

# SENATE BILL NO. 1107

June 30, 2022, Introduced by Senator DALEY and referred to the Committee on Energy and Technology.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 9 and 9f (MCL 211.9 and 211.9f), section 9 as  
amended by 2011 PA 290 and section 9f as amended by 2017 PA 261.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 9. (1) The following personal property, and real property  
2 described in subdivision (j) (i), is exempt from taxation:

3           (a) The personal property of charitable, educational, and  
4 scientific institutions incorporated under the laws of this state.

1 This exemption does not apply to secret or fraternal societies, but  
2 the personal property of all charitable homes of secret or  
3 fraternal societies and nonprofit corporations that own and operate  
4 facilities for the aged and chronically ill in which the net income  
5 from the operation of the nonprofit corporations or secret or  
6 fraternal societies does not inure to the benefit of a person other  
7 than the residents is exempt.

8 (b) The property of all library associations, circulating  
9 libraries, libraries of reference, and reading rooms owned or  
10 supported by the public and not used for gain.

11 (c) The property of posts of the grand army of the republic,  
12 sons of veterans' unions, and of the women's relief corps connected  
13 with them, of young men's Christian associations, women's Christian  
14 temperance union associations, young people's Christian unions, a  
15 boy or girl scout or camp fire girls organization, 4-H clubs, and  
16 other similar associations.

17 (d) Pensions receivable from the United States.

18 (e) The property of Indians who are not citizens.

19 (f) The personal property owned and used by a householder such  
20 as customary furniture, fixtures, provisions, fuel, and other  
21 similar equipment, wearing apparel including personal jewelry,  
22 family pictures, school books, library books of reference, and  
23 allied items. Personal property is not exempt under this  
24 subdivision if it is used to produce income, if it is held for  
25 speculative investment, or if it constitutes an inventory of goods  
26 for sale in the regular course of trade.

27 (g) Household furnishings, provisions, and fuel of not more  
28 than \$5,000.00 in taxable value, of each social or professional  
29 fraternity, sorority, and student cooperative house recognized by

1 the educational institution at which it is located.

2 (h) The working tools of a mechanic of not more than \$500.00  
 3 in taxable value. "Mechanic", as used in this subdivision, means a  
 4 person skilled in a trade pertaining to a craft or in the  
 5 construction or repair of machinery if the person's employment by  
 6 others ~~is dependent on his or her furnishing~~ **requires the person to**  
 7 **furnish** the tools.

8 (i) Fire engines and other implements used in extinguishing  
 9 fires owned or used by an organized or independent fire company.

10 (j) Property actually used in agricultural operations and farm  
 11 implements held for sale or resale by retail servicing dealers for  
 12 use in agricultural production. As used in this subdivision,  
 13 "agricultural operations" means farming in all its branches,  
 14 including cultivation of the soil, growing and harvesting of an  
 15 agricultural, horticultural, or floricultural commodity, dairying,  
 16 raising of livestock, bees, fur-bearing animals, or poultry, turf  
 17 and tree farming, raising and harvesting of fish, collecting,  
 18 evaporating, and preparing maple syrup if the owner of the property  
 19 has \$25,000.00 or less in annual gross wholesale sales, and any  
 20 practices performed by a farmer or on a farm as an incident to, or  
 21 in conjunction with, farming operations, but excluding retail sales  
 22 and food processing operations. Property used in agricultural  
 23 operations includes all of the following:

24 (i) A methane digester and a methane digester electric  
 25 generating system if the person claiming the exemption complies  
 26 with all of the following:

27 (A) After the construction of the methane digester or the  
 28 methane digester electric generating system is completed, the  
 29 person claiming the exemption submits to the local tax collecting

1 unit an application for the exemption and a copy of certification  
2 from the department of agriculture **and rural development** that it  
3 has verified that the farm operation on which the methane digester  
4 or methane digester electric generating system is located is in  
5 compliance with the appropriate system of the Michigan agriculture  
6 environmental assurance program in the year immediately preceding  
7 the year in which the affidavit is submitted. Three years after an  
8 application for exemption is approved and every 3 years thereafter,  
9 the person claiming the exemption shall submit to the local tax  
10 collecting unit an affidavit attesting that the department of  
11 agriculture **and rural development** has verified that the farm  
12 operation on which the methane digester or methane digester  
13 electric generating system is located is in compliance with the  
14 appropriate system of the Michigan agriculture environmental  
15 assurance program. The application for the exemption under this  
16 subparagraph ~~shall~~**must** be in a form prescribed by the department  
17 of treasury and ~~shall~~**must** be provided to the person claiming the  
18 exemption by the local tax collecting unit.

19 (B) When the application is submitted to the local tax  
20 collecting unit, the person claiming the exemption also submits  
21 certification provided by the department of ~~environmental quality~~  
22 **environment, Great Lakes, and energy** that ~~he or she~~**the person** is  
23 not currently being investigated for a violation of part 31 of the  
24 natural resources and environmental protection act, 1994 PA 451,  
25 MCL 324.3101 to ~~324.3133,~~ **324.3134**, that within a 3-year period  
26 immediately preceding the date the application is submitted to the  
27 local tax collecting unit, ~~he or she~~**the person** has not been found  
28 guilty of a criminal violation under part 31 of the natural  
29 resources and environmental protection act, 1994 PA 451, MCL

1 324.3101 to ~~324.3133~~, **324.3134**, and that within a 1-year period  
2 immediately preceding the date the application is submitted to the  
3 local tax collecting unit, ~~he or she~~ **the person** has not been found  
4 responsible for a civil violation that resulted in a civil fine of  
5 \$10,000.00 or more under part 31 of the natural resources and  
6 environmental protection act, 1994 PA 451, MCL 324.3101 to  
7 ~~324.3133~~. **324.3134**.

8 (C) The person claiming an exemption cooperates by allowing  
9 access for not more than 2 universities to collect information  
10 regarding the effectiveness of the methane digester and the methane  
11 digester electric generating system in generating electricity and  
12 processing animal waste and production area waste. Information  
13 collected under this sub-subparagraph ~~shall~~ **must** not be provided to  
14 the public in a manner that would identify the owner of the methane  
15 digester or the methane digester electric generating system or the  
16 farm operation on which the methane digester or the methane  
17 digester electric generating system is located. The identity of the  
18 owner of the methane digester or the methane digester electric  
19 generating system and the identity of the owner and location of the  
20 farm operation on which the methane digester or the methane  
21 digester electric generating system is located are exempt from  
22 disclosure under the freedom of information act, 1976 PA 442, MCL  
23 15.231 to 15.246. As used in this sub-subparagraph, "university"  
24 means a public 4-year institution of higher education created under  
25 article VIII of the state constitution of 1963.

26 (D) The person claiming the exemption ensures that the methane  
27 digester and methane digester electric generating system are  
28 operated under the specific supervision and control of persons  
29 certified by the department of agriculture **and rural development** as

1 properly qualified to operate the methane digester, methane  
 2 digester electric generating system, and related waste treatment  
 3 and control facilities. The department of agriculture **and rural**  
 4 **development** shall consult with the department of ~~environmental~~  
 5 ~~quality environment, Great Lakes, and energy~~ and the Michigan ~~state~~  
 6 ~~university cooperative extension service~~ **State University**  
 7 **Cooperative Extension Service** in developing the operator  
 8 certification program.

9 (ii) A biomass gasification system. As used in this  
 10 subparagraph, "biomass gasification system" means apparatus and  
 11 equipment that thermally decomposes agricultural, food, or animal  
 12 waste at high temperatures and in an oxygen-free or a controlled  
 13 oxygen-restricted environment into a gaseous fuel and the equipment  
 14 used to generate electricity or heat from the gaseous fuel or store  
 15 the gaseous fuel for future generation of electricity or heat.

16 (iii) A thermal depolymerization system. As used in this  
 17 subparagraph, "thermal depolymerization system" means apparatus and  
 18 equipment that use heat to break down natural and synthetic  
 19 polymers and that can accept only organic waste.

20 (iv) Machinery that is capable of simultaneously harvesting  
 21 grain or other crops and biomass and machinery used for the purpose  
 22 of harvesting biomass. As used in this subparagraph, "biomass"  
 23 means crop residue used to produce energy or agricultural crops  
 24 grown specifically for the production of energy.

25 (v) Machinery used to prepare the crop for market operated  
 26 incidental to a farming operation that does not substantially alter  
 27 the form, shape, or substance of the crop and is limited to  
 28 cleaning, cooling, washing, pitting, grading, sizing, sorting,  
 29 drying, bagging, boxing, crating, and handling if not less than 33%

1 of the volume of the crops processed in the year ending on the  
2 applicable tax day or in at least 3 of the immediately preceding 5  
3 years were grown by the farmer in Michigan who is the owner or user  
4 of ~~this state that owns or uses~~ the crop processing machinery.

5 (vi) Machinery used to install land tile on property exempt  
6 under section 7ee as qualified agricultural property. If machinery  
7 is used to install land tile on property other than qualified  
8 agricultural property, that machinery is exempt only to the extent  
9 that it is used to install land tile on qualified agricultural  
10 property. A person claiming an exemption under this section shall  
11 indicate the machinery's percentage of exempt use in the statement  
12 submitted under section 19. As used in this subparagraph, "land  
13 tile" means fired clay or perforated plastic tubing used as part of  
14 a subsurface drainage system for land.

15 (vii) Machinery used to install or implement soil and water  
16 conservation techniques on property exempt under section 7ee as  
17 qualified agricultural property. If machinery is used to install or  
18 implement soil and water conservation techniques on property other  
19 than qualified agricultural property, that machinery is exempt only  
20 to the extent that it is used to install or implement soil and  
21 water conservation techniques on qualified agricultural property. A  
22 person claiming an exemption under this section shall indicate the  
23 machinery's percentage of exempt use in the statement submitted  
24 under section 19. As used in this subparagraph, "soil and water  
25 conservation techniques" means techniques for the conservation of  
26 soil and water described in the field office technical guide  
27 published by the ~~natural resources conservation service~~ **Natural**  
28 **Resources Conservation Service** of the United States ~~department of~~  
29 ~~agriculture.~~ **Department of Agriculture.**

1 (k) Personal property of not more than \$500.00 in taxable  
2 value used by a householder in the operation of a business in the  
3 householder's dwelling or at 1 other location in the city,  
4 township, or village in which the householder resides.

5 (l) The products, materials, or goods processed or otherwise  
6 and in whatever form, but expressly excepting alcoholic beverages,  
7 located in a public warehouse, United States ~~eustoms~~**Customs** port  
8 of entry bonded warehouse, dock, or port facility on December 31 of  
9 each year, if those products, materials, or goods are designated as  
10 in transit to destinations outside this state pursuant to the  
11 published tariffs of a railroad or common carrier by filing the  
12 freight bill covering the products, materials, or goods with the  
13 agency designated by the tariffs, entitling the shipper to  
14 transportation rate privileges. Products in a United States ~~eustoms~~  
15 **Customs** port of entry bonded warehouse that arrived from another  
16 state or a foreign country, whether awaiting shipment to another  
17 state or to a final destination within this state, are considered  
18 to be in transit and temporarily at rest, and not subject to the  
19 collection of taxes under this act. To obtain an exemption for  
20 products, materials, or goods under this subdivision, the owner  
21 shall file a sworn statement with, and in the form required by, the  
22 assessing officer of the tax district in which the warehouse, dock,  
23 or port facility is located, at a time between the tax day,  
24 December 31, and before the assessing officer closes the assessment  
25 rolls describing the products, materials, or goods, and reporting  
26 their cost and value as of December 31 of each year. The status of  
27 persons and products, materials, or goods for which an exemption is  
28 requested is determined as of December 31, which is the tax day.  
29 Any property located in a public warehouse, dock, or port facility



1 on December 31 of each year that is exempt from taxation under this  
2 subdivision but that is not shipped outside this state pursuant to  
3 the particular tariff under which the transportation rate privilege  
4 was established ~~shall~~**must** be assessed upon the immediately  
5 succeeding or a subsequent assessment roll by the assessing officer  
6 and taxed at the same rate of taxation as other taxable property  
7 for the year or years for which the property was exempted to the  
8 owner at the time of the omission unless the owner or person  
9 entitled to possession of the products, materials, or goods is a  
10 resident of, or authorized to do business in, this state and files  
11 with the assessing officer, with whom statements of taxable  
12 property are required to be filed, a statement under oath that the  
13 products, materials, or goods are not for sale or use in this state  
14 and will be shipped to a point or points outside this state. If a  
15 person, firm, or corporation claims exemption by filing a sworn  
16 statement, the person, firm, or corporation shall append to the  
17 statement of taxable property required to be filed in the  
18 immediately succeeding year or, if a statement of taxable property  
19 is not filed for the immediately succeeding year, to a sworn  
20 statement filed on a form required by the assessing officer, a  
21 complete list of the property for which the exemption was claimed  
22 with a statement of the manner of shipment and of the point or  
23 points to which the products, materials, or goods were shipped from  
24 the public warehouse, dock, or port facility. The assessing officer  
25 shall assess the products, materials, or goods not shipped to a  
26 point or points outside this state upon the immediately succeeding  
27 assessment roll or on a subsequent assessment roll and the  
28 products, materials, or goods ~~shall~~**must** be taxed at the same rate  
29 of taxation as other taxable property for the year or years for

1 which the property was exempted to the owner at the time of the  
2 omission. The records, accounts, and books of warehouses, docks, or  
3 port facilities, individuals, partnerships, corporations, owners,  
4 or those in possession of tangible personal property ~~shall~~**must** be  
5 open to and available for inspection, examination, or auditing by  
6 assessing officers. A warehouse, dock, port facility, individual,  
7 partnership, corporation, owner, or person in possession of  
8 tangible personal property shall report within 90 days after  
9 shipment of products, materials, or goods in transit, for which an  
10 exemption under this section was claimed or granted, the  
11 destination of shipments or parts of shipments and the cost value  
12 of those shipments or parts of shipments to the assessing officer.  
13 A warehouse, dock, port facility, individual, partnership,  
14 corporation, or owner is subject to a fine of \$100.00 for each  
15 failure to report the destination and cost value of shipments or  
16 parts of shipments as required in this subdivision. A person, firm,  
17 individual, partnership, corporation, or owner failing to report  
18 products, materials, or goods located in a warehouse, dock, or port  
19 facility to the assessing officer is subject to a fine of \$100.00  
20 and a penalty of 50% of the final amount of taxes found to be  
21 assessable for the year on property not reported, the assessable  
22 taxes and penalty to be spread on a subsequent assessment roll in  
23 the same manner as general taxes on personal property. For the  
24 purpose of this subdivision, a public warehouse, dock, or port  
25 facility means a warehouse, dock, or port facility owned or  
26 operated by a person, firm, or corporation engaged in the business  
27 of storing products, materials, or goods for hire for profit ~~who~~  
28 **that** issues a schedule of rates for storage of the products,  
29 materials, or goods and ~~who~~**that** issues warehouse receipts pursuant

1 ~~to~~**under** 1909 PA 303, MCL 443.50 to 443.55. A United States ~~customs~~  
2 **Customs** port of entry bonded warehouse means a customs warehouse  
3 within a classification designated by 19 CFR 19.1 and that is  
4 located in a port of entry, as defined by 19 CFR 101.1. A portion  
5 of a public warehouse, United States ~~customs~~**Customs** port of entry  
6 bonded warehouse, dock, or port facility leased to a tenant or a  
7 portion of any premises owned or leased or operated by a consignor  
8 or consignee or an affiliate or subsidiary of the consignor or  
9 consignee is not a public warehouse, dock, or port facility.

10 (m) Personal property owned by a bank or trust company  
11 organized under the laws of this state, a national banking  
12 association, or an incorporated bank holding company as defined in  
13 section 1841 of the bank holding company act of 1956, 12 USC 1841,  
14 that controls a bank, national banking association, trust company,  
15 or industrial bank subsidiary located in this state. Buildings  
16 owned by a state or national bank, trust company, or incorporated  
17 bank holding company and situated upon real property that the state  
18 or national bank, trust company, or incorporated bank holding  
19 company is not the owner of the fee are considered real property  
20 and are not exempt under this section. Personal property owned by a  
21 state or national bank, trust company, or incorporated bank holding  
22 company that is leased, loaned, or otherwise made available to and  
23 used by a private individual, association, or corporation in  
24 connection with a business conducted for profit is not exempt under  
25 this section.

26 (n) Farm products, processed or otherwise, the ultimate use of  
27 which is for human or animal consumption as food, except wine,  
28 beer, and other alcoholic beverages regularly placed in storage in  
29 a public warehouse, dock, or port facility while in storage are

1 considered in transit and only temporarily at rest and are not  
2 subject to the collection of taxes under this act. The assessing  
3 officer is the determining authority as to what constitutes, is  
4 defined as, or classified as, farm products as used in this  
5 subdivision. The records, accounts, and books of warehouses, docks,  
6 or port facilities, individuals, partnerships, corporations,  
7 owners, or those in possession of farm products ~~shall~~**must** be open  
8 to and available for inspection, examination, or auditing by  
9 assessing officers.

10 (o) Sugar, in solid or liquid form, produced from sugar beets,  
11 dried beet pulp, and beet molasses if owned or held by processors.

12 (p) The personal property of a parent cooperative preschool.  
13 As used in this subdivision and section 7z, "parent cooperative  
14 preschool" means a nonprofit, nondiscriminatory educational  
15 institution maintained as a community service and administered by  
16 parents of children currently enrolled in the preschool, that  
17 provides an educational and developmental program for children  
18 younger than compulsory school age, that provides an educational  
19 program for parents, including active participation with children  
20 in preschool activities, that is directed by qualified preschool  
21 personnel, and that is licensed under 1973 PA 116, MCL 722.111 to  
22 722.128.

23 (q) All equipment used exclusively in wood harvesting, but not  
24 including portable or stationary sawmills or other equipment used  
25 in secondary processing operations. As used in this subdivision,  
26 "wood harvesting" means clearing land for forest management  
27 purposes, planting trees, all forms of cutting or chipping trees,  
28 and loading trees on trucks for removal from the harvest area.

29 (r) Liquefied petroleum gas tanks located on residential or

1 agricultural property used to store liquefied petroleum gas for  
2 residential or agricultural property use.

3 (s) Water conditioning systems used for a residential  
4 dwelling.

5 (t) For taxes levied after December 31, 2000, aircraft  
6 excepted from the registration provisions of the aeronautics code  
7 of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and  
8 all other aircraft operating under the provisions of a certificate  
9 issued under 14 CFR part 121, and all spare parts for such  
10 aircraft.

11 (u) **A facility for which a solar energy facility exemption**  
12 **certificate has been issued under the solar energy facilities**  
13 **taxation act, but not the land on which the facility is or will be**  
14 **located, for the period beginning on the effective date of the**  
15 **solar energy facility exemption certificate and continuing as long**  
16 **as the certificate is in force.**

17 (2) As used in this section:

18 (a) "Biogas" means a mixture of gases composed primarily of  
19 methane and carbon dioxide.

20 (b) "Methane digester" means a system designed to facilitate  
21 the production, recovery, and storage of biogas from the anaerobic  
22 microbial digestion of animal or food waste.

23 (c) "Methane digester electric generating system" means a  
24 methane digester and the apparatus and equipment used to generate  
25 electricity or heat from biogas or to store biogas for the future  
26 generation of electricity or heat.

27 Sec. 9f. (1) The governing body of an eligible local assessing  
28 district or, subject to subsection (5), the board of a Next  
29 Michigan development corporation in which an eligible local

1 assessing district is a constituent member may adopt a resolution  
2 to exempt from the collection of taxes under this act all new  
3 personal property owned or leased by an eligible business located  
4 in 1 or more eligible districts or distressed parcels designated in  
5 the resolution or an eligible Next Michigan business as provided in  
6 this section. The clerk of the eligible local assessing district or  
7 the recording officer of a Next Michigan development corporation  
8 shall notify in writing the assessor of the township or city in  
9 which the eligible district or distressed parcel is located and the  
10 legislative body of each taxing unit that levies ad valorem  
11 property taxes in the eligible local assessing district in which  
12 the eligible district or distressed parcel is located. Before  
13 acting on the resolution, the governing body of the eligible local  
14 assessing district or a Next Michigan development corporation shall  
15 afford the assessor and a representative of the affected taxing  
16 units an opportunity for a hearing.

17 (2) The exemption under this section is effective on the  
18 December 31 immediately succeeding the adoption of the resolution  
19 by the governing body of the eligible local assessing district or a  
20 Next Michigan development corporation and, except as otherwise  
21 provided in subsection (9), ~~shall continue~~ **continues** in effect for  
22 a period specified in the resolution. However, an exemption ~~shall~~  
23 **must** not be granted under this section after December 31, 2012 for  
24 an eligible business located in an eligible district identified in  
25 subsection (11) (f) (ix) or in an eligible local assessing district  
26 identified in subsection (11) (h) (ii). A copy of the resolution ~~shall~~  
27 **must** be filed with the state tax commission, the state treasurer,  
28 and the president of the Michigan strategic fund. A resolution is  
29 not effective unless approved as provided in subsection (3).

1 (3) Not more than 60 days after receipt of a copy of the  
2 resolution adopted by the governing body of an eligible local  
3 assessing district under subsection (1), the state tax commission  
4 shall determine if the new personal property subject to the  
5 exemption is owned or leased by an eligible business and if the  
6 eligible business is located in 1 or more eligible districts. If  
7 the state tax commission determines that the new personal property  
8 subject to the exemption is owned or leased by an eligible business  
9 and that the eligible business is located in 1 or more eligible  
10 districts, the state treasurer, with the written concurrence of the  
11 president of the Michigan strategic fund, shall approve the  
12 resolution adopted under subsection (1) if the state treasurer and  
13 the president of the Michigan strategic fund determine that  
14 exempting new personal property of the eligible business is  
15 necessary to reduce unemployment, promote economic growth, and  
16 increase capital investment in this state. In addition, for an  
17 eligible business located in an eligible local assessing district  
18 described in subsection (11) (h) (ii), the resolution adopted under  
19 subsection (1) ~~shall~~**must** be approved if the state treasurer and  
20 the president of the Michigan strategic fund determine that  
21 granting the exemption is a net benefit to this state, that  
22 expansion, retention, or location of an eligible business will not  
23 occur in this state without this exemption, and that there is no  
24 significant negative effect on employment in other parts of this  
25 state as a result of the exemption.

26 (4) After December 31, 2016, a governing body of an eligible  
27 local assessing district shall not adopt a resolution under  
28 subsection (1) exempting new personal property from the collection  
29 of taxes under this act without a written agreement entered into

1 with the eligible business subject to the exemption, which written  
2 agreement contains a remedy provision that includes, but is not  
3 limited to, the following:

4 (a) A requirement that the exemption under this section is  
5 revoked if the eligible business is determined to be in violation  
6 of the provisions of the written agreement.

7 (b) A requirement that the eligible business may be required  
8 to repay all or part of the personal property taxes exempted under  
9 this section if the eligible business is determined to be in  
10 violation of the provisions of the written agreement.

11 (c) A requirement that the exemption under this section is  
12 revoked if the eligible business is determined to be in violation  
13 of the provisions concerning the exemption set forth in the  
14 resolution adopted under subsection (1).

15 (d) A requirement that the exemption under this section is  
16 revoked if continuance of the exemption would be contrary to any of  
17 the requirements of this section, including, but not limited to,  
18 the requirement that the eligible business be an eligible business  
19 or an acquiring eligible business under this section.

20 (5) A Next Michigan development corporation may only adopt a  
21 resolution under subsection (1) exempting new personal property  
22 from the collection of taxes under this act for new personal  
23 property located in a Next Michigan development district. A Next  
24 Michigan development corporation shall not adopt a resolution under  
25 subsection (1) exempting new personal property from the collection  
26 of taxes under this act without a written agreement entered into  
27 with the eligible Next Michigan business subject to the exemption,  
28 which written agreement contains a remedy provision that includes,  
29 but is not limited to, all of the following:



1 (a) A requirement that the exemption under this section is  
2 revoked if the eligible Next Michigan business is determined to be  
3 in violation of the provisions of the written agreement.

4 (b) A requirement that the eligible Next Michigan business may  
5 be required to repay all or part of the personal property taxes  
6 exempted under this section if the eligible Next Michigan business  
7 is determined to be in violation of the provisions of the written  
8 agreement.

9 (c) For an agreement entered into after December 31, 2016, a  
10 requirement that the exemption under this section is revoked if the  
11 eligible Next Michigan business is determined to be in violation of  
12 the provisions concerning the exemption set forth in the resolution  
13 adopted under subsection (1).

14 (d) For an agreement entered into after December 31, 2016, a  
15 requirement that the exemption under this section is revoked if  
16 continuance of the exemption would be contrary to any of the  
17 requirements of this section, including, but not limited to, the  
18 requirement that the eligible Next Michigan business be an eligible  
19 business or an acquiring eligible business under this section.

20 (6) Subject to subsections (7) and (9), if an existing  
21 eligible business sells or leases new personal property exempt  
22 under this section to an acquiring eligible business, the exemption  
23 granted to the existing eligible business ~~shall continue~~ **continues**  
24 in effect for the period specified in the resolution adopted under  
25 subsection (1) for the new personal property purchased or leased  
26 from the existing eligible business by the acquiring eligible  
27 business and for any new personal property purchased or leased by  
28 the acquiring eligible business.

29 (7) After December 31, 2007, an exemption for an existing

1 eligible business ~~shall continue~~ **continues** in effect for an  
2 acquiring eligible business under subsection (6) only if the  
3 continuation of the exemption is approved in a resolution adopted  
4 by the governing body of an eligible local assessing district or  
5 the board of a Next Michigan development corporation in which the  
6 eligible local assessing district is a constituent member.

7 (8) Notwithstanding 2000 PA 415, all of the following ~~shall~~  
8 apply to an exemption under this section that was approved by the  
9 state tax commission on or before April 30, 1999, regardless of the  
10 effective date of the exemption:

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

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

23 (9) Notwithstanding any other provision of this section to the  
24 contrary, if new personal property exempt under this section on or  
25 after December 31, 2012 is eligible manufacturing personal  
26 property, that eligible manufacturing personal property ~~shall~~  
27 ~~remain~~ **remains** exempt under this section until the later of the  
28 following:

29 (a) The date that eligible manufacturing personal property

1 would otherwise be exempt from the collection of taxes under this  
2 act under section 9m, 9n, or 9o.

3 (b) The date that eligible manufacturing personal property is  
4 no longer exempt under the resolution adopted under subsection (1).

5 (10) An eligible business that owns or leases new personal  
6 property that is exempt under this section and that is eligible  
7 personal property shall deliver the combined document in the time,  
8 form, and manner prescribed in sections 9m and 9n to the assessor  
9 of the township or city in which the eligible personal property is  
10 located each year that the new personal property is eligible  
11 personal property. The form ~~shall~~**must** indicate that the new  
12 personal property is eligible personal property.

13 (11) As used in this section:

14 (a) "Acquiring eligible business" means an eligible business  
15 that purchases or leases assets of an existing eligible business,  
16 including the purchase or lease of new personal property exempt  
17 under this section, and that will conduct business operations  
18 similar to those of the existing eligible business at the location  
19 of the existing eligible business within the eligible district.

20 (b) "Authorized business" means that term as defined in  
21 section 3 of the Michigan economic growth authority act, 1995 PA  
22 24, MCL 207.803.

23 (c) "Eligible manufacturing personal property" means that term  
24 as defined in section 9m.

25 (d) "Distressed parcel" means a parcel of real property  
26 located in a city or village that meets all of the following  
27 conditions:

28 (i) Is located in a qualified downtown revitalization district.  
29 As used in this subparagraph, "qualified downtown revitalization

1 district" means an area located within 1 or more of the following:

2 (A) The boundaries of a downtown district as defined in  
 3 section ~~1 of 1975 PA 197, MCL 125.1651.201~~ **of the recodified tax**  
 4 **increment financing act, 2018 PA 57, MCL 125.4201.**

5 (B) The boundaries of a principal shopping district or a  
 6 business improvement district as defined in section 1 of 1961 PA  
 7 120, MCL 125.981.

8 (C) The boundaries of the local governmental unit in an area  
 9 that is zoned and primarily used for business as determined by the  
 10 local governmental unit.

11 (ii) Meets 1 of the following conditions:

12 (A) Has a blighted or functionally obsolete building located  
 13 on the parcel. As used in this sub-subparagraph, "blighted" and  
 14 "functionally obsolete" mean those terms as defined in section 2 of  
 15 the brownfield redevelopment financing act, 1996 PA 381, MCL  
 16 125.2652.

17 (B) Is a vacant parcel that had been previously occupied.

18 (iii) Is zoned to allow for mixed use.

19 (e) "Eligible business" means, effective August 7, 1998, a  
 20 business engaged primarily in manufacturing, mining, research and  
 21 development, wholesale trade, office operations, or the operation  
 22 of a facility for which the business that owns or operates the  
 23 facility is an eligible taxpayer. For purposes of a Next Michigan  
 24 development corporation, eligible business means only an eligible  
 25 Next Michigan business. Eligible business does not include a  
 26 casino, retail establishment, professional sports stadium, or that  
 27 portion of an eligible business used exclusively for retail sales.  
 28 Professional sports stadium does not include a sports stadium in  
 29 existence on June 6, 2000 that is not used by a professional sports

1 team on the date of the resolution adopted ~~pursuant to~~**under**  
 2 subsection (1). As used in this subdivision, "casino" means a  
 3 casino regulated by this state under the Michigan ~~gaming control~~  
 4 ~~and revenue act,~~**Gaming Control and Revenue Act**, 1996 IL 1, MCL  
 5 432.201 to 432.226, and all property associated or affiliated with  
 6 the operation of a casino, including, but not limited to, a parking  
 7 lot, hotel, motel, or retail store.

8 (f) "Eligible district" means 1 or more of the following:

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

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

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

15 (iv) A brownfield redevelopment zone as that term is designated  
 16 under the brownfield redevelopment financing act, 1996 PA 381, MCL  
 17 125.2651 to 125.2670.

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

21 (vi) An authority district or a development area as those terms  
 22 are defined in ~~the tax increment finance authority act, 1980 PA~~  
 23 ~~450, MCL 125.1801 to 125.1830.~~**part 3 of the recodified tax**  
 24 **increment financing act, 2018 PA 57, MCL 125.4301 to 125.4329.**

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.~~**part 4 of the recodified tax increment financing act, 2018**  
 28 **PA 57, MCL 125.4401 to 125.4420.**

29 (viii) A downtown district or a development area as those terms

1 are defined in ~~1975 PA 197, MCL 125.1651 to 125.1681~~. **part 2 of the**  
 2 **recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to**  
 3 **125.4230.**

4 (ix) An area that contains an eligible taxpayer.

5 (x) A Next Michigan development district.

6 (g) "Eligible distressed area" means 1 of the following:

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

9 (ii) An area that contains an eligible taxpayer.

10 (h) "Eligible local assessing district" means a city, village,  
 11 or township that contains an eligible distressed area or that is a  
 12 party to an intergovernmental agreement creating a Next Michigan  
 13 development corporation, or a city, village, or township that meets  
 14 1 or more of the following conditions and is located in a county  
 15 all or a portion of which borders another state or Canada:

16 (i) Is currently served by not fewer than 4 of the following  
 17 existing services:

18 (A) Water.

19 (B) Sewer.

20 (C) Police.

21 (D) Fire.

22 (E) Trash.

23 (F) Recycling.

24 (ii) Is party to an agreement under 1984 PA 425, MCL 124.21 to  
 25 124.30, with a city, village, or township that provides not fewer  
 26 than 4 of the following existing services:

27 (A) Water.

28 (B) Sewer.

29 (C) Police.

1 (D) Fire.

2 (E) Trash.

3 (F) Recycling.

4 (i) "Eligible Next Michigan business" means that term as  
5 defined in section 3 of the Michigan economic growth authority act,  
6 1995 PA 24, MCL 207.803.

7 (j) "Eligible personal property" means that term as defined in  
8 section 3(e) (ii) or (iv) of the state essential services assessment  
9 act, 2014 PA 92, MCL 211.1053.

10 (k) "Eligible taxpayer" means a taxpayer that meets both of  
11 the following conditions:

12 (i) Is an authorized business.

13 (ii) Is eligible for tax credits described in section 9 of the  
14 Michigan economic growth authority act, 1995 PA 24, MCL 207.809.

15 (l) "Existing eligible business" means an eligible business  
16 identified in a resolution adopted under subsection (1) for which  
17 an exemption has been granted under this section.

18 (m) "New personal property" means personal property that was  
19 not previously subject to tax under this act or was not previously  
20 placed in service in this state and that is placed in an eligible  
21 district after a resolution under subsection (1) is approved. As  
22 used in this subdivision, for exemptions approved by the state  
23 treasurer under subsection (3) after April 30, 1999, new personal  
24 property does not include buildings described in section 14(6) and  
25 personal property described in section 8(h), (i), and (j). For  
26 exemptions subject to resolutions adopted under subsection (1)  
27 after December 31, 2014, new personal property does not include  
28 eligible manufacturing personal property. **For exemptions subject to**  
29 **resolutions adopted under subsection (1) after December 31, 2023,**

1 new personal property does not include a qualified solar energy  
2 facility as that term is defined in the solar energy facilities  
3 taxation act.

4 (n) "Next Michigan development corporation" and "Next Michigan  
5 development district" mean those terms as defined under the Next  
6 Michigan development act, 2010 PA 275, MCL 125.2951 to 125.2959.

7 Enacting section 1. This amendatory act does not take effect  
8 unless Senate Bill No. 1106 of the 101st Legislature is enacted  
9 into law.