

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4540**

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 sections 6 and 7 (MCL 207.556 and 207.557), section 6 as amended by 1996 PA 323 and section 7 as amended by 2008 PA 457.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 6. The legislative body of the local governmental unit,
- 2 not more than 60 days after receipt by its clerk of the
- 3 application, shall by resolution either approve or disapprove the
- 4 application for an industrial facilities exemption certificate in



1 accordance with section 9 and the other provisions of this act. If
2 disapproved, the reasons shall be set forth in writing in the
3 resolution. If approved, the clerk shall forward the application to
4 the commission within 60 days of approval or before October 31 of
5 that year, whichever is first, **OR AS OTHERWISE PROVIDED IN SECTION**
6 **7** in order to receive the industrial facilities exemption
7 certificate effective for the following year. If disapproved, the
8 clerk shall return the application to the applicant. The applicant
9 may appeal the disapproval to the commission within 10 days after
10 the date of the disapproval.

11 Sec. 7. (1) Within 60 days after receipt of an approved
12 application or an appeal of a disapproved application that was
13 submitted to the commission before October 31 of that year, the
14 commission shall determine whether the facility is a speculative
15 building or designed and acquired primarily for the purpose of
16 restoration or replacement of obsolete industrial property or the
17 construction of new industrial property, and whether the facility
18 otherwise complies with section 9 and with the other provisions of
19 this act. If the commission so finds, it shall issue an industrial
20 facilities exemption certificate. Before issuing a certificate the
21 commission shall notify the state treasurer of the application and
22 shall obtain the written concurrence of the department of energy,
23 labor, and economic growth that the application complies with the
24 requirements in section 9. Except as otherwise provided in **THIS**
25 **SECTION AND** section 7a, the effective date of the certificate for a
26 replacement facility or new facility is the immediately succeeding
27 December 31 following the date the certificate is issued. For a



1 speculative building or a portion of a speculative building, except
2 as otherwise provided in section 7a, the effective date of the
3 certificate is the immediately succeeding December 31 following the
4 date the speculative building, or the portion of a speculative
5 building, is used as a manufacturing facility.

6 (2) The commission shall send an industrial facilities
7 exemption certificate, when issued, by mail to the applicant, and a
8 certified copy by mail to the assessor of the assessing unit in
9 which the facility is located or to be located, and that copy shall
10 be filed in his or her office. Notice of the commission's refusal
11 to issue a certificate shall be sent by mail to the same persons.

12 (3) Notwithstanding any other provision of this act, if on
13 December 29, 1986 a local governmental unit passed a resolution
14 approving an exemption certificate for 10 years for real and
15 personal property but the commission did not receive the
16 application until 1992 and the application was not made complete
17 until 1995, then the commission shall issue, for that property, an
18 industrial facilities exemption certificate that begins December
19 30, 1987 and ends December 30, 1997.

20 (4) Notwithstanding any other provision of this act, if
21 pursuant to section 16a a local governmental unit passed a
22 resolution approving an industrial facilities exemption certificate
23 for a new facility on October 14, 2003 for a certificate that
24 expired in December 2002, the commission shall issue for that
25 property an industrial facilities exemption certificate that begins
26 on December 30, 2002 and ends December 30, 2009.

27 (5) Notwithstanding any other provision of this act, if on or



1 before February 10, 2007 a local governmental unit passed a
2 resolution approving an amendment of an industrial facilities
3 exemption certificate for a replacement facility and that
4 certificate was revoked by the commission effective December 30,
5 2005 with the order of revocation issued by the commission on April
6 10, 2006, notwithstanding the revocation, the commission shall
7 retroactively amend the certificate and give full effect to the
8 amended certificate, which shall include the additional personal
9 property expenditures described in the resolution amending the
10 certificate, for the period of time beginning when the certificate
11 was originally approved until the certificate was revoked.

12 (6) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF ON
13 JULY 23, 2012, A LOCAL GOVERNMENTAL UNIT PASSED A RESOLUTION
14 APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW
15 FACILITY, BUT THE APPLICATION WAS NOT MADE COMPLETE UNTIL 2013, THE
16 COMMISSION SHALL ISSUE FOR THAT PROPERTY AN INDUSTRIAL FACILITIES
17 EXEMPTION CERTIFICATE THAT BEGINS ON DECEMBER 31, 2012 AND ENDS
18 DECEMBER 31, 2024.

19 (7) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF ON
20 FEBRUARY 21, 2012, A LOCAL GOVERNMENTAL UNIT PASSED A RESOLUTION
21 APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW
22 FACILITY, BUT THE APPLICATION WAS NOT MADE COMPLETE UNTIL 2013, THE
23 COMMISSION SHALL ISSUE FOR THAT PROPERTY AN INDUSTRIAL FACILITIES
24 EXEMPTION CERTIFICATE THAT BEGINS ON DECEMBER 31, 2012.

25 (8) IF THE COMMISSION RECEIVES AN APPLICATION UNDER THIS ACT
26 FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW
27 FACILITY OR A REPLACEMENT FACILITY AND THE APPLICATION IS MADE



1 COMPLETE BEFORE OCTOBER 31 FOLLOWING THE YEAR IN WHICH THE
2 APPLICATION IS RECEIVED BY THE COMMISSION, THE COMMISSION MAY ISSUE
3 FOR THAT PROPERTY AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
4 THAT HAS AN EFFECTIVE DATE OF DECEMBER 31 OF THE YEAR IN WHICH THE
5 APPLICATION WAS RECEIVED BY THE COMMISSION.

6 (9) IF AN ERROR OR MISTAKE IN AN APPLICATION FOR AN INDUSTRIAL
7 FACILITIES EXEMPTION CERTIFICATE IS DISCOVERED AFTER THE LOCAL
8 GOVERNMENTAL UNIT HAS PASSED A RESOLUTION APPROVING THE APPLICATION
9 OR AFTER THE COMMISSION HAS ISSUED A CERTIFICATE FOR THE
10 APPLICATION, AN APPLICANT MAY SUBMIT AN AMENDED APPLICATION IN THE
11 SAME MANNER AS AN ORIGINAL APPLICATION UNDER THIS ACT THAT CORRECTS
12 THE ERROR OR MISTAKE. THE LEGISLATIVE BODY OF THE LOCAL
13 GOVERNMENTAL UNIT AND THE COMMISSION MAY APPROVE OR DENY THE
14 AMENDED APPLICATION. IF THE COMMISSION PREVIOUSLY ISSUED A
15 CERTIFICATE FOR THE ORIGINAL APPLICATION AND APPROVES AN AMENDED
16 APPLICATION UNDER THIS SUBSECTION, THE COMMISSION SHALL ISSUE AN
17 AMENDED CERTIFICATE FOR THE AMENDED APPLICATION WITH THE SAME
18 EFFECTIVE DATE AS THE ORIGINAL CERTIFICATE.

19 (10) IF THE CLERK OF THE QUALIFIED LOCAL GOVERNMENTAL UNTIL
20 FAILED TO FORWARD AN APPLICATION THAT WAS APPROVED BY THE
21 LEGISLATIVE BODY OF THE QUALIFIED LOCAL GOVERNMENTAL UNIT BEFORE
22 OCTOBER 31 OF THAT YEAR TO THE COMMISSION BEFORE OCTOBER 31 BUT
23 FILED THE APPLICATION BEFORE OCTOBER 31 OF THE IMMEDIATELY
24 SUCCEEDING YEAR AND THE COMMISSION APPROVES THE APPLICATION,
25 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE CERTIFICATE
26 SHALL BE CONSIDERED TO BE ISSUED ON DECEMBER 31 OF THE YEAR IN
27 WHICH THE LOCAL GOVERNMENTAL UNIT APPROVED THE APPLICATION.



1 (11) BEGINNING OCTOBER 1, 2013, THE COMMISSION SHALL DO ALL OF
2 THE FOLLOWING FOR EACH INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
3 APPROVED OR DISAPPROVED BY THE COMMISSION UNDER SUBSECTION (8),
4 (9), OR (10):

5 (A) NOTIFY THE OFFICE OF THE MEMBER OF THE HOUSE OF
6 REPRESENTATIVES OF THIS STATE AND THE OFFICE OF THE SENATOR OF THIS
7 STATE, WHO REPRESENT THE GEOGRAPHIC AREA IN WHICH THE PROPERTY
8 COVERED BY THE APPLICATION FOR A CERTIFICATE IS LOCATED, THAT AN
9 APPLICATION FOR A CERTIFICATE HAS BEEN APPROVED OR DISAPPROVED
10 UNDER SUBSECTION (8), (9), OR (10).

11 (B) PUBLISH ON ITS WEBSITE A COPY OF THE CERTIFICATE IF
12 APPROVED, OR A COPY OF THE DENIAL NOTICE IF DISAPPROVED, UNDER
13 SUBSECTION (8), (9), OR (10) AND WHATEVER ADDITIONAL INFORMATION
14 THE COMMISSION CONSIDERS APPROPRIATE REGARDING THE APPLICATION.

