

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5896**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 9f (MCL 211.9f), as amended by 2008 PA 230.

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

1       Sec. 9f. (1) The governing body of an eligible local assessing  
2 district may adopt a resolution to exempt from the collection of  
3 taxes under this act all new personal property owned or leased by  
4 an eligible business located in 1 or more eligible districts or  
5 distressed parcels designated in the resolution. The clerk of the  
6 eligible local assessing district shall notify in writing the  
7 assessor of the local tax collecting unit in which the eligible  
8 district or distressed parcel is located and the legislative body  
9 of each taxing unit that levies ad valorem property taxes in the

1 eligible local assessing district in which the eligible district or  
2 distressed parcel is located. Before acting on the resolution, the  
3 governing body of the eligible local assessing district shall  
4 afford the assessor and a representative of the affected taxing  
5 units an opportunity for a hearing.

6 (2) The exemption under this section is effective on the  
7 December 31 immediately succeeding the adoption of the resolution  
8 by the governing body of the eligible local assessing district and  
9 shall continue in effect for a period specified in the resolution.  
10 A copy of the resolution shall be filed with the state tax  
11 commission. A resolution is not effective unless approved by the  
12 state tax commission as provided in subsection (3).

13 (3) Not more than 60 days after receipt of a copy of the  
14 resolution adopted under subsection (1), the state tax commission  
15 shall approve or disapprove the resolution. The state treasurer,  
16 with the written concurrence of the president of the Michigan  
17 strategic fund, shall advise the state tax commission as to whether  
18 exempting new personal property of the eligible business is  
19 necessary to reduce unemployment, promote economic growth, and  
20 increase capital investment in this state.

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

1 new personal property purchased or leased by the acquiring eligible  
2 business.

3 (5) After December 31, 2007, an exemption for an existing  
4 eligible business shall continue in effect for an acquiring  
5 eligible business under subsection (4) only if the continuation of  
6 the exemption is approved in a resolution adopted by the governing  
7 body of an eligible local assessing district.

8 (6) Notwithstanding the amendatory act that added section  
9 2(1)(c), all of the following shall apply to an exemption under  
10 this section that was approved by the state tax commission on or  
11 before April 30, 1999, regardless of the effective date of the  
12 exemption:

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

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

25 (7) As used in this section:

26 (a) "Acquiring eligible business" means an eligible business  
27 that purchases or leases assets of an existing eligible business,

1 including the purchase or lease of new personal property exempt  
2 under this section, and that will conduct business operations  
3 similar to those of the existing eligible business at the location  
4 of the existing eligible business within the eligible district.

5 (B) "AUTHORIZED BUSINESS" MEANS THAT TERM AS DEFINED IN  
6 SECTION 3 OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA  
7 24, MCL 207.803.

8 (C) ~~(b)~~—"Distressed parcel" means a parcel of real property  
9 located in a city or village that meets all of the following  
10 conditions:

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

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

16 (B) The boundaries of a principal shopping district or a  
17 business improvement district as defined in section 1 of 1961 PA  
18 120, MCL 125.981.

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

22 (ii) Meets 1 of the following conditions:

23 (A) Has a blighted or functionally obsolete building located  
24 on the parcel. As used in this sub-subparagraph, "blighted" and  
25 "functionally obsolete" mean those terms as defined in section 2 of  
26 the brownfield redevelopment financing act, 1996 PA 381, MCL  
27 125.2652.

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

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

3 (D) ~~(e)~~—"Eligible business" means, effective August 7, 1998, a  
4 business engaged primarily in manufacturing, mining, research and  
5 development, wholesale trade, ~~or~~ office operations, **OR THE**  
6 **OPERATION OF A FACILITY FOR WHICH THE BUSINESS THAT OWNS OR**  
7 **OPERATES THE FACILITY IS AN ELIGIBLE TAXPAYER.** Eligible business  
8 does not include a casino, retail establishment, professional  
9 sports stadium, or that portion of an eligible business used  
10 exclusively for retail sales. As used in this subdivision, "casino"  
11 means a casino regulated by this state pursuant to the Michigan  
12 gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226,  
13 and all property associated or affiliated with the operation of a  
14 casino, including, but not limited to, a parking lot, hotel, motel,  
15 or retail store.

16 (E) ~~(d)~~—"Eligible district" means 1 or more of the following:

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

19 (ii) A renaissance zone as that term is defined in the Michigan  
20 renaissance zone act, 1996 PA 376, MCL 125.2681 to 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 designated  
24 under the brownfield redevelopment financing act, 1996 PA 381, MCL  
25 125.2651 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 terms  
3 are defined in the tax increment finance authority act, 1980 PA  
4 450, 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 terms  
9 are defined in 1975 PA 197, MCL 125.1651 to 125.1681.

10 **(ix) AN AREA THAT CONTAINS AN ELIGIBLE TAXPAYER.**

11 **(F)** ~~(e)~~-"Eligible distressed area" means 1 of the following:

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

14 (ii) An area that contains an eligible ~~business as described in~~  
15 ~~section 8(5)(b)(ii) of the Michigan economic growth authority act,~~  
16 ~~1995 PA 24, MCL 207.808~~ **TAXPAYER.**

17 **(G)** ~~(f)~~-"Eligible local assessing district" means a city,  
18 village, or township that contains an eligible distressed area.

19 **(H) "ELIGIBLE TAXPAYER" MEANS A TAXPAYER THAT MEETS BOTH OF**  
20 **THE FOLLOWING CONDITIONS:**

21 **(i) IS AN AUTHORIZED BUSINESS.**

22 **(ii) IS ELIGIBLE FOR TAX CREDITS DESCRIBED IN SECTION 9 OF THE**  
23 **MICHIGAN ECONOMIC GROWTH AUTHORITY ACT, 1995 PA 24, MCL 207.809.**

24 **(I)** ~~(g)~~-"Existing eligible business" means an eligible  
25 business identified in a resolution adopted under subsection (1)  
26 for which an exemption has been granted under this section.

27 **(J)** ~~(h)~~-"New personal property" means personal property that

1 was not previously subject to tax under this act **OR WAS NOT**  
2 **PREVIOUSLY PLACED IN SERVICE IN THIS STATE** and that is placed in an  
3 eligible district after a resolution under subsection (1) is  
4 approved by the eligible local assessing district. As used in this  
5 subdivision, for exemptions approved by the state tax commission  
6 under subsection (3) after April 30, 1999, new personal property  
7 does not include buildings described in section 14(6) and personal  
8 property described in section 8(h), (i), and (j).