

SUBSTITUTE FOR  
HOUSE BILL NO. 4580

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 9f (MCL 211.9f), as amended by 2015 PA 119.

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

1       Sec. 9f. (1) The governing body of an eligible local assessing  
2 district or, subject to subsection ~~(4)~~, **(5)**, the board of a Next  
3 Michigan development corporation in which an eligible local  
4 assessing district is a constituent member may adopt a resolution  
5 to exempt from the collection of taxes under this act all new  
6 personal property owned or leased by an eligible business located  
7 in 1 or more eligible districts or distressed parcels designated in  
8 the resolution or an eligible Next Michigan business as provided in  
9 this section. The clerk of the eligible local assessing district or  
10 the recording officer of a Next Michigan development corporation  
11 shall notify in writing the assessor of the township or city in

1 which the eligible district or distressed parcel is located and the  
2 legislative body of each taxing unit that levies ad valorem  
3 property taxes in the eligible local assessing district in which  
4 the eligible district or distressed parcel is located. Before  
5 acting on the resolution, the governing body of the eligible local  
6 assessing district or a Next Michigan development corporation shall  
7 afford the assessor and a representative of the affected taxing  
8 units an opportunity for a hearing.

9 (2) The exemption under this section is effective on the  
10 December 31 immediately succeeding the adoption of the resolution  
11 by the governing body of the eligible local assessing district or a  
12 Next Michigan development corporation and, except as otherwise  
13 provided in subsection ~~(8)~~, ~~(9)~~, shall continue in effect for a  
14 period specified in the resolution. However, an exemption shall not  
15 be granted under this section after December 31, 2012 for an  
16 eligible business located in an eligible district identified in  
17 subsection ~~(10)(f)(ix)~~ ~~(11)(F)(ix)~~ or in an eligible local  
18 assessing district identified in subsection ~~(10)(h)(ii)~~.  
19 **(11)(H)(ii)**. A copy of the resolution shall be filed with the state  
20 tax commission, the state treasurer, and the president of the  
21 Michigan strategic fund. A resolution is not effective unless  
22 approved as provided in subsection (3).

23 (3) Not more than 60 days after receipt of a copy of the  
24 resolution adopted by the governing body of an eligible local  
25 assessing district under subsection (1), the state tax commission  
26 shall determine if the new personal property subject to the  
27 exemption is owned or leased by an eligible business and if the

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

21 **(4) AFTER DECEMBER 31, 2016, A GOVERNING BODY OF AN ELIGIBLE**  
22 **LOCAL ASSESSING DISTRICT SHALL NOT ADOPT A RESOLUTION UNDER**  
23 **SUBSECTION (1) EXEMPTING NEW PERSONAL PROPERTY FROM THE COLLECTION**  
24 **OF TAXES UNDER THIS ACT WITHOUT A WRITTEN AGREEMENT ENTERED INTO**  
25 **WITH THE ELIGIBLE BUSINESS SUBJECT TO THE EXEMPTION, WHICH WRITTEN**  
26 **AGREEMENT CONTAINS A REMEDY PROVISION THAT INCLUDES, BUT IS NOT**  
27 **LIMITED TO, THE FOLLOWING:**

1 (A) A REQUIREMENT THAT THE EXEMPTION UNDER THIS SECTION IS  
2 REVOKED IF THE ELIGIBLE BUSINESS IS DETERMINED TO BE IN VIOLATION  
3 OF THE PROVISIONS OF THE WRITTEN AGREEMENT.

4 (B) A REQUIREMENT THAT THE ELIGIBLE BUSINESS MAY BE REQUIRED  
5 TO REPAY ALL OR PART OF THE PERSONAL PROPERTY TAXES EXEMPTED UNDER  
6 THIS SECTION IF THE ELIGIBLE BUSINESS IS DETERMINED TO BE IN  
7 VIOLATION OF THE PROVISIONS OF THE WRITTEN AGREEMENT.

8 (C) A REQUIREMENT THAT THE EXEMPTION UNDER THIS SECTION IS  
9 REVOKED IF THE ELIGIBLE BUSINESS IS DETERMINED TO BE IN VIOLATION  
10 OF THE PROVISIONS CONCERNING THE EXEMPTION SET FORTH IN THE  
11 RESOLUTION ADOPTED UNDER SUBSECTION (1).

12 (D) A REQUIREMENT THAT THE EXEMPTION UNDER THIS SECTION IS  
13 REVOKED IF CONTINUANCE OF THE EXEMPTION WOULD BE CONTRARY TO ANY OF  
14 THE REQUIREMENTS OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO,  
15 THE REQUIREMENT THAT THE ELIGIBLE BUSINESS BE AN ELIGIBLE BUSINESS  
16 OR AN ACQUIRING ELIGIBLE BUSINESS UNDER THIS SECTION.

17 (5) ~~(4)~~—A Next Michigan development corporation may only adopt  
18 a resolution under subsection (1) exempting new personal property  
19 from the collection of taxes under this act for new personal  
20 property located in a Next Michigan development district. A Next  
21 Michigan development corporation shall not adopt a resolution under  
22 subsection (1) exempting new personal property from the collection  
23 of taxes under this act without a written agreement entered into  
24 with the eligible Next Michigan business subject to the exemption,  
25 which written agreement contains a remedy provision that includes,  
26 but is not limited to, all of the following:

27 (a) A requirement that the exemption under this section is

1 revoked if the eligible Next Michigan business is determined to be  
2 in violation of the provisions of the written agreement.

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

8 (C) FOR AN AGREEMENT ENTERED INTO AFTER DECEMBER 31, 2016, A  
9 REQUIREMENT THAT THE EXEMPTION UNDER THIS SECTION IS REVOKED IF THE  
10 ELIGIBLE NEXT MICHIGAN BUSINESS IS DETERMINED TO BE IN VIOLATION OF  
11 THE PROVISIONS CONCERNING THE EXEMPTION SET FORTH IN THE RESOLUTION  
12 ADOPTED UNDER SUBSECTION (1).

13 (D) FOR AN AGREEMENT ENTERED INTO AFTER DECEMBER 31, 2016, A  
14 REQUIREMENT THAT THE EXEMPTION UNDER THIS SECTION IS REVOKED IF  
15 CONTINUANCE OF THE EXEMPTION WOULD BE CONTRARY TO ANY OF THE  
16 REQUIREMENTS OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO, THE  
17 REQUIREMENT THAT THE ELIGIBLE NEXT MICHIGAN BUSINESS BE AN ELIGIBLE  
18 BUSINESS OR AN ACQUIRING ELIGIBLE BUSINESS UNDER THIS SECTION.

19 (6) ~~(5)~~—Subject to subsections ~~(6)~~—(7) and ~~(8)~~—(9), if an  
20 existing eligible business sells or leases new personal property  
21 exempt under this section to an acquiring eligible business, the  
22 exemption granted to the existing eligible business shall continue  
23 in effect for the period specified in the resolution adopted under  
24 subsection (1) for the new personal property purchased or leased  
25 from the existing eligible business by the acquiring eligible  
26 business and for any new personal property purchased or leased by  
27 the acquiring eligible business.

1           (7) ~~(6)~~—After December 31, 2007, an exemption for an existing  
2 eligible business shall continue in effect for an acquiring  
3 eligible business under subsection ~~(5)~~—(6) only if the continuation  
4 of the exemption is approved in a resolution adopted by the  
5 governing body of an eligible local assessing district or the board  
6 of a Next Michigan development corporation in which the eligible  
7 local assessing district is a constituent member.

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

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

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

24           (9) ~~(8)~~—Notwithstanding any other provision of this section to  
25 the contrary, if new personal property exempt under this section on  
26 or after December 31, 2012 is eligible manufacturing personal  
27 property, that eligible manufacturing personal property shall

1 remain exempt under this section until the later of the following:

2 (a) The date that eligible manufacturing personal property  
3 would otherwise be exempt from the collection of taxes under this  
4 act under section 9m, 9n, or 9o.

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

7 (10) ~~(9)~~—An eligible business that owns or leases new personal  
8 property that is exempt under this section and that is eligible  
9 personal property shall file an affidavit with the assessor of the  
10 township or city in which the eligible personal property is located  
11 not later than February 20 of the first year that the new personal  
12 property is eligible personal property in a manner provided by  
13 section 7(8) of the state essential services assessment act, 2014  
14 PA 92, MCL 211.1057. The affidavit shall indicate that the new  
15 personal property is eligible personal property. The affidavit  
16 shall be in a form prescribed by the state tax commission.

17 (11) ~~(10)~~—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) "Authorized business" means that term as defined in  
25 section 3 of the Michigan economic growth authority act, 1995 PA  
26 24, MCL 207.803.

27 (c) "Eligible manufacturing personal property" means that term

1 as defined in section 9m.

2 (d) "Distressed parcel" means a parcel of real property  
3 located in a city or village that meets all of the following  
4 conditions:

5 (i) Is located in a qualified downtown revitalization  
6 district. As used in this subparagraph, "qualified downtown  
7 revitalization district" means an area located within 1 or more of  
8 the following:

9 (A) The boundaries of a downtown district as defined in  
10 section 1 of 1975 PA 197, MCL 125.1651.

11 (B) The boundaries of a principal shopping district or a  
12 business improvement district as defined in section 1 of 1961 PA  
13 120, MCL 125.981.

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

17 (ii) Meets 1 of the following conditions:

18 (A) Has a blighted or functionally obsolete building located  
19 on the parcel. As used in this sub-subparagraph, "blighted" and  
20 "functionally obsolete" mean those terms as defined in section 2 of  
21 the brownfield redevelopment financing act, 1996 PA 381, MCL  
22 125.2652.

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

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

25 (e) "Eligible business" means, effective August 7, 1998, a  
26 business engaged primarily in manufacturing, mining, research and  
27 development, wholesale trade, office operations, or the operation



1 of a facility for which the business that owns or operates the  
2 facility is an eligible taxpayer. For purposes of a Next Michigan  
3 development corporation, eligible business means only an eligible  
4 Next Michigan business. Eligible business does not include a  
5 casino, retail establishment, professional sports stadium, or that  
6 portion of an eligible business used exclusively for retail sales.  
7 Professional sports stadium does not include a sports stadium in  
8 existence on June 6, 2000 that is not used by a professional sports  
9 team on the date of the resolution adopted pursuant to subsection  
10 (1). As used in this subdivision, "casino" means a casino regulated  
11 by this state under the Michigan gaming control and revenue act,  
12 1996 IL 1, MCL 432.201 to 432.226, and all property associated or  
13 affiliated with the operation of a casino, including, but not  
14 limited to, a parking lot, hotel, motel, or retail store.

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

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

18 (ii) A renaissance zone as that term is defined in the  
19 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to  
20 125.2696.

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

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

26 (v) An empowerment zone designated under subchapter U of  
27 chapter 1 of the internal revenue code of 1986, 26 USC 1391 to

1 1397F.

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

5 (vii) An authority district as that term is defined in the  
6 local development financing act, 1986 PA 281, MCL 125.2151 to  
7 125.2174.

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

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

11 (x) A Next Michigan development district.

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

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

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

16 (h) "Eligible local assessing district" means a city, village,  
17 or township that contains an eligible distressed area or that is a  
18 party to an intergovernmental agreement creating a Next Michigan  
19 development corporation, or a city, village, or township that meets  
20 1 or more of the following conditions and is located in a county  
21 all or a portion of which borders another state or Canada:

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

24 (A) Water.

25 (B) Sewer.

26 (C) Police.

27 (D) Fire.

1 (E) Trash.

2 (F) Recycling.

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

6 (A) Water.

7 (B) Sewer.

8 (C) Police.

9 (D) Fire.

10 (E) Trash.

11 (F) Recycling.

12 (i) "Eligible Next Michigan business" means that term as  
13 defined in section 3 of the Michigan economic growth authority act,  
14 1995 PA 24, MCL 207.803.

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

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

20 (i) Is an authorized business.

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

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

26 (m) "New personal property" means personal property that was  
27 not previously subject to tax under this act or was not previously

1 placed in service in this state and that is placed in an eligible  
2 district after a resolution under subsection (1) is approved. As  
3 used in this subdivision, for exemptions approved by the state  
4 treasurer under subsection (3) after April 30, 1999, new personal  
5 property does not include buildings described in section 14(6) and  
6 personal property described in section 8(h), (i), and (j). For  
7 exemptions subject to resolutions adopted under subsection (1)  
8 after December 31, 2014, new personal property does not include  
9 eligible manufacturing personal property.

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