

**SUBSTITUTE FOR
HOUSE BILL NO. 5790**

A bill to amend 1974 PA 198, entitled

"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 impose and provide for the disposition of an administrative fee; 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,"

by amending section 4 (MCL 207.554), as amended by 2004 PA 437.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4. (1) A local governmental unit, by resolution of its
2 legislative body, may establish plant rehabilitation districts and
3 industrial development districts that consist of 1 or more parcels
4 or tracts of land or a portion of a parcel or tract of land.

1 (2) The legislative body of a local governmental unit may
2 establish a plant rehabilitation district or an industrial
3 development district on its own initiative or upon a written
4 request filed by the owner or owners of 75% of the state equalized
5 value of the industrial property located within a proposed plant
6 rehabilitation district or industrial development district. This
7 request shall be filed with the clerk of the local governmental
8 unit.

9 (3) Except as provided in section 9(2)(h), after December 31,
10 1983, a request for the establishment of a proposed plant
11 rehabilitation district or industrial development district shall be
12 filed only in connection with a proposed replacement facility or
13 new facility, the construction, acquisition, alteration, or
14 installation of or for which has not commenced at the time of the
15 filing of the request. The legislative body of a local governmental
16 unit shall not establish a plant rehabilitation district or an
17 industrial development district pursuant to subsection (2) if it
18 finds that the request for the district was filed after the
19 commencement of construction, alteration, or installation of, or of
20 an acquisition related to, the proposed replacement facility or new
21 facility. This subsection shall not apply to a speculative
22 building.

23 (4) Before adopting a resolution establishing a plant
24 rehabilitation district or industrial development district, the
25 legislative body shall give written notice by certified mail to the
26 owners of all real property within the proposed plant
27 rehabilitation district or industrial development district and

1 shall hold a public hearing on the establishment of the plant
2 rehabilitation district or industrial development district at which
3 those owners and other residents or taxpayers of the local
4 governmental unit shall have a right to appear and be heard.

5 (5) The legislative body of the local governmental unit, in
6 its resolution establishing a plant rehabilitation district, shall
7 set forth a finding and determination that property comprising not
8 less than 50% of the state equalized valuation of the industrial
9 property within the district is obsolete.

10 (6) A plant rehabilitation district or industrial development
11 district established by a township shall be only within the
12 unincorporated territory of the township and shall not be within a
13 village.

14 (7) Industrial property that is part of an industrial
15 development district or a plant rehabilitation district may also be
16 part of a tax increment district established under the tax
17 increment finance authority act, 1980 PA 450, MCL 125.1801 to
18 125.1830.

19 (8) A local governmental unit, by resolution of its
20 legislative body, may terminate a plant rehabilitation district or
21 an industrial development district, if there are no industrial
22 facilities exemption certificates in effect in the plant
23 rehabilitation district or the industrial development district on
24 the date of the resolution to terminate.

25 (9) Before acting on a proposed resolution terminating a plant
26 rehabilitation district or an industrial development district, the
27 local governmental unit shall give at least 14 days' written notice

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1 by certified mail to the owners of all real property within the
2 plant rehabilitation district or industrial development district as
3 determined by the tax records in the office of the assessor or the
4 treasurer of the local tax collecting unit in which the property is
5 located and shall hold a public hearing on the termination of the
6 plant rehabilitation district or industrial development district at
7 which those owners and other residents or taxpayers of the local
8 governmental unit, or others, shall have a right to appear and be
9 heard.

10 (10) BEGINNING JULY 1, 2008, THE LEGISLATIVE BODY OF THE LOCAL
11 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN
12 INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE UNLESS THE APPLICANT
13 STATES, IN WRITING, THAT THE APPLICANT WILL NOT KNOWINGLY HIRE OR
14 CONTRACT WITH ANY BUSINESS ENTITY THAT KNOWINGLY HIRES AN
15 INDIVIDUAL WHO IS NOT AUTHORIZED UNDER FEDERAL LAW TO WORK IN THE
16 UNITED STATES[.

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21 (11) BEGINNING JULY 1, 2008, THE LEGISLATIVE BODY OF THE LOCAL
22 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN
23 INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE UNLESS THE APPLICANT
24 STATES, IN WRITING, THAT THE APPLICANT WILL DO ALL OF THE
25 FOLLOWING:

26 (A) MAKE A GOOD FAITH EFFORT TO EMPLOY, IF QUALIFIED, MICHIGAN
27 RESIDENTS AT THE FACILITY.

1 (B) MAKE A GOOD FAITH EFFORT TO EMPLOY OR CONTRACT WITH
2 MICHIGAN RESIDENTS AND FIRMS TO CONSTRUCT, REHABILITATE, DEVELOP,
3 OR RENOVATE THE FACILITY.

4 (C) MAKE A GOOD FAITH EFFORT TO UTILIZE MICHIGAN-BASED
5 SUPPLIERS AND VENDORS WHEN PURCHASING GOODS AND SERVICES.

6 (12) BEGINNING JULY 1, 2008, THE WRITTEN AGREEMENT DESCRIBED
7 IN SUBSECTION (10) SHALL ALSO CONTAIN A REMEDY PROVISION THAT
8 PROVIDES FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

9 (A) A REQUIREMENT THAT THE APPLICANT'S INDUSTRIAL FACILITIES
10 EXEMPTION CERTIFICATE IS REVOKED UNDER THIS ACT IF THE APPLICANT IS
11 DETERMINED TO BE IN VIOLATION OF SUBSECTION (10), AS DETERMINED BY
12 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENTAL UNIT.

13 (B) A REQUIREMENT THAT THE APPLICANT MAY BE REQUIRED TO REPAY
14 SOME OR ALL OF THE BENEFITS RECEIVED UNDER THIS ACT IF THE
15 APPLICANT IS DETERMINED TO BE IN VIOLATION OF THE PROVISIONS OF
16 SUBSECTION (10), AS DETERMINED BY THE LEGISLATIVE BODY OF THE LOCAL
17 GOVERNMENTAL UNIT.

18 (13) NOT LATER THAN FEBRUARY 1 EACH YEAR, THE LEGISLATIVE BODY
19 OF THE LOCAL GOVERNMENTAL UNIT SHALL REPORT TO THE BOARD OF THE
20 MICHIGAN STRATEGIC FUND ON THE ACTIVITIES FOR THE IMMEDIATELY
21 PRECEDING FISCAL YEAR. THE REPORT SHALL CONTAIN ALL OF THE
22 FOLLOWING:

23 (A) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN NEW JOBS FROM
24 THE RENOVATION, RESTORATION, OR CONSTRUCTION OF A FACILITY FOR
25 WHICH AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE WAS GRANTED IN
26 THE IMMEDIATELY PRECEDING YEAR.

27 (B) THE NUMBER OF NEW JOBS CREATED FROM THE RENOVATION,

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1 RESTORATION, OR CONSTRUCTION OF A FACILITY FOR WHICH AN INDUSTRIAL
2 FACILITIES EXEMPTION CERTIFICATE WAS GRANTED IN THE IMMEDIATELY
3 PRECEDING YEAR.

4 (C) THE DETAILS OF THE GOOD FAITH EFFORTS REQUIRED OF THE
5 APPLICANT DESCRIBED IN SUBSECTION (11) (A), (B), AND (C).

[(14) THE ATTORNEY GENERAL OF THIS STATE, OR OTHER APPROPRIATE
STATE AGENCY, SHALL BE RESPONSIBLE FOR ANY ENFORCEMENT NECESSARY TO
ENSURE COMPLIANCE AFTER THE APPLICANT HAS SIGNED THE AGREEMENT UNDER THE
PROVISIONS DESCRIBED IN SUBSECTIONS (10), (11), AND (12).]