

HOUSE BILL No. 6429

September 24, 2002, Introduced by Reps. Middaugh, Cassis, Vander Roest, Rivet, Bisbee, Vander Veen, Kowall, Richardville, Ruth Johnson, Schauer, Jelinek, Patterson, Birkholz, Bishop, Julian, Daniels, Bob Brown, George and Allen and referred to the Committee on Energy and Technology.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9f (MCL 211.9f), as amended by 2000 PA 415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9f. (1) The governing body of an eligible local
2 assessing district may adopt a resolution to exempt from the col-
3 lection of taxes under this act all new personal property owned
4 or leased by an eligible business OR AN ELIGIBLE POWER GENERATING
5 FACILITY located in 1 or more eligible districts designated in
6 the resolution. The clerk of the eligible local assessing dis-
7 trict shall notify in writing the assessor of the local tax col-
8 lecting unit in which the eligible district OR ELIGIBLE POWER
9 GENERATING FACILITY is located and the legislative body of each
10 taxing unit that levies ad valorem property taxes in the eligible
11 local assessing district in which the eligible district OR

1 ELIGIBLE POWER GENERATING FACILITY is located. Before acting on
2 the resolution, the governing body of the eligible local assess-
3 ing district shall afford the assessor and a representative of
4 the affected taxing units an opportunity for a hearing.

5 (2) The exemption under this section is effective on the
6 December 31 immediately succeeding the adoption of the resolution
7 by the governing body of the eligible local assessing district
8 and shall continue in effect for a period specified in the
9 resolution. A copy of the resolution shall be filed with the
10 state tax commission. A resolution is not effective unless
11 approved by the state tax commission as provided in
12 subsection (3).

13 (3) Not more than 60 days after receipt of a copy of the
14 resolution adopted under subsection (1), the state tax commission
15 shall approve or disapprove the resolution. The state treasurer,
16 with the written concurrence of the president of the Michigan
17 strategic fund, shall advise the state tax commission as to
18 whether exempting new personal property of the eligible business
19 OR ELIGIBLE POWER GENERATING FACILITY is necessary to reduce
20 unemployment, promote economic growth, and increase capital
21 investment in this state.

22 (4) Notwithstanding the amendatory act that added section
23 2(1)(c), all of the following shall apply to an exemption under
24 this section that was approved by the state tax commission on or
25 before April 30, 1999, regardless of the effective date of the
26 exemption:

1 (a) The exemption shall be continued for the term authorized
2 by the resolution adopted by the governing body of the eligible
3 local assessing district and approved by the state tax commission
4 with respect to buildings and improvements constructed on leased
5 real property during the term of the exemption if the value of
6 the real property is not assessed to the owner of the buildings
7 and improvements.

8 (b) The exemption shall not be impaired or restricted with
9 respect to buildings and improvements constructed on leased real
10 property during the term of the exemption if the value of the
11 real property is not assessed to the owner of the buildings and
12 improvements.

13 (5) As used in this section:

14 (a) "Eligible business" means, effective August 7, 1998, a
15 business engaged primarily in manufacturing, mining, research and
16 development, wholesale trade, or office operations. Eligible
17 business does not include a casino, retail establishment, profes-
18 sional sports stadium, or that portion of an eligible business
19 used exclusively for retail sales. As used in this subdivision,
20 "casino" means a casino regulated by this state pursuant to the
21 Michigan gaming control and revenue act, the Initiated Law of
22 1996, MCL 432.201 to 432.226, and all property associated or
23 affiliated with the operation of a casino, including, but not
24 limited to, a parking lot, hotel, motel, or retail store.

25 (b) "Eligible district" means 1 or more of the following:

26 (i) An industrial development district as that term is
27 defined in 1974 PA 198, MCL 207.551 to 207.572.

(ii) A renaissance zone as that term is defined in the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(iii) An enterprise zone as that term is defined in the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

(iv) A brownfield redevelopment zone as that term is designated under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

(v) An empowerment zone designated under subchapter U of chapter 1 of the internal revenue code of 1986, 26 U.S.C. 1391 to 1397C and 1397E to 1397F.

(vi) An authority district or a development area as those terms are defined in the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

(vii) An authority district as that term is defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

(viii) A downtown district or a development area as those terms are defined in 1975 PA 197, MCL 125.1651 to 125.1681.

(c) "Eligible distressed area" means that term as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(d) "Eligible local assessing district" means a city, village, or township that contains an eligible distressed area.

(E) "ELIGIBLE POWER GENERATING FACILITY" MEANS 1 OR MORE OF THE FOLLOWING:

1 (i) A NEW ELECTRIC GENERATING FACILITY THAT MEETS ALL OF THE
2 FOLLOWING CONDITIONS:

3 (A) THE GOVERNING BODY OF THE ELIGIBLE LOCAL ASSESSING DIS-
4 TRICT APPROVED A DEVELOPMENT SITE PLAN FOR THE ELECTRIC GENERAT-
5 ING FACILITY ON OR AFTER AUGUST 1, 2001.

6 (B) THE ELECTRIC GENERATING FACILITY WILL REPLACE AN EXIST-
7 ING ELECTRIC GENERATING FACILITY AND WILL RESULT IN THE REDUCED
8 EMISSION OF AIR CONTAMINANTS. AS USED IN THIS SUB-SUBPARAGRAPH,
9 "AIR CONTAMINANTS" AND "EMISSION" MEAN THOSE TERMS AS DEFINED IN
10 SECTION 5501 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTEC-
11 TION ACT, 1994 PA 451, MCL 324.5501.

12 (ii) AN EXISTING ELECTRIC GENERATING FACILITY THAT IS MODI-
13 FIED OR CONVERTED TO REDUCE THE EMISSION OF AIR CONTAMINANTS. AS
14 USED IN THIS SUBPARAGRAPH, "AIR CONTAMINANTS" AND "EMISSION" MEAN
15 THOSE TERMS AS DEFINED IN SECTION 5501 OF THE NATURAL RESOURCES
16 AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.5501.

17 (F) ~~-(e)-~~ "New personal property" means ~~personal~~ 1 OR MORE
18 OF THE FOLLOWING:

19 (i) PERSONAL property that was not previously subject to tax
20 under this act and that is placed in an eligible district after a
21 resolution under subsection (1) is approved by the eligible local
22 assessing district. As used in this ~~subdivision~~ SUBPARAGRAPH,
23 for exemptions approved by the state tax commission under
24 subsection (3) after April 30, 1999, new personal property does
25 not include buildings described in section 14(6) and personal
26 property described in section 8(h), (i), and (j).

1 (ii) GAS TURBINES AND IMPROVEMENTS TO REAL PROPERTY IF ALL
2 OF THE FOLLOWING CONDITIONS APPLY:

3 (A) THE GAS TURBINES AND THE IMPROVEMENTS TO REAL PROPERTY
4 ARE LOCATED ON REAL PROPERTY THAT IS NOT OWNED BY THE OWNER OF
5 THE GAS TURBINES OR THE IMPROVEMENTS TO THE REAL PROPERTY.

6 (B) THE GAS TURBINES AND THE IMPROVEMENTS TO REAL PROPERTY
7 ARE PART OF AN ELIGIBLE POWER GENERATING FACILITY.