

HOUSE BILL No. 4472

March 27, 2003, Introduced by Reps. Lipsey, Hoogendyk, Rivet and Wenke and referred to the Committee on Commerce.

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
3 collection of taxes under this act all new personal property
4 owned or leased by an eligible business located in 1 or more
5 eligible districts designated in the resolution. The clerk of
6 the eligible local assessing district shall notify in writing the
7 assessor of the local tax collecting unit in which the eligible
8 district is located and the legislative body of each taxing unit
9 that levies ad valorem property taxes in the eligible local
10 assessing district in which the eligible district is located.
11 Before acting on the resolution, the governing body of the

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1 eligible local assessing district shall afford the assessor and a
2 representative of the affected taxing units an opportunity for a
3 hearing.

4 (2) Not later than 18 months after the effective date of the
5 amendatory act that added this subsection, the governing body of
6 a local tax collecting unit may adopt a resolution to exempt from
7 the collection of taxes under this act all new personal property
8 owned or leased by eligible pharmaceutical companies located in
9 the local tax collecting unit. The clerk of the local tax
10 collecting unit shall notify in writing the assessor of the local
11 tax collecting unit in which the eligible pharmaceutical
12 companies are located and the legislative body of each taxing
13 unit that levies ad valorem property taxes in the local tax
14 collecting unit in which the eligible pharmaceutical companies
15 are located. Before acting on the resolution, the governing body
16 of the local tax collecting unit shall afford the assessor and a
17 representative of the affected taxing units an opportunity for a
18 hearing.

19 (3) ~~-(2)-~~ The exemption under this section is effective on
20 the December 31 immediately succeeding the adoption of the
21 resolution ~~by the governing body of the eligible local assessing~~
22 ~~district~~ **under subsection (1) or (2)** and shall continue in
23 effect for a period specified in the resolution. A copy of the
24 resolution shall be filed with the state tax commission. A
25 resolution is not effective unless approved by the state tax
26 commission as provided in subsection ~~-(3)-~~ **(4)**.

27 (4) ~~-(3)-~~ Not more than 60 days after receipt of a copy of

1 the resolution adopted under subsection (1) **or (2)**, the state tax
2 commission shall approve or disapprove the resolution. The state
3 treasurer, with the written concurrence of the president of the
4 Michigan strategic fund, shall advise the state tax commission as
5 to whether exempting new personal property of the eligible
6 business **or eligible pharmaceutical companies** is necessary to
7 reduce unemployment, promote economic growth, and increase
8 capital investment in this state.

9 (5) ~~—(4)—~~ Notwithstanding the amendatory act that added
10 section 2(1)(c), all of the following shall apply to an exemption
11 under ~~this section~~ **subsection (1)** that was approved by the
12 state tax commission on or before April 30, 1999, regardless of
13 the effective date of the exemption:

14 (a) The exemption shall be continued for the term authorized
15 by the resolution adopted by the governing body of the eligible
16 local assessing district and approved by the state tax commission
17 with respect to buildings and improvements constructed on leased
18 real property during the term of the exemption if the value of
19 the real property is not assessed to the owner of the buildings
20 and improvements.

21 (b) The exemption shall not be impaired or restricted with
22 respect to buildings and improvements constructed on leased real
23 property during the term of the exemption if the value of the
24 real property is not assessed to the owner of the buildings and
25 improvements.

26 (6) ~~—(5)—~~ As used in this section:

27 (a) "Eligible business" means, effective August 7, 1998, a

1 business engaged primarily in manufacturing, mining, research and
2 development, wholesale trade, or office operations. Eligible
3 business does not include a casino, retail establishment,
4 professional sports stadium, or that portion of an eligible
5 business used exclusively for retail sales. As used in this
6 subdivision, "casino" means a casino regulated by this state
7 pursuant to the Michigan gaming control and revenue act, the
8 Initiated Law of 1996, MCL 432.201 to 432.226, and all property
9 associated or affiliated with the operation of a casino,
10 including, but not limited to, a parking lot, hotel, motel, or
11 retail store.

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

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

15 (ii) A renaissance zone as that term is defined in the
16 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to
17 125.2696.

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

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

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

26 (vi) An authority district or a development area as those
27 terms are defined in the tax increment finance authority act,

1 1980 PA 450, MCL 125.1801 to 125.1830.

2 (vii) An authority district as that term is defined in the
3 local development financing act, 1986 PA 281, MCL 125.2151 to
4 125.2174.

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

7 (c) "Eligible distressed area" means that term as defined in
8 section 11 of the state housing development authority act of
9 1966, 1966 PA 346, MCL 125.1411.

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

12 (e) "Eligible pharmaceutical company" means a company that
13 meets all of the following criteria:

14 (i) Is engaged primarily in manufacturing, research and
15 development, and sale of pharmaceuticals.

16 (ii) Has not less than 8,500 employees located in this state,
17 all of whom are located within a 100-mile radius of the local tax
18 collecting unit that adopts the resolution under subsection (2).

19 (iii) Of the total number of employees located in this state,
20 has not less than 5,000 engaged primarily in research and
21 development of pharmaceuticals.

22 (f) ~~-(e)-~~ "New personal property" means personal property
23 that was not previously subject to tax under this act and that is
24 placed in an eligible district after a resolution under
25 subsection (1) is approved by the eligible local assessing
26 district or is placed in a local tax collecting unit after a
27 resolution under subsection (2) is approved by the governing body

1 of the local tax collecting unit. As used in this subdivision,
2 for exemptions approved by the state tax commission under
3 subsection ~~—(3)—~~ (4) after April 30, 1999, new personal property
4 does not include buildings described in section 14(6) and
5 personal property described in section 8(h), (i), and (j).