

SENATE BILL No. 536

September 24, 2013, Introduced by Senators PROOS, JONES and KOWALL and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 7tt.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7TT. (1) SUBJECT TO SUBSECTION (3), REAL AND PERSONAL
2 PROPERTY OWNED BY AN ELIGIBLE ECONOMIC DEVELOPMENT GROUP IS EXEMPT
3 FROM THE COLLECTION OF TAXES UNDER THIS ACT AS PROVIDED IN THIS
4 SECTION.

5 (2) REAL AND PERSONAL PROPERTY OF AN ELIGIBLE ECONOMIC
6 DEVELOPMENT GROUP IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS
7 ACT FOR A PERIOD BEGINNING ON DECEMBER 31 IN THE YEAR IN WHICH THE
8 MEDC APPROVES THE ELIGIBLE ECONOMIC DEVELOPMENT GROUP FOR EXEMPTION
9 UNDER THIS SECTION AND ENDING ON DECEMBER 30 IN THE YEAR 5 YEARS
10 AFTER THE MEDC APPROVES THE ELIGIBLE ECONOMIC DEVELOPMENT GROUP FOR
11 EXEMPTION UNDER THIS SECTION. HOWEVER, THE EXEMPTION OF REAL AND

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1 PERSONAL PROPERTY OF AN ELIGIBLE ECONOMIC DEVELOPMENT GROUP UNDER
2 THIS SECTION MAY BE EXTENDED FOR AN ADDITIONAL 2 YEARS IF THE MEDC
3 DETERMINES THAT THE ELIGIBLE ECONOMIC DEVELOPMENT GROUP IS MAKING
4 ADEQUATE PROGRESS IN THE REDEVELOPMENT OF REAL PROPERTY OR IN
5 COMBINING PARCELS OF REAL PROPERTY FOR ECONOMIC REDEVELOPMENT. IF
6 THE MEDC APPROVES AN EXTENSION OF THE EXEMPTION UNDER THIS SECTION,
7 THE EXEMPTION SHALL END ON DECEMBER 30 IN THE YEAR 7 YEARS AFTER
8 THE MEDC ORIGINALLY APPROVED THE ELIGIBLE ECONOMIC DEVELOPMENT
9 GROUP FOR EXEMPTION UNDER THIS SECTION.

10 (3) REAL AND PERSONAL PROPERTY OF AN ELIGIBLE ECONOMIC
11 DEVELOPMENT GROUP IS NOT ELIGIBLE FOR THE EXEMPTION UNDER THIS
12 SECTION UNLESS THE LEGISLATIVE BODY OF THE LOCAL TAX COLLECTING
13 UNIT IN WHICH THE REAL AND PERSONAL PROPERTY IS LOCATED ADOPTS A
14 RESOLUTION APPROVING THE EXEMPTION.

15 (4) THE MEDC SHALL ANNUALLY REPORT TO THE SENATE AND HOUSE OF
16 REPRESENTATIVES THE TOTAL NUMBER OF ELIGIBLE ECONOMIC DEVELOPMENT
17 GROUPS THAT ARE RECEIVING AN EXEMPTION UNDER THIS SECTION, WHERE
18 THE PROPERTY SUBJECT TO THE EXEMPTION IS LOCATED IN THIS STATE, AND
19 THE TOTAL DOLLAR AMOUNT OF THE TAX REVENUE FOREGONE AS A RESULT OF
20 THOSE EXEMPTIONS.

21 (5) AS USED IN THIS SECTION:

22 (A) "ECONOMIC DEVELOPMENT GROUP" MEANS A NONPROFIT
23 ORGANIZATION THE PRIMARY PURPOSE OF WHICH IS THE ECONOMIC
24 REDEVELOPMENT OF REAL PROPERTY OR COMBINING PARCELS OF REAL
25 PROPERTY FOR ECONOMIC REDEVELOPMENT.

26 (B) "ELIGIBLE ECONOMIC DEVELOPMENT GROUP" MEANS AN ECONOMIC
27 DEVELOPMENT GROUP APPROVED BY THE MICHIGAN ECONOMIC DEVELOPMENT

1 CORPORATION AS ELIGIBLE FOR THE EXEMPTION UNDER THIS SECTION.

2 (C) "MICHIGAN ECONOMIC DEVELOPMENT CORPORATION" OR "MEDC"
3 MEANS THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, THE PUBLIC
4 BODY CORPORATE CREATED UNDER SECTION 28 OF ARTICLE VII OF THE STATE
5 CONSTITUTION OF 1963 AND THE URBAN COOPERATION ACT OF 1967, 1967
6 (EX SESS) PA 7, MCL 124.501 TO 124.512, BY A CONTRACTUAL INTERLOCAL
7 AGREEMENT EFFECTIVE APRIL 5, 1999, AND SUBSEQUENTLY AMENDED,
8 BETWEEN LOCAL PARTICIPATING ECONOMIC DEVELOPMENT CORPORATIONS
9 FORMED UNDER THE ECONOMIC DEVELOPMENT CORPORATIONS ACT, 1974 PA
10 338, MCL 125.1601 TO 125.1636, AND THE MICHIGAN STRATEGIC FUND.

11 (D) "MICHIGAN STRATEGIC FUND" MEANS THE MICHIGAN STRATEGIC
12 FUND AS DESCRIBED IN THE MICHIGAN STRATEGIC FUND ACT, 1984 PA 270,
13 MCL 125.2001 TO 125.2094.