

**SUBSTITUTE FOR
HOUSE BILL NO. 4629**

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 section 3 (MCL 207.553), as amended by 1996 PA 1.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) "Plant rehabilitation district" means an area of a
2 local governmental unit established as provided in section 4.

3 (2) "Industrial development district" means an area
4 established by a local governmental unit as provided in section 4.

1 (3) "Industrial facility tax" means the specific tax levied
2 under this act.

3 (4) "Industrial facilities exemption certificate" means a
4 certificate issued pursuant to sections 5, 6, and 7.

5 (5) "Replacement" means the complete or partial demolition of
6 obsolete industrial property and the complete or partial
7 reconstruction or installation of new property of similar utility.

8 (6) "Restoration" means changes to obsolete industrial
9 property other than replacement as may be required to restore the
10 property, together with all appurtenances to the property, to an
11 economically efficient functional condition. Restoration does not
12 include delayed maintenance or the substitution or addition of
13 tangible personal property without major renovation of the
14 industrial property. A program involving expenditures for changes
15 to the industrial property improvements aggregating less than 10%
16 of the true cash value at commencement of the restoration of the
17 industrial property improvements is delayed maintenance.
18 Restoration includes major renovation including but not necessarily
19 limited to the improvement of floor loads, correction of deficient
20 or excessive height, new or improved building equipment, including
21 heating, ventilation, and lighting, reducing multistory facilities
22 to 1 or 2 stories, improved structural support including
23 foundations, improved roof structure and cover, floor replacement,
24 improved wall placement, improved exterior and interior appearance
25 of buildings, improvements or modifications of machinery and
26 equipment to improve efficiency, decrease operating costs, or to
27 increase productive capacity, and other physical changes as may be

1 required to restore the industrial property to an economically
2 efficient functional condition, and shall include land and building
3 improvements and other tangible personal property incident to the
4 improvements.

5 (7) "State equalized valuation" means the valuation determined
6 under ~~Act No. 44 of the Public Acts of 1911, being sections 209.1~~
7 ~~to 209.8 of the Michigan Compiled Laws 1911 PA 44, MCL 209.1 TO~~
8 **209.8.**

9 (8) "Speculative building" means a new building that meets all
10 of the following criteria and the machinery, equipment, furniture,
11 and fixtures located in the new building:

12 (a) The building is owned by, or approved as a speculative
13 building by resolution of, a local governmental unit in which the
14 building is located or the building is owned by a development
15 organization and located in the district of the development
16 organization.

17 (b) The building is constructed for the purpose of providing a
18 manufacturing facility before the identification of a specific user
19 of that building.

20 (c) The building does not qualify as a replacement facility.

21 (9) "Development organization" means any economic development
22 corporation, downtown development authority, tax increment
23 financing authority, or an organization under the supervision of
24 and created for economic development purposes by a local
25 governmental unit.

26 (10) "Manufacturing facility" means buildings and structures,
27 including the machinery, equipment, furniture, and fixtures located

1 therein, the primary purpose of which is 1 or more of the
2 following:

3 (a) The manufacture of goods or materials or the processing of
4 goods and materials by physical or chemical change.

5 (b) The provision of research and development laboratories of
6 companies whether or not the company manufactures the products
7 developed from their research activities.

8 (11) "Taxable value" means that value determined under section
9 27a of the general property tax act, ~~Act No. 206 of the Public Acts~~
10 ~~of 1893, being section 211.27a of the Michigan Compiled Laws 1893~~
11 ~~PA 206, MCL 211.27A.~~

12 (12) "STRATEGIC RESPONSE CENTER" MEANS A FACILITY THAT
13 PROVIDES CATASTROPHE RESPONSE SOLUTIONS THROUGH THE DEVELOPMENT AND
14 STAFFING OF A NATIONAL RESPONSE CENTER FOR WHICH A PLANT
15 REHABILITATION DISTRICT OR AN INDUSTRIAL DEVELOPMENT DISTRICT WAS
16 CREATED BEFORE DECEMBER 31, 2007.

17 Enacting section 1. This amendatory act does not take effect
18 unless Senate Bill No. 400 of the 94th Legislature is enacted into
19 law.