

SUBSTITUTE FOR  
HOUSE BILL NO. 5511

A bill to amend 2007 PA 36, entitled  
"Michigan business tax act,"  
by amending section 437 (MCL 208.1437).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 437. (1) Subject to the criteria under this section, a  
2 qualified taxpayer that has unused credits or has a preapproval  
3 letter issued after December 31, 2007 and before January 1, 2013,  
4 or a taxpayer that received a preapproval letter prior to January  
5 1, 2008 under section 38g of former 1975 PA 228 and has not  
6 received a certificate of completion prior to the taxpayer's last  
7 tax year, provided that the project is completed not more than 5  
8 years after the preapproval letter for the project is issued **OR IF**  
9 **IT IS A MULTIPHASE PROJECT NOT MORE THAN 10 YEARS AFTER THE**  
10 **PREAPPROVAL LETTER FOR THE PROJECT IS ISSUED**, or an assignee under  
11 subsection (20), (21), or (22) may claim a credit that has been

1 approved under section 38g of former 1975 PA 228 or under  
2 subsection (2), (3), or (4) against the tax imposed by this act  
3 equal to either of the following:

4 (a) ~~IF~~ **FOR PROJECTS APPROVED BEFORE JANUARY 1, 2008, IF** the  
5 total of all credits for a project is \$1,000,000.00 or less, 10% of  
6 the cost of the qualified taxpayer's eligible investment paid or  
7 accrued by the qualified taxpayer on an eligible property provided  
8 that the project does not exceed the amount stated in the  
9 preapproval letter. **FOR PROJECTS APPROVED ON AND AFTER JANUARY 1,**  
10 **2008, IF THE TOTAL OF ALL CREDITS FOR A PROJECT IS \$1,000,000.00 OR**  
11 **LESS, UP TO 12.5% OF THE COSTS OF THE QUALIFIED TAXPAYER'S ELIGIBLE**  
12 **INVESTMENT PAID OR ACCRUED BY THE QUALIFIED TAXPAYER ON AN ELIGIBLE**  
13 **PROPERTY OR UP TO 15% OF THE COSTS OF THE QUALIFIED TAXPAYER'S**  
14 **ELIGIBLE INVESTMENT PAID OR ACCRUED BY THE QUALIFIED TAXPAYER ON AN**  
15 **ELIGIBLE PROPERTY IF THE PROJECT IS DESIGNATED AS AN URBAN**  
16 **DEVELOPMENT AREA PROJECT BY THE CHAIRPERSON OF THE MICHIGAN**  
17 **ECONOMIC GROWTH AUTHORITY PROVIDED THAT THE PROJECT DOES NOT EXCEED**  
18 **THE AMOUNT STATED IN THE PREAPPROVAL LETTER.** If eligible investment  
19 exceeds the amount of eligible investment in the preapproval letter  
20 for that project, the total of all credits for the project shall  
21 not exceed the total of all credits on the certificate of  
22 completion.

23 (b) ~~IF~~ **FOR PROJECTS APPROVED BEFORE JANUARY 1, 2008, IF** the  
24 total of all credits for a project is more than \$1,000,000.00 but  
25 \$30,000,000.00 or less and, except as provided in subsection  
26 (6)(b), the project is located in a qualified local governmental  
27 unit, a percentage as determined by the Michigan economic growth

1 authority not to exceed 10% of the cost of the qualified taxpayer's  
2 eligible investment as determined under subsection ~~(9)~~-(11) paid or  
3 accrued by the qualified taxpayer on an eligible property. **FOR**  
4 **PROJECTS APPROVED ON AND AFTER JANUARY 1, 2008, IF THE TOTAL OF ALL**  
5 **CREDITS FOR A PROJECT IS MORE THAN \$1,000,000.00 BUT \$30,000,000.00**  
6 **OR LESS AND, EXCEPT AS PROVIDED IN SUBSECTION (6) (B), THE PROJECT**  
7 **IS LOCATED IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, A PERCENTAGE AS**  
8 **DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY NOT TO EXCEED**  
9 **15% OF THE COSTS OF THE QUALIFIED TAXPAYER'S ELIGIBLE INVESTMENT AS**  
10 **DETERMINED UNDER SUBSECTION (11) PAID OR ACCRUED BY THE QUALIFIED**  
11 **TAXPAYER ON AN ELIGIBLE PROPERTY. HOWEVER, THE CREDIT SHALL NOT**  
12 **EXCEED 12.5% OF THE COST OF THE QUALIFIED TAXPAYER'S ELIGIBLE**  
13 **INVESTMENT AS DETERMINED UNDER SUBSECTION (11) PAID OR ACCRUED BY**  
14 **THE QUALIFIED TAXPAYER ON AN ELIGIBLE PROPERTY UNLESS THE PROJECT**  
15 **IS DESIGNATED AS AN URBAN DEVELOPMENT AREA PROJECT BY THE MICHIGAN**  
16 **ECONOMIC GROWTH AUTHORITY.** If eligible investment exceeds the  
17 amount of eligible investment in the preapproval letter for that  
18 project, the total of all credits for the project shall not exceed  
19 the total of all credits on the certificate of completion.

20 (2) If the cost of a project will be \$2,000,000.00 or less, a  
21 qualified taxpayer shall apply to the Michigan economic growth  
22 authority for approval of the project under this subsection. An  
23 application under this subsection shall state whether the project  
24 is a multiphase project. ~~The~~**SUBJECT TO THE LIMITATION PROVIDED**  
25 **UNDER SUBSECTION (31), THE** chairperson of the Michigan economic  
26 growth authority or his or her designee is authorized to approve an  
27 application or project under this subsection. Only the chairperson

1 of the Michigan economic growth authority is authorized to deny an  
2 application or project under this subsection. A project shall be  
3 approved or denied not more than 45 days after receipt of the  
4 application. If the chairperson of the Michigan economic growth  
5 authority or his or her designee does not approve or deny the  
6 application within 45 days after the application is received by the  
7 Michigan economic growth authority, the application is considered  
8 approved as written. ~~The total of all credits for all projects~~  
9 ~~approved under this subsection shall not exceed \$10,000,000.00 in~~  
10 ~~any calendar year.~~ If the chairperson of the Michigan economic  
11 growth authority or his or her designee approves a project under  
12 this subsection, the chairperson of the Michigan economic growth  
13 authority or his or her designee shall issue a preapproval letter  
14 that states that the taxpayer is a qualified taxpayer; the maximum  
15 total eligible investment for the project on which credits may be  
16 claimed and the maximum total of all credits for the project when  
17 the project is completed and a certificate of completion is issued;  
18 and the project number assigned by the Michigan economic growth  
19 authority. If a project is denied under this subsection, a taxpayer  
20 is not prohibited from subsequently applying under this subsection  
21 for the same project or for another project. ~~If the authority~~  
22 ~~approves a total of all credits for all projects under this~~  
23 ~~subsection of less than \$10,000,000.00 in a calendar year, the~~  
24 ~~authority may carry forward for 1 year only the difference between~~  
25 ~~\$10,000,000.00 and the total of all credits for all projects under~~  
26 ~~this subsection approved in the immediately preceding calendar~~  
27 ~~year.~~ The Michigan economic growth authority shall develop and

1 implement the use of the application form to be used for projects  
2 under this subsection. ~~Before the Michigan economic growth~~  
3 ~~authority substantially changes the form, the Michigan economic~~  
4 ~~growth authority shall adopt the changes by resolution and give~~  
5 ~~notice of the proposed resolution to the secretary of the senate,~~  
6 ~~to the clerk of the house of representatives, and to each person~~  
7 ~~who requested from the Michigan economic growth authority in~~  
8 ~~writing or electronically to be notified regarding proposed~~  
9 ~~resolutions. The notice and proposed resolution and all attachments~~  
10 ~~shall be published on the Michigan economic growth authority's~~  
11 ~~internet website. The Michigan economic growth authority shall hold~~  
12 ~~a public hearing not sooner than 14 days and not later than 30 days~~  
13 ~~after the date notice of a proposed resolution is given and offer~~  
14 ~~an opportunity for persons to present data, views, questions, and~~  
15 ~~arguments. The Michigan economic growth authority board members or~~  
16 ~~1 or more persons designated by the Michigan economic growth~~  
17 ~~authority who have knowledge of the subject matter of the proposed~~  
18 ~~resolution shall be present at the public hearing and shall~~  
19 ~~participate in the discussion of the proposed resolution. The~~  
20 ~~Michigan economic growth authority may act on the proposed~~  
21 ~~resolution no sooner than 14 days after the public hearing. The~~  
22 ~~Michigan economic growth authority shall produce a final decision~~  
23 ~~document that describes the basis for its decision. The final~~  
24 ~~resolution and all attachments and the decision document shall be~~  
25 ~~provided to the secretary of the senate and to the clerk of the~~  
26 ~~house of representatives and shall be published on the Michigan~~  
27 ~~economic growth authority's internet website. The notice shall~~

1 ~~include all of the following:~~

2 ~~—— (a) A copy of the proposed resolution and all attachments.~~

3 ~~—— (b) A statement that any person may express any data, views,~~  
4 ~~or arguments regarding the proposed resolution.~~

5 ~~—— (c) The address to which written comments may be sent and the~~  
6 ~~date by which comments must be mailed or electronically~~  
7 ~~transmitted, which date shall not be restricted to only before the~~  
8 ~~date of the public hearing.~~

9 ~~—— (d) The date, time, and place of the public hearing.~~

10 (3) If the cost of a project will be for more than  
11 \$2,000,000.00 but \$10,000,000.00 or less, a qualified taxpayer  
12 shall apply to the Michigan economic growth authority for approval  
13 of the project under this subsection. An application under this  
14 subsection shall state whether the project is a multiphase project.  
15 ~~The~~ **SUBJECT TO THE LIMITATION PROVIDED UNDER SUBSECTION (31), THE**  
16 chairperson of the Michigan economic growth authority or his or her  
17 designee is authorized to approve an application or project under  
18 this subsection. Only the chairperson of the Michigan economic  
19 growth authority is authorized to deny an application or project  
20 under this subsection. A project shall be approved or denied not  
21 more than 45 days after receipt of the application. If the  
22 chairperson of the Michigan economic growth authority or his or her  
23 designee does not approve or deny an application within 45 days  
24 after the application is received by the Michigan economic growth  
25 authority, the application is considered approved as written. ~~The~~  
26 ~~total of all credits for all projects approved under this~~  
27 ~~subsection shall not exceed \$30,000,000.00 in any calendar year. If~~

1 ~~the authority approves a total of all credits for all projects~~  
2 ~~under this subsection of less than \$30,000,000.00 in a calendar~~  
3 ~~year, the authority may carry forward for 1 year only the~~  
4 ~~difference between \$30,000,000.00 and the total of all credits for~~  
5 ~~all projects approved under this subsection in the immediately~~  
6 ~~preceding calendar year. The criteria in subsection (7) shall be~~  
7 used when approving projects under this subsection. When approving  
8 projects under this subsection, priority shall be given to projects  
9 on a facility. The total of all credits for an approved project  
10 under this subsection shall not exceed \$1,000,000.00. A taxpayer  
11 may apply under this subsection instead of subsection (4) for  
12 approval of a project that will be for more than \$10,000,000.00,  
13 but the total of all credits for that project shall not exceed  
14 \$1,000,000.00. If the chairperson of the Michigan economic growth  
15 authority or his or her designee approves a project under this  
16 subsection, the chairperson of the Michigan economic growth  
17 authority or his or her designee shall issue a preapproval letter  
18 that states that the taxpayer is a qualified taxpayer; the maximum  
19 total eligible investment for the project on which credits may be  
20 claimed and the maximum total of all credits for the project when  
21 the project is completed and a certificate of completion is issued;  
22 and the project number assigned by the Michigan economic growth  
23 authority. If a project is denied under this subsection, a taxpayer  
24 is not prohibited from subsequently applying under this subsection  
25 or subsection (4) for the same project or for another project.

26 (4) If the cost of a project will be for more than  
27 \$10,000,000.00 and, except as provided in subsection (6)(b), the

1 project is located in a qualified local governmental unit, a  
2 qualified taxpayer shall apply to the Michigan economic growth  
3 authority for approval of the project. An application under this  
4 subsection shall state whether the project is a multiphase project.  
5 The Michigan economic growth authority shall approve or deny the  
6 project not more than 65 days after receipt of the application. A  
7 project under this subsection shall not be approved without the  
8 concurrence of the state treasurer. If the Michigan economic growth  
9 authority does not approve or deny the application within 65 days  
10 after it receives the application, the Michigan economic growth  
11 authority shall send the application to the state treasurer. The  
12 state treasurer shall approve or deny the application within 5 days  
13 after receipt of the application. If the state treasurer does not  
14 deny the application within 5 days after receipt of the  
15 application, the application is considered approved. The Michigan  
16 economic growth authority shall approve a limited number of  
17 projects under this subsection during each calendar year as  
18 provided in subsection (6). The Michigan economic growth authority  
19 shall use the criteria in subsection (7) when approving projects  
20 under this subsection, when determining the total amount of  
21 eligible investment, and when determining the percentage of  
22 eligible investment for the project to be used to calculate a  
23 credit. The total of all credits for an approved project under this  
24 subsection shall not exceed the amount designated in the  
25 preapproval letter for that project. If the Michigan economic  
26 growth authority approves a project under this subsection, the  
27 Michigan economic growth authority shall issue a preapproval letter

1 that states that the taxpayer is a qualified taxpayer; the  
2 percentage of eligible investment for the project determined by the  
3 Michigan economic growth authority for purposes of subsection  
4 (1)(b); the maximum total eligible investment for the project on  
5 which credits may be claimed and the maximum total of all credits  
6 for the project when the project is completed and a certificate of  
7 completion is issued; and the project number assigned by the  
8 Michigan economic growth authority. The Michigan economic growth  
9 authority shall send a copy of the preapproval letter to the  
10 department. If a project is denied under this subsection, a  
11 taxpayer is not prohibited from subsequently applying under this  
12 subsection or subsection (3) for the same project or for another  
13 project.

14 (5) If the project is on property that is functionally  
15 obsolete, the taxpayer shall include with the application an  
16 affidavit signed by a level 3 or level 4 assessor, that states that  
17 it is the assessor's expert opinion that the property is  
18 functionally obsolete and the underlying basis for that opinion.

19 (6) The Michigan economic growth authority may approve not  
20 more than ~~17-20~~ projects each calendar year under subsection (4),  
21 and the following limitations apply:

22 (a) Of the ~~17-20~~ projects allowed under this subsection, the  
23 total of all credits for each project may be more than  
24 \$10,000,000.00 but \$30,000,000.00 or less for ~~up to 2 projects~~ **ONLY**  
25 **1 PROJECT.**

26 (b) Of the ~~17-20~~ projects allowed under this subsection, up to  
27 3 projects may be approved for projects that are not in a qualified

1 local governmental unit if the property is a facility for which  
2 eligible activities are identified in a brownfield plan or, for 1  
3 of the 3 projects, if the property is not a facility but is  
4 functionally obsolete or blighted, property identified in a  
5 brownfield plan. For purposes of this subdivision, a facility  
6 includes a building or complex of buildings that was used by a  
7 state or federal agency and that is no longer being used for the  
8 purpose for which it was used by the state or federal agency.

9 (c) ~~Of the 2 projects~~ **THE PROJECT** allowed under subdivision  
10 (a) ~~, 1 may be a project that also qualifies~~ **MAY ALSO QUALIFY** under  
11 subdivision (b).

12 (7) The Michigan economic growth authority shall review all  
13 applications for projects under subsection (4) and, if an  
14 application is approved, shall determine the maximum total of all  
15 credits for that project. Before approving a project for which the  
16 total of all credits will be more than \$10,000,000.00 but  
17 \$30,000,000.00 or less only, the Michigan economic growth authority  
18 shall determine that the project would not occur in this state  
19 without the tax credit offered under subsection (4). The Michigan  
20 economic growth authority shall consider the following criteria to  
21 the extent reasonably applicable to the type of project proposed  
22 when approving a project under subsection (4), and the chairperson  
23 of the Michigan economic growth authority or his or her designee  
24 shall consider the following criteria to the extent reasonably  
25 applicable to the type of project proposed when approving a project  
26 under subsection (2) or (3) or when considering an amendment to a  
27 project under subsection (9):

1 (a) The overall benefit to the public.

2 (b) The extent of reuse of vacant buildings and redevelopment  
3 of blighted property.

4 (c) Creation of jobs.

5 (d) Whether the eligible property is in an area of high  
6 unemployment.

7 (e) The level and extent of contamination alleviated by the  
8 qualified taxpayer's eligible activities to the extent known to the  
9 qualified taxpayer.

10 (f) The level of private sector contribution.

11 (g) The cost gap that exists between the site and a similar  
12 greenfield site as determined by the Michigan economic growth  
13 authority.

14 (h) If the qualified taxpayer is moving from another location  
15 in this state, whether the move will create a brownfield.

16 (i) Whether the ~~financial statements of the qualified taxpayer~~  
17 ~~indicate that it~~ **PROJECT** is financially sound and that the project  
18 ~~is~~ **AND** economically sound.

19 (j) Any other criteria that the Michigan economic growth  
20 authority or the chairperson of the Michigan economic growth  
21 authority, as applicable, considers appropriate for the  
22 determination of eligibility under subsection (3) or (4).

23 (8) A qualified taxpayer may apply for projects under this  
24 section for eligible investment on more than 1 eligible property in  
25 a tax year. Each project approved and each project for which a  
26 certificate of completion is issued under this section shall be for  
27 eligible investment on 1 eligible property.

1           (9) If, after a taxpayer's project has been approved and the  
2 taxpayer has received a preapproval letter but before the project  
3 is completed, the taxpayer determines that the project cannot be  
4 completed as preapproved, the taxpayer may petition the Michigan  
5 economic growth authority to amend the project. The total of  
6 eligible investment for the project as amended shall not exceed the  
7 amount allowed in the preapproval letter for that project.

8           (10) A project may be a multiphase project. If a project is a  
9 multiphase project, when each component of the multiphase project  
10 is completed, the taxpayer shall submit documentation that the  
11 component is complete, an accounting of the cost of the component,  
12 and the eligible investment for the component of each taxpayer  
13 eligible for a credit for the project of which the component is a  
14 part to the Michigan economic growth authority or the designee of  
15 the Michigan economic growth authority, who shall verify that the  
16 component is complete. When the completion of the component is  
17 verified, a component completion certificate shall be issued to the  
18 qualified taxpayer which shall state that the taxpayer is a  
19 qualified taxpayer, the credit amount for the component, the  
20 qualified taxpayer's federal employer identification number or the  
21 Michigan treasury number assigned to the taxpayer, and the project  
22 number. The taxpayer may assign all or part of the credit for a  
23 multiphase project as provided in this section after a component  
24 completion certificate for a component is issued. The qualified  
25 taxpayer may transfer ownership of or lease the completed component  
26 and assign a proportionate share of the credit for the entire  
27 project to the qualified taxpayer that is the new owner or lessee.

1 A multiphase project shall not be divided into more than ~~20~~10  
2 components. A component is considered to be completed when a  
3 certificate of occupancy has been issued by the local municipality  
4 in which the project is located for all of the buildings or  
5 facilities that comprise the completed component and a component  
6 completion certificate is issued **OR THE CHAIRPERSON OF THE MICHIGAN**  
7 **ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE, FOR PROJECTS**  
8 **APPROVED UNDER SUBSECTION (2) OR (3), OR THE MICHIGAN ECONOMIC**  
9 **GROWTH AUTHORITY, FOR PROJECTS APPROVED UNDER SUBSECTION (4),**  
10 **VERIFIES THAT THE COMPONENT IS COMPLETE.** A credit assigned based on  
11 a multiphase project shall be claimed by the assignee in the tax  
12 year in which the assignment is made. The total of all credits for  
13 a multiphase project shall not exceed the amount stated in the  
14 preapproval letter for the project under subsection (1). If all  
15 components of a multiphase project are not completed by 10 years  
16 after the date on which the preapproval letter for the project was  
17 issued, the qualified taxpayer that received the preapproval letter  
18 for the project shall pay to the state treasurer, as a penalty, an  
19 amount equal to the sum of all credits claimed and assigned for all  
20 components of the multiphase project and no credits based on that  
21 multiphase project shall be claimed after that date by the  
22 qualified taxpayer or any assignee of the qualified taxpayer. The  
23 penalty under this subsection is subject to interest on the amount  
24 of the credit claimed or assigned determined individually for each  
25 component at the rate in section 23(2) of 1941 PA 122, MCL 205.23,  
26 beginning on the date that the credit for that component was  
27 claimed or assigned. As used in this subsection, "proportionate

1 share" means the same percentage of the total of all credits for  
2 the project that the qualified investment for the completed  
3 component is of the total qualified investment stated in the  
4 preapproval letter for the entire project.

5 (11) When a project under this section is completed, the  
6 taxpayer shall submit documentation that the project is completed,  
7 an accounting of the cost of the project, the eligible investment  
8 of each taxpayer if there is more than 1 taxpayer eligible for a  
9 credit for the project, and, if the taxpayer is not the owner or  
10 lessee of the eligible property on which the eligible investment  
11 was made at the time the project is completed, that the taxpayer  
12 was the owner or lessee of that eligible property when all eligible  
13 investment of the taxpayer was made. The chairperson of the  
14 Michigan economic growth authority or his or her designee, for  
15 projects approved under subsection (2) or (3), or the Michigan  
16 economic growth authority, for projects approved under subsection  
17 (4), shall verify that the project is completed. The Michigan  
18 economic growth authority shall conduct an on-site inspection as  
19 part of the verification process for projects approved under  
20 subsection (4). When the completion of the project is verified, a  
21 certificate of completion shall be issued to each qualified  
22 taxpayer that has made eligible investment on that eligible  
23 property. The certificate of completion shall state the total  
24 amount of all credits for the project and that total shall not  
25 exceed the maximum total of all credits listed in the preapproval  
26 letter for the project under subsection (2), (3), or (4) as  
27 applicable and shall state all of the following:

1 (a) That the taxpayer is a qualified taxpayer.

2 (b) The total cost of the project and the eligible investment  
3 of each qualified taxpayer.

4 (c) Each qualified taxpayer's credit amount.

5 (d) The qualified taxpayer's federal employer identification  
6 number or the Michigan treasury number assigned to the taxpayer.

7 (e) The project number.

8 (f) For a project approved under subsection (4) for which the  
9 total of all credits is more than \$10,000,000.00 but \$30,000,000.00  
10 or less, the total of all credits and the schedule on which the  
11 annual credit amount shall be claimed by the qualified taxpayer.

12 (g) For a multiphase project under subsection (10), the amount  
13 of each credit assigned and the amount of all credits claimed in  
14 each tax year before the year in which the project is completed.

15 (12) Except as otherwise provided in this section, qualified  
16 taxpayers shall claim credits under this section in the tax year in  
17 which the certificate of completion is issued. For a project  
18 approved under subsection (4) for which the total of all credits is  
19 more than \$10,000,000.00 but \$30,000,000.00 or less, the qualified  
20 taxpayer shall claim 10% of its approved credit each year for 10  
21 years. A credit assigned based on a multiphase project shall be  
22 claimed in the year in which the credit is assigned.

23 (13) The cost of eligible investment for leased machinery,  
24 equipment, or fixtures is the cost of that property had the  
25 property been purchased minus the lessor's estimate, made at the  
26 time the lease is entered into, of the market value the property  
27 will have at the end of the lease. A credit for property described

1 in this subsection is allowed only if the cost of that property had  
2 the property been purchased and the lessor's estimate of the market  
3 value at the end of the lease are provided to the Michigan economic  
4 growth authority.

5 (14) Credits claimed by a lessee of eligible property are  
6 subject to the total of all credits limitation under this section.

7 (15) Each qualified taxpayer and assignee under subsection  
8 (20), (21), or (22) that claims a credit under this section shall  
9 attach a copy of the certificate of completion and, if the credit  
10 was assigned, a copy of the assignment form provided for under this  
11 section to the annual return filed under this act on which the  
12 credit under this section is claimed. An assignee of a credit based  
13 on a multiphase project shall attach a copy of the assignment form  
14 provided for under this section and the component completion  
15 certificate provided for in subsection (10) to the annual return  
16 filed under this act on which the credit is claimed but is not  
17 required to file a copy of a certificate of completion.

18 (16) Except as otherwise provided in this subsection or  
19 subsection (10), (18), (20), (21), or (22), a credit under this  
20 section shall be claimed in the tax year in which the certificate  
21 of completion is issued to the qualified taxpayer. For a project  
22 described in subsection (11)(f) for which a schedule for claiming  
23 annual credit amounts is designated on the certificate of  
24 completion by the Michigan economic growth authority, the annual  
25 credit amount shall be claimed in the tax year specified on the  
26 certificate of completion.

27 (17) The credits approved under this section shall be

1 calculated after application of all other credits allowed under  
2 this act. The credits under this section shall be calculated before  
3 the calculation of the credit under section 431.

4 (18) ~~IF~~ **EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, IF**  
5 the credit allowed under this section for the tax year and any  
6 unused carryforward of the credit allowed under this section exceed  
7 the qualified taxpayer's or assignee's tax liability for the tax  
8 year, that portion that exceeds the tax liability for the tax year  
9 shall not be refunded but may be carried forward to offset tax  
10 liability in subsequent tax years for 10 years or until used up,  
11 whichever occurs first. Except as otherwise provided in this  
12 subsection, the maximum time allowed under the carryforward  
13 provisions under this subsection begins with the tax year in which  
14 the certificate of completion is issued to the qualified taxpayer.  
15 If the qualified taxpayer assigns all or any portion of its credit  
16 approved under this section, the maximum time allowed under the  
17 carryforward provisions for an assignee begins to run with the tax  
18 year in which the assignment is made and the assignee first claims  
19 a credit, which shall be the same tax year. The maximum time  
20 allowed under the carryforward provisions for an annual credit  
21 amount for a credit allowed under subsection (4) begins to run in  
22 the tax year for which the annual credit amount is designated on  
23 the certificate of completion issued under this section. A credit  
24 carryforward available under section 38g of former 1975 PA 228 that  
25 is unused at the end of the last tax year may be claimed against  
26 the tax imposed under act for the years the carryforward would have  
27 been available under former 1975 PA 228. **BEGINNING ON AND AFTER**

1 JANUARY 1, 2008, IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE  
2 TAX YEAR EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY FOR THE TAX  
3 YEAR, THE QUALIFIED TAXPAYER MAY ELECT TO HAVE THE EXCESS REFUNDED  
4 AT A RATE EQUAL TO 75% OF THAT PORTION OF THE CREDIT THAT EXCEEDS  
5 THE TAX LIABILITY OF THE QUALIFIED TAXPAYER FOR THE TAX YEAR AND  
6 FORGO THE REMAINING 25% OF THE CREDIT AND ANY CARRYFORWARD.

7 (19) If a project or credit under this section is for the  
8 addition of personal property, if the cost of that personal  
9 property is used to calculate a credit under this section, and if  
10 the personal property is ~~sold to a purchaser other than an assignee~~  
11 ~~under subsection (20) or~~ disposed of or transferred from **THE**  
12 eligible property to any other location, the qualified taxpayer  
13 that ~~sold,~~ disposed of **THAT PROPERTY**, or transferred the personal  
14 property shall add the same percentage as determined under  
15 subsection (1) of the federal basis of the personal property used  
16 for determining gain or loss as of the date of the ~~sale,~~  
17 disposition ~~,~~ or transfer to the qualified taxpayer's tax liability  
18 under this act after application of all credits under this act for  
19 the tax year in which the ~~sale,~~ disposition ~~,~~ or transfer occurs.  
20 If a qualified taxpayer has an unused carryforward of a credit  
21 under this section, the amount otherwise added under this  
22 subsection to the qualified taxpayer's tax liability may instead be  
23 used to reduce the qualified taxpayer's carryforward under  
24 subsection (18).

25 (20) For credits under this section for projects for which a  
26 certificate of completion is issued before January 1, 2006 and  
27 except as otherwise provided in this subsection, if a qualified

1 taxpayer pays or accrues eligible investment on or to an eligible  
2 property that is leased for a minimum term of 10 years or sold to  
3 another taxpayer for use in a business activity, the qualified  
4 taxpayer may assign all or a portion of the credit under this  
5 section based on that eligible investment to the lessee or  
6 purchaser of that eligible property. A credit assignment under this  
7 subsection shall only be made to a taxpayer that when the  
8 assignment is complete will be a qualified taxpayer. All credit  
9 assignments under this subsection are irrevocable and, except for a  
10 credit based on a multiphase project, shall be made in the tax year  
11 in which the certificate of completion is issued, unless the  
12 assignee is an unknown lessee. If a qualified taxpayer wishes to  
13 assign all or a portion of its credit to a lessee but the lessee is  
14 unknown in the tax year in which the certificate of completion is  
15 issued, the qualified taxpayer may delay claiming and assigning the  
16 credit until the first tax year in which the lessee is known. A  
17 qualified taxpayer may claim a portion of a credit and assign the  
18 remaining credit amount. Except as otherwise provided in this  
19 subsection, if the qualified taxpayer both claims and assigns  
20 portions of the credit, the qualified taxpayer shall claim the  
21 portion it claims in the tax year in which the certificate of  
22 completion is issued or, for a credit assigned and claimed for a  
23 multiphase project before a certificate of completion is issued,  
24 the taxpayer shall claim the credit in the year in which the credit  
25 is assigned. If a qualified taxpayer assigns all or a portion of  
26 the credit and the eligible property is leased to more than 1  
27 taxpayer, the qualified taxpayer shall determine the amount of

1 credit assigned to each lessee. A lessee shall not subsequently  
2 assign a credit or any portion of a credit assigned under this  
3 subsection. A purchaser may subsequently assign a credit or any  
4 portion of a credit assigned to the purchaser under this subsection  
5 to a lessee of the eligible property. The credit assignment under  
6 this subsection shall be made on a form prescribed by the Michigan  
7 economic growth authority. The qualified taxpayer shall send a copy  
8 of the completed assignment form to the Michigan economic growth  
9 authority in the tax year in which the assignment is made. The  
10 assignee shall attach a copy of the completed assignment form to  
11 its annual return required to be filed under this act, for the tax  
12 year in which the assignment is made and the assignee first claims  
13 a credit, which shall be the same tax year. In addition to all  
14 other procedures under this subsection, the following apply if the  
15 total of all credits for a project is more than \$10,000,000.00 but  
16 \$30,000,000.00 or less:

17 (a) The credit shall be assigned based on the schedule  
18 contained in the certificate of completion.

19 (b) If the qualified taxpayer assigns all or a portion of the  
20 credit amount, the qualified taxpayer shall assign the annual  
21 credit amount for each tax year separately.

22 (c) More than 1 annual credit amount may be assigned to any 1  
23 assignee and the qualified taxpayer may assign all or a portion of  
24 each annual credit amount to any assignee.

25 (d) The qualified taxpayer shall not assign more than the  
26 annual credit amount for each tax year.

27 (21) Except as otherwise provided in this subsection, for

1 projects for which a certificate of completion is issued before  
2 January 1, 2006, and except as otherwise provided in this  
3 subsection, if a qualified taxpayer is a partnership, limited  
4 liability company, or subchapter S corporation, the qualified  
5 taxpayer may assign all or a portion of a credit under this section  
6 to its partners, members, or shareholders, based on their  
7 proportionate share of ownership of the partnership, limited  
8 liability company, or subchapter S corporation or based on an  
9 alternative method approved by the Michigan economic growth  
10 authority. A credit assignment under this subsection is irrevocable  
11 and, except for a credit assignment based on a multiphase project,  
12 shall be made in the tax year in which a certificate of completion  
13 is issued. A qualified taxpayer may claim a portion of a credit and  
14 assign the remaining credit amount. Except as otherwise provided in  
15 this subsection, if the qualified taxpayer both claims and assigns  
16 portions of the credit, the qualified taxpayer shall claim the  
17 portion it claims in the tax year in which a certificate of  
18 completion is issued or for a credit assigned and claimed for a  
19 multiphase project, before the component completion certificate is  
20 issued, the taxpayer shall claim the credit in the year in which  
21 the credit is assigned. A partner, member, or shareholder that is  
22 an assignee shall not subsequently assign a credit or any portion  
23 of a credit assigned under this subsection. The credit assignment  
24 under this subsection shall be made on a form prescribed by the  
25 Michigan economic growth authority. The qualified taxpayer shall  
26 send a copy of the completed assignment form to the Michigan  
27 economic growth authority in the tax year in which the assignment

1 is made. A partner, member, or shareholder who is an assignee shall  
2 attach a copy of the completed assignment form to its annual return  
3 required under this act, for the tax year in which the assignment  
4 is made and the assignee first claims a credit, which shall be the  
5 same tax year. A credit assignment based on a credit for a  
6 component of a multiphase project that is completed before January  
7 1, 2006 shall be made under this subsection. In addition to all  
8 other procedures under this subsection, the following apply if the  
9 total of all credits for a project is more than \$10,000,000.00 but  
10 \$30,000,000.00 or less:

11 (a) The credit shall be assigned based on the schedule  
12 contained in the certificate of completion.

13 (b) If the qualified taxpayer assigns all or a portion of the  
14 credit amount, the qualified taxpayer shall assign the annual  
15 credit amount for each tax year separately.

16 (c) More than 1 annual credit amount may be assigned to any 1  
17 assignee and the qualified taxpayer may assign all or a portion of  
18 each annual credit amount to any assignee.

19 (d) The qualified taxpayer shall not assign more than the  
20 annual credit amount for each tax year.

21 (22) For projects approved under **THIS SECTION OR** section 38g  
22 of former 1975 PA 228 for which a certificate of completion is  
23 issued on and after January 1, 2006, a qualified taxpayer may  
24 assign all or a portion of a credit allowed under **THIS SECTION OR**  
25 section 38g(2), (3), or (33) of former 1975 PA 228 under this  
26 subsection. A credit assignment under this subsection is  
27 irrevocable and, except for a credit assignment based on a

1 multiphase project, shall be made in the tax year in which a  
2 certificate of completion is issued unless the assignee is an  
3 unknown lessee. If a qualified taxpayer wishes to assign all or a  
4 portion of its credit to a lessee but the lessee is unknown in the  
5 tax year in which the certificate of completion is issued, the  
6 qualified taxpayer may delay claiming and assigning the credit  
7 until the first tax year in which the lessee is known. A qualified  
8 taxpayer may claim a portion of a credit and assign the remaining  
9 credit amount. If the qualified taxpayer both claims and assigns  
10 portions of the credit, the qualified taxpayer shall claim the  
11 portion it claims in the tax year in which a certificate of  
12 completion is issued pursuant to **THIS SECTION OR** section 38g of  
13 former 1975 PA 228. An assignee may subsequently assign a credit or  
14 any portion of a credit assigned under this subsection to 1 or more  
15 assignees. ~~An assignment under this subsection of a credit allowed~~  
16 ~~under section 38g(2), (3), or (33) of former 1975 PA 228 shall not~~  
17 ~~be made after 10 years after the first tax year in which that~~  
18 ~~credit under section 38g(2), (3), or (33) of former 1975 PA 228 may~~  
19 ~~be claimed.~~ The credit assignment or a subsequent reassignment  
20 under this subsection shall be made on a form prescribed by the  
21 Michigan economic growth authority. ~~The qualified taxpayer shall~~  
22 ~~send a copy of the completed assignment form to the Michigan~~  
23 ~~economic growth authority in the tax year in which an assignment or~~  
24 ~~reassignment is made.~~ **THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR ITS**  
25 **DESIGNEE SHALL REVIEW AND ISSUE A COMPLETED ASSIGNMENT OR**  
26 **REASSIGNMENT CERTIFICATE TO THE ASSIGNEE OR REASSIGNEE.** An assignee  
27 or subsequent reassignee shall attach a copy of the completed

1 assignment ~~form~~ **CERTIFICATE** to its annual return required under  
2 this act, for the tax year in which the assignment or reassignment  
3 is made and the assignee or reassignee first claims a credit, which  
4 shall be the same tax year. A credit assignment based on a credit  
5 for a component of a multiphase project that is completed before  
6 January 1, 2006 shall be made under section 38g(18) of former 1975  
7 PA 228. A credit assignment based on a credit for a component of a  
8 multiphase project that is completed on or after January 1, 2006  
9 may be made under this section. In addition to all other procedures  
10 and requirements under this section, the following apply if the  
11 total of all credits for a project is more than \$10,000,000.00 but  
12 \$30,000,000.00 or less:

13 (a) The credit shall be assigned based on the schedule  
14 contained in the certificate of completion.

15 (b) If the qualified taxpayer assigns all or a portion of the  
16 credit amount, the qualified taxpayer shall assign the annual  
17 credit amount for each tax year separately.

18 (c) More than 1 annual credit amount may be assigned to any 1  
19 assignee, and the qualified taxpayer may assign all or a portion of  
20 each annual credit amount to any assignee.

21 (23) A qualified taxpayer or assignee under subsection (20),  
22 (21), or (22) shall not claim a credit under subsection (1)(a) or  
23 (b) based on eligible investment on which a credit claimed under  
24 section 38d of former 1975 PA 228 was based.

25 ~~(24) The Michigan economic growth authority may certify a~~  
26 ~~credit under this section based on an agreement entered into prior~~  
27 ~~to January 1, 2008 pursuant to section 38g of former 1975 PA 228.~~

1 ~~The number of years for which the credit under this subsection may~~  
2 ~~be claimed under this act shall equal the maximum number of years~~  
3 ~~designated in the agreement reduced by the number of years for~~  
4 ~~which a credit had been claimed or could have been claimed under~~  
5 ~~section 38g of former 1975 PA 228.~~ WHEN REVIEWING AN APPLICATION  
6 FOR A PROJECT FOR DESIGNATION AS AN URBAN DEVELOPMENT AREA PROJECT,  
7 THE MICHIGAN ECONOMIC GROWTH AUTHORITY FOR PROJECTS APPROVED UNDER  
8 SUBSECTION (4) OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH  
9 AUTHORITY OR HIS OR HER DESIGNEE FOR PROJECTS APPROVED UNDER  
10 SUBSECTIONS (2) AND (3) SHALL CONSIDER ALL OF THE FOLLOWING  
11 CRITERIA:

12 (A) IF THE PROJECT INCREASES THE DENSITY OF THE AREA BY  
13 PROMOTING MULTISTORY DEVELOPMENT.

14 (B) IF THE PROJECT PROMOTES MIXED-USE DEVELOPMENT AND WALKABLE  
15 COMMUNITIES.

16 (C) IF THE PROJECT PROMOTES SUSTAINABLE REDEVELOPMENT.

17 (D) IF THE PROJECT ADDRESSES AREAWIDE REDEVELOPMENT AND  
18 INCLUDES MULTIPLE PARCELS OF PROPERTY.

19 (E) IF THE PROJECT ADDRESSES UNDERSERVED MARKETS OF COMMERCE.

20 (F) ANY OTHER CRITERIA DETERMINED BY THE MICHIGAN ECONOMIC  
21 GROWTH AUTHORITY OR THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH  
22 AUTHORITY.

23 (25) An eligible taxpayer that claims a credit under this  
24 section is not prohibited from claiming a credit under section 431.  
25 However, the eligible taxpayer shall not claim a credit under this  
26 section and section 431 based on the same costs.

27 (26) Eligible investment attributable or related to the

1 operation of a professional sports stadium, and eligible investment  
2 that is associated or affiliated with the operation of a  
3 professional sports stadium, including, but not limited to, the  
4 operation of a parking lot or retail store, shall not be used as a  
5 basis for a credit under this section. Professional sports stadium  
6 does not include a professional sports stadium that will no longer  
7 be used by a professional sports team on and after the date that an  
8 application related to that professional sports stadium is filed  
9 under this section.

10 (27) Eligible investment attributable or related to the  
11 operation of a casino, and eligible investment that is associated  
12 or affiliated with the operation of a casino, including, but not  
13 limited to, the operation of a parking lot, hotel, motel, or retail  
14 store, shall not be used as a basis for a credit under this  
15 section. As used in this subsection, "casino" means a casino  
16 regulated by this state pursuant to the Michigan gaming control and  
17 revenue act, ~~the Initiated Law of 1996 IL 1~~, MCL 432.201 to  
18 432.226.

19 (28) Eligible investment attributable or related to the  
20 construction of a new landfill or the expansion of an existing  
21 landfill regulated under part 115 of the natural resources and  
22 environmental protection act, 1994 PA 451, MCL 324.11501 to  
23 324.11550, shall not be used as a basis for a credit under this  
24 section.

25 (29) The Michigan economic growth authority annually shall  
26 prepare and submit to the house of representatives and senate  
27 committees responsible for tax policy and economic development

1 issues a report on the credits under ~~subsection~~**SUBSECTIONS (2),**  
2 **(3), AND (4)**. The report shall include, but is not limited to, all  
3 of the following:

4 (a) A listing of the projects under ~~subsection~~**SUBSECTIONS**  
5 **(2), (3), AND (4)** that were approved in the calendar year.

6 (b) The total amount of eligible investment for projects  
7 approved under ~~subsection~~**SUBSECTIONS (2), (3), AND (4)** in the  
8 calendar year.

9 (30) For purposes of this section, taxpayer includes a person  
10 subject to the tax imposed under chapters 2A and 2B.

11 **(31) THE TOTAL OF ALL CREDITS FOR ALL PROJECTS APPROVED UNDER**  
12 **SUBSECTION (2) OR (3) SHALL NOT EXCEED \$40,000,000.00 IN ANY**  
13 **CALENDAR YEAR. IF THE AUTHORITY APPROVES A TOTAL OF ALL CREDITS FOR**  
14 **ALL PROJECTS UNDER SUBSECTION (2) OR (3) OF LESS THAN**  
15 **\$40,000,000.00 IN A CALENDAR YEAR, THE AUTHORITY MAY CARRY FORWARD**  
16 **FOR 1 YEAR ONLY THE DIFFERENCE BETWEEN \$40,000,000.00 AND THE TOTAL**  
17 **OF ALL CREDITS FOR ALL PROJECTS UNDER THIS SUBSECTION APPROVED IN**  
18 **THE IMMEDIATELY PRECEDING CALENDAR YEAR.**

19 (32) ~~(31)~~As used in this section:

20 (a) "Annual credit amount" means the maximum amount that a  
21 qualified taxpayer is eligible to claim each tax year for a project  
22 for which the total of all credits is more than \$10,000,000.00 but  
23 \$30,000,000.00 or less, which shall be 10% of the qualified  
24 taxpayer's credit amount approved under subsection ~~(3)~~**(4)**.

25 (b) "Authority" means a brownfield redevelopment authority  
26 created under the brownfield redevelopment financing act, 1996 PA  
27 381, MCL 125.2651 to 125.2672.

1 ~~\_\_\_\_\_ (c) "Authorized business", "full time job", "new capital~~  
2 ~~investment", "qualified high technology business", "retained jobs",~~  
3 ~~and "written agreement" mean those terms as defined in the Michigan~~  
4 ~~economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.~~

5 (C) ~~(d)~~ "Blighted", "brownfield plan", "eligible activities",  
6 "facility", "functionally obsolete", "qualified local governmental  
7 unit", and "response activity" mean those terms as defined in the  
8 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651  
9 to 125.2672.

10 (D) ~~(e)~~ "Eligible investment" means, **AFTER THE DATE THAT THE**  
11 **PREAPPROVAL LETTER IS ISSUED, ANY** demolition, construction,  
12 restoration, alteration, renovation, or improvement of buildings or  
13 site improvements on eligible property and the addition of  
14 machinery, equipment, and fixtures to eligible property after the  
15 date that eligible activities on that eligible property have  
16 started pursuant to a brownfield plan under the brownfield  
17 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
18 ~~and after the date that the preapproval letter is issued,~~ if the  
19 costs of the eligible investment are not otherwise reimbursed to  
20 the taxpayer or paid for on behalf of the taxpayer from any source  
21 other than the taxpayer. The addition of leased machinery,  
22 equipment, or fixtures to eligible property by a lessee of the  
23 machinery, equipment, or fixtures is eligible investment if the  
24 lease of the machinery, equipment, or fixtures has a minimum term  
25 of 10 years or is for the expected useful life of the machinery,  
26 equipment, or fixtures, and if the owner of the machinery,  
27 equipment, or fixtures is not the qualified taxpayer with regard to

1 that machinery, equipment, or fixtures. FOR PROJECTS APPROVED AFTER  
 2 JANUARY 1, 2008, ELIGIBLE INVESTMENT DOES NOT INCLUDE CERTAIN SOFT  
 3 COSTS OF THE ELIGIBLE INVESTMENT AS DETERMINED BY THE MICHIGAN  
 4 ECONOMIC GROWTH AUTHORITY, INCLUDING, BUT NOT LIMITED TO, DEVELOPER  
 5 FEES, APPRAISALS, PERFORMANCE BONDS, CLOSING COSTS, BANK FEES, LOAN  
 6 FEES, RISK CONTINGENCIES, FINANCING COSTS, PERMANENT OR  
 7 CONSTRUCTION PERIOD INTEREST, LEGAL EXPENSES, LEASING OR SALES  
 8 COMMISSIONS, MARKETING COSTS, PROFESSIONAL FEES, SHARED SAVINGS,  
 9 TAXES, TITLE INSURANCE, BANK INSPECTION FEES, INSURANCE, AND  
 10 PROJECT MANAGEMENT FEES.

11 (E) ~~(f)~~ "Eligible property", EXCEPT AS OTHERWISE PROVIDED  
 12 UNDER SUBSECTION (33), means that term as defined in the brownfield  
 13 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,  
 14 except that, for purposes of subsection (2), all of the following  
 15 apply:

16 ~~— (i) Eligible property means property identified under a~~  
 17 ~~brownfield plan that was used or is currently used for commercial,~~  
 18 ~~industrial, or residential purposes and that is 1 of the following:~~

19 ~~— (A) Property for which eligible activities are identified~~  
 20 ~~under the brownfield plan, is in a qualified local governmental~~  
 21 ~~unit, and is a facility, functionally obsolete, or blighted.~~

22 ~~— (B) Property that is not in a qualified local governmental~~  
 23 ~~unit but is within a downtown development district established~~  
 24 ~~under 1975 PA 197, MCL 125.1651 to 125.1681, and is functionally~~  
 25 ~~obsolete or blighted, and a component of the project on that~~  
 26 ~~eligible property is 1 or more of the following:~~

27 ~~— (I) Infrastructure improvements that directly benefit the~~

1 eligible property.

2 ~~—— (II) Demolition of structures that is not response activity~~  
3 ~~under section 20101 of the natural resources and environmental~~  
4 ~~protection act, 1994 PA 451, MCL 324.20101.~~

5 ~~—— (III) Lead or asbestos abatement.~~

6 ~~—— (IV) Site preparation that is not response activity under~~  
7 ~~section 20101 of the natural resources and environmental protection~~  
8 ~~act, 1994 PA 451, MCL 324.20101.~~

9 ~~—— (C) Property for which eligible activities are identified~~  
10 ~~under the brownfield plan, is not in a qualified local governmental~~  
11 ~~unit, and is a facility.~~

12 ~~—— (ii) Eligible property includes parcels that are adjacent or~~  
13 ~~contiguous to the eligible property if the development of the~~  
14 ~~adjacent or contiguous parcels is estimated to increase the~~  
15 ~~captured taxable value of the property or tax reverted property~~  
16 ~~owned or under the control of a land bank fast track authority~~  
17 ~~pursuant to the land bank fast track authority act, 2003 PA 258,~~  
18 ~~MCL 124.751 to 124.774.~~

19 ~~—— (iii) Eligible property includes, to the extent included in the~~  
20 ~~brownfield plan, personal property located on the eligible~~  
21 ~~property.~~

22 ~~—— (iv) Eligible property does not include qualified agricultural~~  
23 ~~property exempt under section 7ee of the general property tax act,~~  
24 ~~1893 PA 206, MCL 211.7ee, from the tax levied by a local school~~  
25 ~~district for school operating purposes to the extent provided under~~  
26 ~~section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.~~

27 **PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER A**

1 BROWNFIELD PLAN THAT WAS USED OR IS CURRENTLY USED FOR COMMERCIAL,  
2 INDUSTRIAL, OR RESIDENTIAL PURPOSES, INCLUDING PERSONAL PROPERTY  
3 LOCATED ON THE PROPERTY, TO THE EXTENT INCLUDED IN THE BROWNFIELD  
4 PLAN, AND THAT IS 1 OR MORE OF THE FOLLOWING:

5 (i) IS IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AND IS A  
6 FACILITY, FUNCTIONALLY OBSOLETE, OR BLIGHTED AND INCLUDES PARCELS  
7 THAT ARE ADJACENT OR CONTIGUOUS TO THAT PROPERTY IF THE DEVELOPMENT  
8 OF THE ADJACENT AND CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE  
9 CAPTURED TAXABLE VALUE OF THAT PROPERTY.

10 (ii) IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AND IS A  
11 FACILITY, AND INCLUDES PARCELS THAT ARE ADJACENT OR CONTIGUOUS TO  
12 THAT PROPERTY IF THE DEVELOPMENT OF THE ADJACENT AND CONTIGUOUS  
13 PARCELS IS ESTIMATED TO INCREASE THE CAPTURED TAXABLE VALUE OF THAT  
14 PROPERTY.

15 (iii) IS TAX REVERTED PROPERTY OWNED OR UNDER THE CONTROL OF A  
16 LAND BANK FAST TRACK AUTHORITY.

17 (F) ~~(g)~~—"Last tax year" means the taxpayer's tax year under  
18 former 1975 PA 228 that begins after December 31, 2006 and before  
19 January 1, 2008.

20 (G) ~~(h)~~—"Michigan economic growth authority" means the  
21 Michigan economic growth authority created in the Michigan economic  
22 growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

23 (H) ~~(i)~~—"Multiphase project" means a project approved under  
24 this section that has more than 1 component, each of which can be  
25 completed separately.

26 (I) ~~(j)~~—"Personal property" means that term as defined in  
27 section 8 of the general property tax act, 1893 PA 206, MCL 211.8,

1 except that personal property does not include either of the  
2 following:

3 (i) Personal property described in section 8(h), (i), or (j) of  
4 the general property tax act, 1893 PA 206, MCL 211.8.

5 (ii) Buildings described in section 14(6) of the general  
6 property tax act, 1893 PA 206, MCL 211.14.

7 **(J)** ~~(k)~~—"Project" means the total of all eligible investment  
8 on an eligible property or, for purposes of subsection (6)(b), 1 of  
9 the following:

10 (i) All eligible investment on property not in a qualified  
11 local governmental unit that is a facility.

12 (ii) All eligible investment on property that is not a facility  
13 but is functionally obsolete or blighted.

14 **(K)** ~~(l)~~—"Qualified local governmental unit" means that term as  
15 defined in the obsolete property rehabilitation act, 2000 PA 146,  
16 MCL 125.2781 to 125.2797.

17 **(L)** ~~(m)~~—"Qualified taxpayer" means a taxpayer that meets both  
18 of the following criteria:

19 (i) Owns or leases eligible property.

20 (ii) Certifies that, except as otherwise provided in this  
21 subparagraph, the department of environmental quality has not sued  
22 or issued a unilateral order to the taxpayer pursuant to part 201  
23 of the natural resources and environmental protection act, 1994 PA  
24 451, MCL 324.20101 to 324.20142, to compel response activity on or  
25 to the eligible property, or expended any state funds for response  
26 activity on or to the eligible property and demanded reimbursement  
27 for those expenditures from the qualified taxpayer. However, if the

1 taxpayer has completed all response activity required by part 201  
2 of the natural resources and environmental protection act, 1994 PA  
3 451, MCL 324.20101 to 324.20142, is in compliance with any deed  
4 restriction or administrative or judicial order related to the  
5 required response activity, and has reimbursed the state for all  
6 costs incurred by the state related to the required response  
7 activity, the taxpayer meets the criteria under this subparagraph.

8 (M) "URBAN DEVELOPMENT AREA PROJECT" MEANS A PROJECT LOCATED  
9 ON ELIGIBLE PROPERTY IN THE DOWNTOWN OR TRADITIONAL CENTRAL  
10 BUSINESS DISTRICT OF A QUALIFIED LOCAL GOVERNMENTAL UNIT OR ALONG A  
11 HISTORIC COMMERCIAL CORRIDOR OF A QUALIFIED LOCAL GOVERNMENTAL UNIT  
12 AS DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR THE  
13 CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR HER  
14 DESIGNEE.

15 (33) FOR PURPOSES OF SUBSECTION (2), ELIGIBLE PROPERTY MEANS  
16 THAT TERM AS DEFINED UNDER SUBSECTION (32)(E) EXCEPT THAT ALL OF  
17 THE FOLLOWING APPLY:

18 (A) ELIGIBLE PROPERTY MEANS PROPERTY IDENTIFIED UNDER A  
19 BROWNFIELD PLAN THAT WAS USED OR IS CURRENTLY USED FOR COMMERCIAL,  
20 INDUSTRIAL, OR RESIDENTIAL PURPOSES AND THAT IS 1 OF THE FOLLOWING:

21 (i) PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER  
22 THE BROWNFIELD PLAN, IS IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, AND  
23 IS A FACILITY, FUNCTIONALLY OBSOLETE, OR BLIGHTED.

24 (ii) PROPERTY THAT IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL  
25 UNIT BUT IS WITHIN A DOWNTOWN DEVELOPMENT DISTRICT ESTABLISHED  
26 UNDER 1975 PA 197, MCL 125.1651 TO 125.1681, AND IS FUNCTIONALLY  
27 OBSOLETE OR BLIGHTED, AND A COMPONENT OF THE PROJECT ON THAT

1 ELIGIBLE PROPERTY IS 1 OR MORE OF THE FOLLOWING:

2 (A) INFRASTRUCTURE IMPROVEMENTS THAT DIRECTLY BENEFIT THE  
3 ELIGIBLE PROPERTY.

4 (B) DEMOLITION OF STRUCTURES THAT IS NOT RESPONSE ACTIVITY  
5 UNDER SECTION 20101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL  
6 PROTECTION ACT, 1994 PA 451, MCL 324.20101.

7 (C) LEAD OR ASBESTOS ABATEMENT.

8 (D) SITE PREPARATION THAT IS NOT RESPONSE ACTIVITY UNDER  
9 SECTION 20101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION  
10 ACT, 1994 PA 451, MCL 324.20101.

11 (iii) PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED  
12 UNDER THE BROWNFIELD PLAN, IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL  
13 UNIT, AND IS A FACILITY.

14 (B) ELIGIBLE PROPERTY INCLUDES PARCELS THAT ARE ADJACENT OR  
15 CONTIGUOUS TO THE ELIGIBLE PROPERTY IF THE DEVELOPMENT OF THE  
16 ADJACENT OR CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE  
17 CAPTURED TAXABLE VALUE OF THE PROPERTY OR TAX REVERTED PROPERTY  
18 OWNED OR UNDER THE CONTROL OF A LAND BANK FAST TRACK AUTHORITY  
19 PURSUANT TO THE LAND BANK FAST TRACK AUTHORITY ACT, 2003 PA 258,  
20 MCL 124.751 TO 124.774.

21 (C) ELIGIBLE PROPERTY INCLUDES, TO THE EXTENT INCLUDED IN THE  
22 BROWNFIELD PLAN, PERSONAL PROPERTY LOCATED ON THE ELIGIBLE  
23 PROPERTY.

24 (D) ELIGIBLE PROPERTY DOES NOT INCLUDE QUALIFIED AGRICULTURAL  
25 PROPERTY EXEMPT UNDER SECTION 7EE OF THE GENERAL PROPERTY TAX ACT,  
26 1893 PA 206, MCL 211.7EE, FROM THE TAX LEVIED BY A LOCAL SCHOOL  
27 DISTRICT FOR SCHOOL OPERATING PURPOSES TO THE EXTENT PROVIDED UNDER

1 SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

2 Enacting section 1. This amendatory act takes effect January

3 1, 2008.