

HOUSE BILL NO. 4318

March 22, 2023, Introduced by Reps. Neeley and VanderWall and referred to the Committee on Tax Policy.

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. _____ or House Bill No. 4317 (request no.
9 00214'23) of the 102nd Legislature is enacted into law.