15 ~~together with the aggregate state equalized valuation of property~~
16 ~~exempt under certificates previously granted and currently in~~
17 ~~force, exceeds 5% of the state equalized valuation of the local~~
18 ~~governmental unit, the commission, with the approval of the state~~
19 ~~treasurer, shall make a separate finding and shall include a~~
20 ~~statement in the order approving the industrial facilities exemp-~~
21 ~~tion certificate that exceeding that amount shall not have the~~
22 ~~effect of substantially impeding the operation of the local gov-~~
23 ~~ernmental unit or impairing the financial soundness of any~~
24 ~~affected taxing unit.~~

25 (1) ~~(2)~~ Except for an application for a speculative build-
26 ing, ~~which~~ THAT is governed by subsection ~~(4)~~ (3), ~~the~~
27 ~~legislative body of the local governmental unit shall not approve~~

1 ~~an application and the commission~~ COUNTY shall not grant an
 2 industrial facilities exemption certificate unless the applicant
 3 complies with all of the following requirements:

4 ~~(a) The commencement of the restoration, replacement, or~~
 5 ~~construction of the facility occurred not earlier than 12 months~~
 6 ~~before the filing of the application for the industrial facili-~~
 7 ~~ties exemption certificate. If the application is not filed~~
 8 ~~within the 12 month period, the application may be filed within~~
 9 ~~the succeeding 12 month period and the industrial facilities~~
 10 ~~exemption certificate shall in this case expire 1 year earlier~~
 11 ~~than it would have expired if the application had been timely~~
 12 ~~filed. This subdivision does not apply for applications filed~~
 13 ~~with the local governmental unit after December 31, 1983.~~

14 (A) ~~(b) For applications made after December 31, 1983, the~~
 15 THE proposed facility IS OR shall be located within a plant reha-
 16 bilitation district or industrial development district that was
 17 duly established in a local governmental unit eligible under this
 18 act to establish a district ~~and that was established upon a~~
 19 ~~request filed or by the local governmental unit's own initiative~~
 20 ~~taken~~ before the commencement of the restoration, replacement,
 21 or construction of the facility. ~~The provisions of this subdi-~~
 22 ~~vision do not apply to an industrial development district estab-~~
 23 ~~lished in March 1991 if the owner of the facility began construc-~~
 24 ~~tion in September 1990 and requested the establishment of a plant~~
 25 ~~rehabilitation district in December 1990. The provisions of this~~
 26 ~~subdivision do not apply to a district created in May 1989 if a~~
 27 ~~building permit was issued to an owner of a facility located in~~

~~1 the district in August 1988 who had a transfer of employment
2 approved pursuant to subdivision (f) in October 1988 and who
3 filed an application for an industrial facilities exemption cer-
4 tificate in September 1988. If the provisions of this subdivi-
5 sion do not apply, an application for an industrial facilities
6 exemption certificate filed in September 1988 shall be presumed
7 to comply with subdivision (c) notwithstanding the date on which
8 the application is effective. The provisions of section 4(3) do
9 not apply to a facility located in a district for which the pro-
10 visions of this subdivision do not apply.~~

11 (B) ~~(c) For applications made after December 31, 1983, the~~
12 THE commencement of the restoration, replacement, or construction
13 of the facility occurred not earlier than 6 months before the
14 filing of the application for the industrial facilities exemption
15 certificate. ~~The provisions of this subdivision do not apply to~~
16 ~~a facility located in an industrial development district estab-~~
17 ~~lished in March 1991 if the owner of the facility began construe-~~
18 ~~tion in September 1990 and requested the establishment of a plant~~
19 ~~rehabilitation district in December 1990. The provisions of this~~
20 ~~subdivision do not apply to the building and building improve-~~
21 ~~ments of a tenant who was issued a building permit in April 1986~~
22 ~~who filed an application for industrial facilities exemption cer-~~
23 ~~tificate in December 1986, who had a transfer of employment~~
24 ~~approved pursuant to subdivision (f) in February 1987, and whose~~
25 ~~industrial facilities exemption certificate was partially~~
26 ~~approved in September 1987.~~

1 (C) ~~(d)~~ The application relates to a construction,

2 restoration, or replacement program that when completed

3 constitutes a new or replacement facility within the meaning of

4 this act and that shall be situated within a plant rehabilitation

5 district or industrial development district duly established in a

6 local governmental unit eligible under this act to establish the

7 district.

8 (D) ~~(e)~~ Completion of the facility is calculated to, and

9 will at the time of issuance of the certificate have the reason-

10 able likelihood to create employment, retain employment, prevent

11 a loss of employment, or produce energy in the community in which

12 the facility is situated.

13 (E) ~~(f)~~ Completion of the facility shall not have the

14 effect of transferring employment from 1 or more local governmen-

15 tal units of ~~the~~ THIS state to the local governmental unit in

16 which the facility is to be located, except that this restriction

17 does not prevent the granting of a certificate if the legislative

18 body of each local governmental unit from which employment is to

19 be transferred consents by resolution to the granting of the

20 certificate. If the local governmental unit does not give its

21 consent, a copy of the resolution of denial showing reasons for

22 the denial shall be filed within 20 days after adoption. ~~with~~

23 ~~the department of commerce.~~

24 (F) ~~(g)~~ Completion of the facility does not constitute

25 merely the addition of machinery and equipment for the purpose of

26 increasing productive capacity but rather is primarily for the

27 purpose and will primarily have the effect of restoration,

1 replacement, or updating the technology of obsolete industrial
2 property. An increase in productive capacity, even though sig-
3 nificant, shall not constitute an impediment to the issuance of
4 an industrial facilities exemption certificate if other criteria
5 in this section and act are met. This subdivision does not apply
6 to a new facility.

7 (2) ~~(3)~~ If the replacement facility when completed will
8 not be located on the same premises or contiguous premises as the
9 obsolete industrial property, then the applicant shall make pro-
10 vision for the obsolete industrial property by way of demolition,
11 sale, or transfer to another person with the effect that the
12 obsolete industrial property shall within a reasonable time again
13 be subject to assessment and taxation under the general property
14 tax act, Act No. 206 of the Public Acts of 1893, as amended,
15 being sections 211.1 to 211.157 of the Michigan Compiled Laws, or
16 be used in a manner consistent with the general purposes of this
17 act, subject to approval of the commission.

18 (3) ~~(4)~~ The ~~legislative body of the local governmental~~
19 ~~unit shall not approve an application and the commission~~ COUNTY
20 shall not grant an industrial facilities exemption certificate
21 that applies to a speculative building unless the speculative
22 building is or is to be located in a plant rehabilitation dis-
23 trict or industrial development district duly established by a
24 local governmental unit eligible under this act to establish a
25 district; the speculative building was constructed less than 9
26 years before the filing of the application for the industrial
27 facilities exemption certificate; the speculative building has

1 not been occupied since completion of construction; and the
 2 speculative building otherwise qualifies under subsection ~~(2)(e)~~
 3 ~~and (f)~~ (1)(D) AND (E) for an industrial facilities exemption
 4 certificate. An industrial facilities exemption certificate
 5 granted under this subsection shall expire as provided in section
 6 ~~16(3)~~ 16(2).

7 ~~(5) Not later than September 1, 1989, the commission shall~~
 8 ~~provide to all local assessing units the name, address, and tele~~
 9 ~~phone number of the person on the commission staff responsible~~
 10 ~~for providing procedural information concerning this act. After~~
 11 ~~October 1, 1989, a local unit of government shall notify each~~
 12 ~~prospective applicant of this information in writing.~~

13 Sec. 10. The assessor of each city or township in which
 14 there is a speculative building, new facility, or replacement
 15 facility with respect to which 1 or more industrial facilities
 16 exemption certificates have been issued and are in force shall
 17 determine annually as of December 31 the value of each facility
 18 separately, both for real and personal property, having the bene-
 19 fit of ~~such~~ certificates and upon receipt of notice of the
 20 filing of an application for the issuance of a certificate, shall
 21 determine and furnish to the local legislative body and the
 22 ~~commission~~ COUNTY the value of the property to which the appli-
 23 cation pertains and other information as ~~may be~~ CONSIDERED nec-
 24 essary ~~to permit~~ BY the local legislative body and the
 25 ~~commission to make the determinations required by section 9(1)~~
 26 COUNTY.

1 Sec. 11. (1) There is levied upon every owner of a
2 speculative building, a new facility, or a replacement facility
3 to which an industrial facilities exemption certificate is issued
4 a specific tax to be known as the industrial facility tax.

5 (2) The industrial facility tax shall be an annual tax, pay-
6 able at the same times, in the same installments, and to the same
7 officer or officers as taxes imposed under the general property
8 tax act, Act No. 206 of the Public Acts of 1893, as amended,
9 being sections 211.1 to 211.157 of the Michigan Compiled Laws,
10 are payable. The officer or officers shall disburse the indus-
11 trial facility tax payments received each year to and among the
12 same cities, townships, villages, school districts, counties, and
13 authorities, at the same times ~~and in the same proportions~~ as
14 required by law for the disbursement of taxes collected under Act
15 No. 206 of the Public Acts of 1893, as amended, AND IN PROPORTION
16 TO THE MILLAGE RATES USED TO CALCULATE THE TAX AS PROVIDED IN
17 SECTIONS 14 AND 14A. ~~However, except as provided by subsection~~
18 ~~(3), in the case of a local or intermediate school district~~
19 ~~receiving state aid under section 21(1), 56, 62, or 81 of the~~
20 ~~state school aid act of 1979, Act No. 94 of the Public Acts of~~
21 ~~1979, being section 388.1621, 388.1656, 388.1662, or 388.1681 of~~
22 ~~the Michigan Compiled Laws, of the amount that would otherwise be~~
23 ~~disbursed to or retained by the local or intermediate school dis-~~
24 ~~trict, all or a portion, to be determined on the basis of the tax~~
25 ~~rates being utilized to compute the amount of the state school~~
26 ~~aid, shall be paid instead to the state treasury to the credit of~~
27 ~~the state school aid fund established by section 11 of article IX~~

~~1 of the state constitution of 1963. If the sum of any commercial
2 facilities taxes prescribed by Act No. 255 of the Public Acts of
3 1978, being sections 207.651 to 207.668 of the Michigan Compiled
4 Laws, and the industrial facility taxes paid to the state trea-
5 sury to the credit of the state school aid fund that would other-
6 wise be disbursed to the local or intermediate school district,
7 pursuant to section 12 of Act No. 255 of the Public Acts of 1978,
8 and this section, exceeds the amount received by the local or
9 intermediate school district under sections 21(1), 56, 62, and 81
10 of Act No. 94 of the Public Acts of 1979, the department of trea-
11 sury shall allocate to each eligible local or intermediate school
12 district an amount equal to the difference between the sum of the
13 commercial facilities taxes and the industrial facility taxes
14 paid to the state treasury to the credit of the state school aid
15 fund and the amount the local or intermediate school district
16 received under sections 21(1), 56, 62, and 81 of Act No. 94 of
17 the Public Acts of 1979.~~

~~18 (3) A local or intermediate school district shall receive or
19 retain its industrial facility tax payment that is levied in any
20 year and becomes a lien before December 1 of the year if the dis-
21 trict files a statement with the state treasurer not later than
22 June 30 of the year certifying that the district does not expect
23 to receive state school aid payments under section 21(1), 56, 62,
24 or 81 of Act No. 94 of the Public Acts of 1979 in the state
25 fiscal year commencing in the year this statement is filed and if
26 the district did not receive state school aid payments under
27 section 21(1), 56, 62, or 81 of Act No. 94 of the Public Acts of~~

~~1 1979 for the state fiscal year concluding in the year the
2 statement required by this subsection is filed. However, if a
3 local or intermediate school district receives or retains its
4 summer industrial facility tax payment pursuant to this subsec-
5 tion and becomes entitled to receive state school aid payments
6 under section 21(1), 56, 62, or 81 of Act No. 94 of the Public
7 Acts of 1979 in the state fiscal year commencing in the year in
8 which it filed the statement required by this subsection, the
9 district immediately shall pay to the state treasury to the
10 credit of the state school aid fund an amount of the summer
11 industrial facility tax payments that would have been paid to the
12 state treasury to the credit of the state school aid fund under
13 subsection (2) had not this subsection allowed the district to
14 receive or retain the summer industrial facility tax payment.~~

15 Sec. 14. (1) The amount of the industrial facility tax, in
16 each year ~~in the case of~~ FOR a replacement facility FOR WHICH
17 AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE WAS IN EFFECT
18 BEFORE JANUARY 1, 1994, shall be determined by multiplying the
19 total mills levied as ad valorem taxes for that year by all
20 taxing units within which the facility is situated, by the state
21 equalized valuation of the real and personal property of the
22 obsolete industrial property for the tax year immediately preced-
23 ing the effective date of the industrial facilities exemption
24 certificate after deducting the state equalized valuation of the
25 land and of the inventory as specified in section 19.

26 (2) The amount of the industrial facility tax, in each year
27 ~~in the case of~~ FOR a new facility or a speculative building FOR

1 WHICH AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE WAS IN
2 EFFECT BEFORE JANUARY 1, 1994, shall be determined by multiplying
3 $1/2$ of the total mills levied as ad valorem taxes IMPOSED UNDER
4 THE GENERAL PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS OF
5 1893, BEING SECTIONS 211.1 TO 211.157 OF THE MICHIGAN COMPILED
6 LAWS, for that year by all taxing units within which the facility
7 is situated by the state equalized valuation of the facility
8 excluding the land and the inventory personal property.

9 (3) ~~In the event of~~ FOR a termination or revocation of
10 only the real property component, or only the personal property
11 component, of an industrial facilities exemption certificate as
12 ~~hereinafter~~ provided IN THIS ACT, the valuation and the tax
13 determined ~~thereby~~ USING THAT VALUATION shall be reduced pro-
14 portionately to reflect the exclusion of the component with
15 respect to which the termination or revocation has occurred.

16 SEC. 14A. (1) THE AMOUNT OF THE INDUSTRIAL FACILITY TAX, IN
17 EACH YEAR FOR A REPLACEMENT FACILITY FOR WHICH AN INDUSTRIAL
18 FACILITY EXEMPTION CERTIFICATE BECAME EFFECTIVE AFTER DECEMBER
19 31, 1993, SHALL BE DETERMINED BY MULTIPLYING THE TOTAL MILLS
20 LEVIED AS AD VALOREM TAXES UNDER THE GENERAL PROPERTY TAX ACT,
21 ACT NO. 206 OF THE PUBLIC ACTS OF 1893, BEING SECTIONS 211.1 TO
22 211.157 OF THE MICHIGAN COMPILED LAWS, FOR THAT YEAR BY ALL
23 TAXING UNITS WITHIN WHICH THE FACILITY IS SITUATED BY THE COUNTY
24 EQUALIZED VALUATION OF THE REAL AND PERSONAL PROPERTY OF THE
25 OBSOLETE INDUSTRIAL PROPERTY FOR THE TAX YEAR IMMEDIATELY PRECED-
26 ING THE EFFECTIVE DATE OF THE INDUSTRIAL FACILITIES EXEMPTION

1 CERTIFICATE AFTER DEDUCTING THE COUNTY EQUALIZED VALUATION OF THE
2 LAND AND OF THE INVENTORY AS SPECIFIED IN SECTION 19.

3 (2) THE AMOUNT OF THE INDUSTRIAL FACILITY TAX, IN EACH YEAR
4 FOR A NEW FACILITY OR A SPECULATIVE BUILDING FOR WHICH AN INDUS-
5 TRIAL FACILITY EXEMPTION CERTIFICATE BECAME EFFECTIVE AFTER
6 DECEMBER 31, 1993, SHALL BE DETERMINED BY MULTIPLYING THE COUNTY
7 EQUALIZED VALUATION OF THE FACILITY EXCLUDING THE LAND AND THE
8 INVENTORY PERSONAL PROPERTY BY THE SUM OF $1/2$ OF THE TOTAL MILLS
9 LEVIED AS AD VALOREM TAXES UNDER ACT NO. 206 OF THE PUBLIC ACTS
10 OF 1893, FOR THAT YEAR BY ALL TAXING UNITS WITHIN WHICH THE
11 FACILITY IS LOCATED NOT INCLUDING THOSE MILLS LEVIED BY THE STATE
12 EDUCATION FINANCE AUTHORITY, A LOCAL SCHOOL DISTRICT, OR AN
13 INTERMEDIATE SCHOOL DISTRICT PLUS THE TOTAL MILLS LEVIED AS AD
14 VALOREM TAXES UNDER ACT NO. 206 OF THE PUBLIC ACTS OF 1893 FOR
15 THAT YEAR BY THE STATE EDUCATION FINANCE AUTHORITY, THE LOCAL
16 SCHOOL DISTRICT, AND INTERMEDIATE SCHOOL DISTRICT WITHIN WHICH
17 THE FACILITY IS LOCATED.

18 (3) FOR A TERMINATION OR REVOCATION OF ONLY THE REAL PROP-
19 ERTY COMPONENT, OR ONLY THE PERSONAL PROPERTY COMPONENT, OF AN
20 INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AS PROVIDED IN THIS
21 ACT, THE VALUATION AND THE TAX DETERMINED USING THAT VALUATION
22 SHALL BE REDUCED PROPORTIONATELY TO REFLECT THE EXCLUSION OF THE
23 COMPONENT WITH RESPECT TO WHICH THE TERMINATION OR REVOCATION HAS
24 OCCURRED.

25 Sec. 15. (1) Upon receipt of a request by certified mail to
26 the ~~commission~~ COUNTY by the holder of an industrial facilities
27 exemption certificate requesting revocation of the certificate,

1 the ~~commission~~ COUNTY shall by order revoke the certificate in
2 whole or revoke the certificate with respect to its real property
3 component, or its personal property component, whichever ~~shall~~
4 ~~be~~ IS requested.

5 (2) The legislative body of a local governmental unit may by
6 resolution request the ~~commission~~ COUNTY to revoke the indus-
7 trial facilities exemption certificate of a facility upon the
8 grounds that completion of the replacement facility or new facil-
9 ity has not occurred within 2 years after the effective date of
10 the certificate, unless a greater time has been authorized by the
11 ~~commission~~ COUNTY for good cause; that completion of the specu-
12 lative building has not occurred within 2 years after the date
13 the certificate was issued, unless a greater time has been autho-
14 rized by the ~~commission~~ COUNTY for good cause; that a specula-
15 tive building for which a certificate has been issued but is not
16 yet effective has been used ~~as~~ other than AS a manufacturing
17 facility; that the certificate issued for a speculative building
18 has not become effective within 2 years after the December 31
19 following the date the certificate was issued; or that the pur-
20 poses for which the certificate was issued are not being ful-
21 filled as a result of a failure of the holder to proceed in good
22 faith with the replacement, restoration, or construction and
23 operation of the replacement facility or new facility, or with
24 the use of the speculative building as a manufacturing facility
25 in a manner consistent with the purposes of this act and in the
26 absence of circumstances that are beyond the control of the
27 holder.

1 (3) Upon receipt of the resolution, the ~~commission~~ COUNTY
2 shall give notice in writing by certified mail to the holder of
3 the certificate, to the local legislative body, to the assessor
4 of the assessing unit, and to the legislative body of each local
5 taxing unit which levies taxes upon property in the local govern-
6 mental unit in which the facility is located. The ~~commission~~
7 COUNTY shall afford to the holder of the certificate, the local
8 legislative body, the assessor, and a representative of the leg-
9 islative body of each taxing unit an opportunity for a hearing.
10 The ~~commission~~ COUNTY shall by order revoke the certificate if
11 the ~~commission~~ COUNTY finds that completion of the replacement
12 facility or new facility has not occurred within 2 years after
13 the effective date of the certificate or a greater time as autho-
14 rized by the ~~commission~~ COUNTY for good cause; that completion
15 of the speculative building has not occurred within 2 years after
16 the date the certificate was issued, unless a greater time has
17 been authorized by the ~~commission~~ COUNTY for good cause; that a
18 speculative building for which a certificate has been issued but
19 is not yet effective has been used as other than a manufacturing
20 facility; that the certificate issued for a speculative building
21 has not become effective within 2 years after the December 31
22 following the date the certificate was issued; or that the holder
23 of the certificate has not proceeded in good faith with the
24 replacement, restoration, or construction and operation of the
25 facility or with the use of the speculative building as a manu-
26 facturing facility in good faith in a manner consistent with ~~the~~

1 ~~purposes of~~ this act and in the absence of circumstances that
2 are beyond the control of the holder.

3 (4) The order of the ~~commission~~ COUNTY revoking the cer-
4 tificate shall be effective on the December 31 next following the
5 date of the order and the ~~commission~~ COUNTY shall send by cer-
6 tified mail copies of its order of revocation to the holder of
7 the certificate, to the local legislative body, to the assessor
8 of the assessing unit in which the facility is located, and to
9 the legislative body of each taxing unit ~~which~~ THAT levies
10 taxes upon property in the local governmental unit in which the
11 facility is located.

12 (5) A revocation of a certificate issued for a speculative
13 building shall specify and apply only to that portion of the
14 speculative building for which the grounds for revocation
15 relate.

16 Sec. 16. (1) Unless earlier revoked as provided in section
17 15, an industrial facilities exemption certificate shall remain
18 in force and effect for a period to be determined by the
19 ~~legislative body of the local governmental unit~~ COUNTY and com-
20 mencing with its effective date and ending on the December 31
21 next following not more than 12 years after the completion of the
22 facility with respect to both the real property component and the
23 personal property component of the facility. The date of issu-
24 ance of a certificate of occupancy, if one is required, by appro-
25 priate municipal authority shall be the date of completion of the
26 facility.

1 ~~(2) In the case of an application which was not filed~~
 2 ~~within 12 months after the commencement of the restoration,~~
 3 ~~replacement, or construction of the facility but was filed within~~
 4 ~~the succeeding 12 month period as provided in section 9(2)(a),~~
 5 ~~the industrial facilities exemption certificate, unless earlier~~
 6 ~~revoked as provided in section 15, shall remain in force and~~
 7 ~~effect for a period commencing with its effective date and ending~~
 8 ~~on the December 31 next following not more than 11 years after~~
 9 ~~completion of the facility with respect to both the real property~~
 10 ~~component and the personal property component of the facility.~~
 11 ~~The date of issuance of a certificate of occupancy, if one is~~
 12 ~~required, by appropriate municipal authority shall be the date of~~
 13 ~~completion of the facility. This subsection shall not apply for~~
 14 ~~certificates issued after December 31, 1983.~~

15 (2) ~~(3)~~ In the case of an application filed pursuant to
 16 section ~~9(4)~~ 9(3), an industrial facilities exemption certifi-
 17 cate, unless earlier revoked as provided in section 15, shall
 18 remain in force and effect for a period to be determined by the
 19 ~~legislative body of the local governmental unit~~ COUNTY and com-
 20 mencing on the effective date of the certificate and ending on
 21 the December 31 next following not more than 11 years after the
 22 effective date of the certificate.

23 Sec. 17. (1) The assessor of each city or township in which
 24 is located a facility with respect to which an industrial facili-
 25 ties exemption certificate is in force shall annually determine,
 26 with respect to each ~~such~~ facility, an assessment of the real
 27 and personal property comprising the facility having the benefit

1 of an industrial facilities exemption certificate ~~which~~ THAT
 2 would have been made under THE GENERAL PROPERTY TAX ACT, Act No.
 3 206 of the Public Acts of 1893, as amended, BEING SECTIONS 211.1
 4 TO 211.157 OF THE MICHIGAN COMPILED LAWS, if the certificate had
 5 not been in force. A holder of an industrial facilities exemp-
 6 tion certificate shall furnish to the assessor such information
 7 as may be necessary for the determination.

8 (2) The assessor, having made the determination, shall annu-
 9 ally notify the ~~commission~~ COUNTY, the legislative body of each
 10 unit of local government which levies taxes upon property in the
 11 city or township in which the facility is located, and the holder
 12 of the industrial facilities exemption certificate of the deter-
 13 mination, separately stating the determinations for real property
 14 and personal property, by certified mail not later than October
 15 15 based upon valuations as of the preceding December 31.

16 Sec. 19. An industrial facilities exemption certificate
 17 shall be in the form the ~~commission~~ COUNTY determines ~~but~~ AND
 18 shall contain ALL OF THE FOLLOWING:

19 (a) A legal description of the real property on which the
 20 facility is or is to be located.

21 (b) A statement that unless revoked as provided in this act
 22 the certificate shall remain in force for the period stated in
 23 the certificate.

24 (c) In the case of a replacement facility a statement of the
 25 ~~state~~ COUNTY equalized valuation of the obsolete industrial
 26 property, separately stated for real and personal property, for
 27 the tax year immediately preceding the effective date of the

1 certificate after deducting the ~~state~~ COUNTY equalized
2 valuation of the land and inventory.

3 Sec. 21. An industrial facilities exemption certificate may
4 be transferred and assigned by the holder thereof to a new owner
5 or lessee of the facility but only with the approval of the local
6 governmental unit and the ~~commission~~ COUNTY after application
7 by the new owner or lessee, and notice and hearing in the same
8 manner as provided in section 5 for the application for a
9 certificate.

10 Section 2. Sections 6, 18, and 20 of Act No. 198 of the
11 Public Acts of 1974, being sections 207.556, 207.568, and 207.570
12 of the Michigan Compiled Laws, are repealed.