

HOUSE BILL No. 6479

September 14, 2006, Introduced by Reps. Kahn, David Law, Moore, Mortimer, Pavlov, Farhat, Moolenaar, Walker, Shaffer, Wenke, Steil, Jones, Green, Stakoe, Taub, Vander Veen, Pearce, Meyer, Garfield, Hansen, Booher, Caul, Nitz, LaJoy, Marleau, Ball, Schuitmaker, Acciavatti, Rocca, Hoogendyk, Pastor, Robertson, Gaffney, Hune, Newell, Stewart and Emmons 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) IF AN EXISTING ELIGIBLE BUSINESS SELLS OR LEASES NEW**
20 **PERSONAL PROPERTY EXEMPT UNDER THIS SECTION TO AN ACQUIRING**
21 **ELIGIBLE BUSINESS, THE EXEMPTION GRANTED TO THE EXISTING ELIGIBLE**
22 **BUSINESS SHALL CONTINUE IN EFFECT FOR THE PERIOD SPECIFIED IN THE**
23 **RESOLUTION ADOPTED UNDER SUBSECTION (1) FOR THE NEW PERSONAL**
24 **PROPERTY PURCHASED OR LEASED FROM THE EXISTING ELIGIBLE BUSINESS BY**
25 **THE ACQUIRING ELIGIBLE BUSINESS AND FOR ANY NEW PERSONAL PROPERTY**
26 **PURCHASED OR LEASED BY THE ACQUIRING ELIGIBLE BUSINESS.**

27 (5) ~~-(4)-~~ Notwithstanding the amendatory act that added

1 section 2(1)(c), all of the following shall apply to an exemption
2 under this section that was approved by the state tax commission on
3 or before April 30, 1999, regardless of the effective date of the
4 exemption:

5 (a) The exemption shall be continued for the term authorized
6 by the resolution adopted by the governing body of the eligible
7 local assessing district and approved by the state tax commission
8 with respect to buildings and improvements constructed on leased
9 real property during the term of the exemption if the value of the
10 real property is not assessed to the owner of the buildings and
11 improvements.

12 (b) The exemption shall not be impaired or restricted with
13 respect to buildings and improvements constructed on leased real
14 property during the term of the exemption if the value of the real
15 property is not assessed to the owner of the buildings and
16 improvements.

17 (6) ~~(5)~~ As used in this section:

18 (A) "ACQUIRING ELIGIBLE BUSINESS" MEANS AN ELIGIBLE BUSINESS
19 THAT PURCHASES OR LEASES ASSETS OF AN EXISTING ELIGIBLE BUSINESS,
20 INCLUDING THE PURCHASE OR LEASE OF NEW PERSONAL PROPERTY EXEMPT
21 UNDER THIS SECTION, AND THAT WILL CONDUCT BUSINESS OPERATIONS
22 SIMILAR TO THOSE OF THE EXISTING ELIGIBLE BUSINESS AT THE LOCATION
23 OF THE EXISTING ELIGIBLE BUSINESS WITHIN THE ELIGIBLE DISTRICT.

24 (B) ~~(a)~~ "Eligible business" means, effective August 7, 1998,
25 a business engaged primarily in manufacturing, mining, research and
26 development, wholesale trade, or office operations. Eligible
27 business does not include a casino, retail establishment,

1 professional sports stadium, or that portion of an eligible
2 business used exclusively for retail sales. As used in this
3 subdivision, "casino" means a casino regulated by this state
4 pursuant to the Michigan gaming control and revenue act, the
5 Initiated Law of 1996, MCL 432.201 to 432.226, and all property
6 associated or affiliated with the operation of a casino, including,
7 but not limited to, a parking lot, hotel, motel, or retail store.

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

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

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

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

16 (iv) A brownfield redevelopment zone as that term is designated
17 under the brownfield redevelopment financing act, 1996 PA 381, MCL
18 125.2651 to 125.2672.

19 (v) An empowerment zone designated under subchapter U of
20 chapter 1 of the internal revenue code of 1986, 26 USC 1391 to
21 1397F.

22 (vi) An authority district or a development area as those terms
23 are defined in the tax increment finance authority act, 1980 PA
24 450, MCL 125.1801 to 125.1830.

25 (vii) An authority district as that term is defined in the
26 local development financing act, 1986 PA 281, MCL 125.2151 to
27 125.2174.

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

3 (D) ~~-(e)-~~ "Eligible distressed area" means 1 of the following:

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

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

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

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

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