

SUBSTITUTE FOR  
HOUSE BILL NO. 5076

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.155) by adding section 9p.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 9P. (1) SUBJECT TO SUBSECTION (2), BEGINNING DECEMBER 31,  
2        2015 THROUGH DECEMBER 31, 2035, ELIGIBLE DATA CENTER PROPERTY IS  
3        EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT. THIS EXEMPTION  
4        MAY BE CLAIMED ONLY BY A PERSON, INCLUDING, BUT NOT LIMITED TO, A  
5        COLOCATED BUSINESS, THAT OWNS THE ELIGIBLE DATA CENTER PROPERTY AND  
6        THAT OWNS, LEASES, OR OTHERWISE OCCUPIES ALL OR PART OF THE  
7        QUALIFIED DATA CENTER IN WHICH THE ELIGIBLE DATA CENTER PROPERTY IS  
8        LOCATED.

9        (2) THE EXEMPTION DESCRIBED IN SUBSECTION (1) APPLIES ONLY IF  
10       EITHER OF THE FOLLOWING OCCURS:

1 (A) FOR A QUALIFIED DATA CENTER IN WHICH THE ELIGIBLE DATA  
2 CENTER PROPERTY IS LOCATED THAT WAS IN OPERATION BEFORE JANUARY 1,  
3 2016, THE GOVERNING BODIES OF THE LOCAL TAX COLLECTING UNIT AND THE  
4 COUNTY IN WHICH THE QUALIFIED DATA CENTER IS LOCATED FAIL TO ADOPT  
5 RESOLUTIONS REJECTING APPLICATION OF THE EXEMPTION DESCRIBED IN  
6 SUBSECTION (1) BEFORE APRIL 1 OF THE FIRST YEAR THAT THE ELIGIBLE  
7 DATA CENTER PROPERTY COULD BE MADE SUBJECT TO THE COLLECTION OF  
8 TAXES UNDER THIS ACT BY THOSE RESOLUTIONS.

9 (B) FOR A QUALIFIED DATA CENTER IN WHICH THE ELIGIBLE DATA  
10 CENTER PROPERTY IS LOCATED THAT BEGINS OPERATION AFTER DECEMBER 31,  
11 2015, THE GOVERNING BODIES OF THE LOCAL TAX COLLECTING UNIT AND THE  
12 COUNTY IN WHICH THE QUALIFIED DATA CENTER IS LOCATED ADOPT  
13 RESOLUTIONS APPROVING APPLICATION OF THE EXEMPTION DESCRIBED IN  
14 SUBSECTION (1) BY NOT LATER THAN MARCH 31, 2016.

15 (3) AS USED IN THIS SECTION:

16 (A) "COLOCATED BUSINESS" MEANS A PERSON THAT ENTERS INTO A  
17 CONTRACT WITH THE OWNER OR OPERATOR OF A QUALIFIED DATA CENTER TO  
18 PHYSICALLY USE OR OCCUPY ALL OR PART OF THE QUALIFIED DATA CENTER  
19 FOR A PERIOD OF 1 OR MORE YEARS FOR THE PURPOSE DESCRIBED IN  
20 SUBDIVISION (F).

21 (B) "COMMERCIAL PERSONAL PROPERTY" MEANS PERSONAL PROPERTY  
22 THAT IS CLASSIFIED AS COMMERCIAL PERSONAL PROPERTY UNDER SECTION  
23 34C OR WOULD BE CLASSIFIED AS COMMERCIAL PERSONAL PROPERTY UNDER  
24 SECTION 34C IF NOT EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS  
25 ACT UNDER THIS SECTION.

26 (C) "ELIGIBLE DATA CENTER PROPERTY" MEANS ALL COMMERCIAL  
27 PERSONAL PROPERTY AND INDUSTRIAL PERSONAL PROPERTY LOCATED IN A

1 QUALIFIED DATA CENTER THAT IS DIRECTLY USED TO OPERATE, MAINTAIN,  
2 MANAGE, OR SUPPORT THE BUSINESS OF THAT QUALIFIED DATA CENTER.

3 (D) "INDUSTRIAL PERSONAL PROPERTY" MEANS PERSONAL PROPERTY  
4 THAT IS CLASSIFIED AS INDUSTRIAL PERSONAL PROPERTY UNDER SECTION  
5 34C OR WOULD BE CLASSIFIED AS INDUSTRIAL PERSONAL PROPERTY UNDER  
6 SECTION 34C IF NOT EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS  
7 ACT UNDER THIS SECTION.

8 (E) "PRIMARY BUSINESS" MEANS AT LEAST 51% OF THE ENTITY'S  
9 BUSINESS ACTIVITY.

10 (F) "QUALIFIED DATA CENTER" MEANS A FACILITY COMPOSED OF 1 OR  
11 MORE BUILDINGS LOCATED IN THIS STATE THAT IS OWNED OR OPERATED BY  
12 AN ENTITY WHOSE PRIMARY BUSINESS IS OWNING, OPERATING, MANAGING, OR  
13 MAINTAINING A GROUP OF NETWORKED COMPUTERS OR NETWORKED FACILITIES  
14 FOR THE PURPOSE OF CENTRALIZING, OR ALLOWING 1 OR MORE COLOCATED  
15 BUSINESSES TO CENTRALIZE, THE STORAGE, MANAGEMENT, AND  
16 DISSEMINATION OF DATA OF 1 OR MORE OTHER PERSONS OR THE DATA OF A  
17 COLOCATED BUSINESS.