

**SUBSTITUTE FOR
SENATE BILL NO. 1281**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9f (MCL 211.9f), as amended by 2008 PA 285.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9f. (1) The governing body of an eligible local assessing
2 district may adopt a resolution to exempt from the collection of
3 taxes under this act all new personal property owned or leased by
4 an eligible business located in 1 or more eligible districts or
5 distressed parcels designated in the resolution. The clerk of the
6 eligible local assessing district shall notify in writing the
7 assessor of the local tax collecting unit in which the eligible
8 district or distressed parcel is located and the legislative body
9 of each taxing unit that levies ad valorem property taxes in the
10 eligible local assessing district in which the eligible district or

1 distressed parcel is located. Before acting on the resolution, the
2 governing body of the eligible local assessing district shall
3 afford the assessor and a representative of the affected taxing
4 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 and
8 shall continue in effect for a period specified in the resolution.
9 A copy of the resolution shall be filed with the state tax
10 commission, **THE STATE TREASURER, AND THE PRESIDENT OF THE MICHIGAN**
11 **STRATEGIC FUND**. A resolution is not effective unless approved by
12 ~~the state tax commission~~ as provided in 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~~ **DETERMINE IF THE**
16 **NEW PERSONAL PROPERTY SUBJECT TO THE EXEMPTION IS OWNED OR LEASED**
17 **BY AN ELIGIBLE BUSINESS AND IF THE ELIGIBLE BUSINESS IS LOCATED IN**
18 **1 OR MORE ELIGIBLE DISTRICTS. IF THE STATE TAX COMMISSION**
19 **DETERMINES THAT THE NEW PERSONAL PROPERTY SUBJECT TO THE EXEMPTION**
20 **IS OWNED OR LEASED BY AN ELIGIBLE BUSINESS AND THAT THE ELIGIBLE**
21 **BUSINESS IS LOCATED IN 1 OR MORE ELIGIBLE DISTRICTS, THE** state
22 treasurer, with the written concurrence of the president of the
23 Michigan strategic fund, shall ~~advise the state tax commission as~~
24 ~~to whether~~ **APPROVE THE RESOLUTION ADOPTED UNDER SUBSECTION (1) IF**
25 **THE STATE TREASURER AND THE PRESIDENT OF THE MICHIGAN STRATEGIC**
26 **FUND DETERMINE THAT** exempting new personal property of the eligible
27 business is necessary to reduce unemployment, promote economic

1 growth, and increase capital investment in this state.

2 (4) Subject to subsection (5), if an existing eligible
3 business sells or leases new personal property exempt under this
4 section to an acquiring eligible business, the exemption granted to
5 the existing eligible business shall continue in effect for the
6 period specified in the resolution adopted under subsection (1) for
7 the new personal property purchased or leased from the existing
8 eligible business by the acquiring eligible business and for any
9 new personal property purchased or leased by the acquiring eligible
10 business.

11 (5) After December 31, 2007, an exemption for an existing
12 eligible business shall continue in effect for an acquiring
13 eligible business under subsection (4) only if the continuation of
14 the exemption is approved in a resolution adopted by the governing
15 body of an eligible local assessing district.

16 (6) Notwithstanding the amendatory act that added section
17 2(1)(c), all of the following shall apply to an exemption under
18 this section that was approved by the state tax commission on or
19 before April 30, 1999, regardless of the effective date of the
20 exemption:

21 (a) The exemption shall be continued for the term authorized
22 by the resolution adopted by the governing body of the eligible
23 local assessing district and approved by the state tax commission
24 with respect to buildings and improvements constructed on leased
25 real property during the term of the exemption if the value of the
26 real property is not assessed to the owner of the buildings and
27 improvements.

1 (b) The exemption shall not be impaired or restricted with
2 respect to buildings and improvements constructed on leased real
3 property during the term of the exemption if the value of the real
4 property is not assessed to the owner of the buildings and
5 improvements.

6 (7) As used in this section:

7 (a) "Acquiring eligible business" means an eligible business
8 that purchases or leases assets of an existing eligible business,
9 including the purchase or lease of new personal property exempt
10 under this section, and that will conduct business operations
11 similar to those of the existing eligible business at the location
12 of the existing eligible business within the eligible district.

13 (b) "Authorized business" means that term as defined in
14 section 3 of the Michigan economic growth authority act, 1995 PA
15 24, MCL 207.803.

16 (c) "Distressed parcel" means a parcel of real property
17 located in a city or village that meets all of the following
18 conditions:

19 (i) Is located in a qualified downtown revitalization district.
20 As used in this subparagraph, "qualified downtown revitalization
21 district" means an area located within 1 or more of the following:

22 (A) The boundaries of a downtown district as defined in
23 section 1 of 1975 PA 197, MCL 125.1651.

24 (B) The boundaries of a principal shopping district or a
25 business improvement district as defined in section 1 of 1961 PA
26 120, MCL 125.981.

27 (C) The boundaries of the local governmental unit in an area

1 that is zoned and primarily used for business as determined by the
2 local governmental unit.

3 (ii) Meets 1 of the following conditions:

4 (A) Has a blighted or functionally obsolete building located
5 on the parcel. As used in this sub-subparagraph, "blighted" and
6 "functionally obsolete" mean those terms as defined in section 2 of
7 the brownfield redevelopment financing act, 1996 PA 381, MCL
8 125.2652.

9 (B) Is a vacant parcel that had been previously occupied.

10 (iii) Is zoned to allow for mixed use.

11 (d) "Eligible business" means, effective August 7, 1998, a
12 business engaged primarily in manufacturing, mining, research and
13 development, wholesale trade, office operations, or the operation
14 of a facility for which the business that owns or operates the
15 facility is an eligible taxpayer. Eligible business does not
16 include a casino, retail establishment, professional sports
17 stadium, or that portion of an eligible business used exclusively
18 for retail sales. As used in this subdivision, "casino" means a
19 casino regulated by this state pursuant to the Michigan gaming
20 control and revenue act, 1996 IL 1, MCL 432.201 to 432.226, and all
21 property associated or affiliated with the operation of a casino,
22 including, but not limited to, a parking lot, hotel, motel, or
23 retail store.

24 (e) "Eligible district" means 1 or more of the following:

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

27 (ii) A renaissance zone as that term is defined in the Michigan

1 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

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

4 (iv) A brownfield redevelopment zone as that term is designated
5 under the brownfield redevelopment financing act, 1996 PA 381, MCL
6 125.2651 to 125.2672.

7 (v) An empowerment zone designated under subchapter U of
8 chapter 1 of the internal revenue code of 1986, 26 USC 1391 to
9 1397F.

10 (vi) An authority district or a development area as those terms
11 are defined in the tax increment finance authority act, 1980 PA
12 450, MCL 125.1801 to 125.1830.

13 (vii) An authority district as that term is defined in the
14 local development financing act, 1986 PA 281, MCL 125.2151 to
15 125.2174.

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

18 (ix) An area that contains an eligible taxpayer.

19 (f) "Eligible distressed area" means 1 of the following:

20 (i) That term as defined in section 11 of the state housing
21 development authority act of 1966, 1966 PA 346, MCL 125.1411.

22 (ii) An area that contains an eligible taxpayer.

23 (g) "Eligible local assessing district" means ~~a~~ **1 OR MORE OF**
24 **THE FOLLOWING:**

25 (i) **A** city, village, or township that contains an eligible
26 distressed area.

27 (ii) **A CITY, VILLAGE, OR TOWNSHIP THAT IS LOCATED IN A COUNTY,**

1 ALL OR A PORTION OF WHICH BORDERS ANOTHER STATE OR CANADA.

2 (h) "Eligible taxpayer" means a taxpayer that meets both of
3 the following conditions:

4 (i) Is an authorized business.

5 (ii) Is eligible for tax credits described in section 9 of the
6 Michigan economic growth authority act, 1995 PA 24, MCL 207.809.

7 (i) "Existing eligible business" means an eligible business
8 identified in a resolution adopted under subsection (1) for which
9 an exemption has been granted under this section.

10 (j) "New personal property" means personal property that was
11 not previously subject to tax under this act or was not previously
12 placed in service in this state and that is placed in an eligible
13 district after a resolution under subsection (1) is approved by the
14 eligible local assessing district. As used in this subdivision, for
15 exemptions approved by the state ~~tax commission~~**TREASURER** under
16 subsection (3) after April 30, 1999, new personal property does not
17 include buildings described in section 14(6) and personal property
18 described in section 8(h), (i), and (j).