

**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

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

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

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

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

13 (3) Notwithstanding any other provision of this act, if on  
14 December 29, 1986 a local governmental unit passed a resolution  
15 approving an exemption certificate for 10 years for real and  
16 personal property but the commission did not receive the  
17 application until 1992 and the application was not made complete  
18 until 1995, then the commission shall issue, for that property, an  
19 industrial facilities exemption certificate that begins December  
20 30, 1987 and ends December 30, 1997.

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

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

13           (6) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF ON  
14 JULY 23, 2012, A LOCAL GOVERNMENTAL UNIT PASSED A RESOLUTION  
15 APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW  
16 FACILITY, BUT THE APPLICATION WAS NOT MADE COMPLETE UNTIL 2013, THE  
17 COMMISSION SHALL ISSUE FOR THAT PROPERTY AN INDUSTRIAL FACILITIES  
18 EXEMPTION CERTIFICATE THAT BEGINS ON DECEMBER 30, 2012 AND ENDS  
19 DECEMBER 30, 2024.

20           (7) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IF ON  
21 FEBRUARY 21, 2012, A LOCAL GOVERNMENTAL UNIT PASSED A RESOLUTION  
22 APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW  
23 FACILITY, BUT THE APPLICATION WAS NOT MADE COMPLETE UNTIL 2013, THE  
24 COMMISSION SHALL ISSUE FOR THAT PROPERTY AN INDUSTRIAL FACILITIES  
25 EXEMPTION CERTIFICATE THAT BEGINS ON DECEMBER 30, 2012.

26           (8) IF THE COMMISSION RECEIVES AN APPLICATION UNDER THIS ACT  
27 FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW

1 FACILITY OR A REPLACEMENT FACILITY, BUT THE APPLICATION IS NOT MADE  
2 COMPLETE UNTIL AFTER DECEMBER 31 OF THE YEAR IN WHICH THE  
3 APPLICATION IS RECEIVED BY THE COMMISSION, THE COMMISSION MAY ISSUE  
4 FOR THAT PROPERTY AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
5 THAT HAS AN EFFECTIVE DATE OF DECEMBER 30 OF THE IMMEDIATELY  
6 PRECEDING YEAR.

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

20 (10) BEGINNING OCTOBER 1, 2013, THE COMMISSION SHALL DO ALL OF  
21 THE FOLLOWING FOR EACH INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
22 APPROVED OR DISAPPROVED BY THE COMMISSION UNDER SUBSECTION (8) OR  
23 (9):

24 (A) NOTIFY THE OFFICE OF THE MEMBER OF THE HOUSE OF  
25 REPRESENTATIVES OF THIS STATE AND THE OFFICE OF THE SENATOR OF THIS  
26 STATE, WHO REPRESENT THE GEOGRAPHIC AREA IN WHICH THE PROPERTY  
27 COVERED BY THE APPLICATION FOR A CERTIFICATE IS LOCATED, THAT AN

1 APPLICATION FOR A CERTIFICATE HAS BEEN APPROVED OR DISAPPROVED  
2 UNDER SUBSECTION (8) OR (9) .

3 (B) PUBLISH ON ITS WEBSITE A COPY OF THE APPLICATION FOR A  
4 CERTIFICATE AND A STATEMENT INDICATING WHETHER THE APPLICATION FOR  
5 A CERTIFICATE WAS APPROVED OR DISAPPROVED UNDER SUBSECTION (8) OR  
6 (9) AND WHATEVER ADDITIONAL INFORMATION THE COMMISSION CONSIDERS  
7 APPROPRIATE REGARDING THE APPLICATION.