

HOUSE BILL No. 5251

September 19, 2007, Introduced by Reps. Coulouris, Horn, Sheltroun, Hammel, Espinoza, Bieda, Melton, Hammon, Mayes, Moolenaar, Tobocman, Johnson and Meadows and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9f (MCL 211.9f), as amended by 2004 PA 79.

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
5 designated in the resolution. The clerk of the eligible local
6 assessing district shall notify in writing the assessor of the
7 local tax collecting unit in which the eligible district is located
8 and the legislative body of each taxing unit that levies ad valorem
9 property taxes in the eligible local assessing district in which
10 the eligible district is located. Before acting on the resolution,

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

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

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

19 (4) **SUBJECT TO SUBSECTION (5), IF AN EXISTING ELIGIBLE**
20 **BUSINESS SELLS OR LEASES NEW PERSONAL PROPERTY EXEMPT UNDER THIS**
21 **SECTION TO AN ACQUIRING ELIGIBLE BUSINESS, THE EXEMPTION GRANTED TO**
22 **THE EXISTING ELIGIBLE BUSINESS SHALL CONTINUE IN EFFECT FOR THE**
23 **PERIOD SPECIFIED IN THE RESOLUTION ADOPTED UNDER SUBSECTION (1) FOR**
24 **THE NEW PERSONAL PROPERTY PURCHASED OR LEASED FROM THE EXISTING**
25 **ELIGIBLE BUSINESS BY THE ACQUIRING ELIGIBLE BUSINESS AND FOR ANY**
26 **NEW PERSONAL PROPERTY PURCHASED OR LEASED BY THE ACQUIRING ELIGIBLE**
27 **BUSINESS.**

1 (5) AFTER DECEMBER 31, 2007, AN EXEMPTION FOR AN EXISTING
2 ELIGIBLE BUSINESS SHALL CONTINUE IN EFFECT FOR AN ACQUIRING
3 ELIGIBLE BUSINESS UNDER SUBSECTION (4) ONLY IF THE CONTINUATION OF
4 THE EXEMPTION IS APPROVED IN A RESOLUTION ADOPTED BY THE GOVERNING
5 BODY OF AN ELIGIBLE LOCAL ASSESSING DISTRICT.

6 (6) ~~(4)~~—Notwithstanding the amendatory act that added section
7 2(1)(c), all of the following shall apply to an exemption under
8 this section that was approved by the state tax commission on or
9 before April 30, 1999, regardless of the effective date of the
10 exemption:

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

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

23 (7) ~~(5)~~—As used in this section:

24 (A) "ACQUIRING ELIGIBLE BUSINESS" MEANS AN ELIGIBLE BUSINESS
25 THAT PURCHASES OR LEASES ASSETS OF AN EXISTING ELIGIBLE BUSINESS,
26 INCLUDING THE PURCHASE OR LEASE OF NEW PERSONAL PROPERTY EXEMPT
27 UNDER THIS SECTION, AND THAT WILL CONDUCT BUSINESS OPERATIONS

1 SIMILAR TO THOSE OF THE EXISTING ELIGIBLE BUSINESS AT THE LOCATION
2 OF THE EXISTING ELIGIBLE BUSINESS WITHIN THE ELIGIBLE DISTRICT.

3 (B) ~~(a)~~—"Eligible business" means, effective August 7, 1998, a
4 business engaged primarily in manufacturing, mining, research and
5 development, wholesale trade, or office operations. Eligible
6 business does not include a casino, retail establishment,
7 professional sports stadium, or that portion of an eligible
8 business used exclusively for retail sales. As used in this
9 subdivision, "casino" means a casino regulated by this state
10 pursuant to the Michigan gaming control and revenue act, the
11 Initiated Law of 1996, MCL 432.201 to 432.226, and all property
12 associated or affiliated with the operation of a casino, including,
13 but not limited to, a parking lot, hotel, motel, or retail store.

14 (C) ~~(b)~~—"Eligible district" means 1 or more of the following:

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

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

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

21 (iv) A brownfield redevelopment zone as that term is designated
22 under the brownfield redevelopment financing act, 1996 PA 381, MCL
23 125.2651 to 125.2672.

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

27 (vi) An authority district or a development area as those terms

1 are defined in the tax increment finance authority act, 1980 PA
2 450, MCL 125.1801 to 125.1830.

3 (vii) An authority district as that term is defined in the
4 local development financing act, 1986 PA 281, MCL 125.2151 to
5 125.2174.

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

8 (D) ~~(e)~~—"Eligible distressed area" means 1 of the following:

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

11 (ii) An area that contains an eligible business as described in
12 section 8(5)(b)(ii) of the Michigan economic growth authority act,
13 1995 PA 24, MCL 207.808.

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

16 (F) **"EXISTING ELIGIBLE BUSINESS" MEANS AN ELIGIBLE BUSINESS**
17 **IDENTIFIED IN A RESOLUTION ADOPTED UNDER SUBSECTION (1) FOR WHICH**
18 **AN EXEMPTION HAS BEEN GRANTED UNDER THIS SECTION.**

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