

HOUSE BILL No. 5511

December 4, 2007, Introduced by Reps. Clemente and Hammel and referred to the
Committee on New Economy and Quality of Life.

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending section 437 (MCL 208.1437).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 437. (1) Subject to the criteria under this section, a
2 qualified taxpayer that has unused credits or has a preapproval
3 letter issued after December 31, 2007 and before January 1, 2013,
4 or a taxpayer that received a preapproval letter prior to January
5 1, 2008 under section 38g of former 1975 PA 228 and has not
6 received a certificate of completion prior to the taxpayer's last
7 tax year, provided that the project is completed not more than 5
8 years after the preapproval letter for the project is issued **OR IF**
9 **IT IS A MULTIPHASE PROJECT NOT MORE THAN 10 YEARS AFTER THE**
10 **PREAPPROVAL LETTER FOR THE PROJECT IS ISSUED**, or an assignee under
11 subsection (20), (21), or (22) may claim a credit that has been

1 approved under section 38g of former 1975 PA 228 or under
2 subsection (2), (3), or (4) against the tax imposed by this act
3 equal to either of the following:

4 (a) ~~If~~ **FOR PROJECTS APPROVED BEFORE JANUARY 1, 2008, IF** the
5 total of all credits for a project is \$1,000,000.00 or less, 10% of
6 the cost of the qualified taxpayer's eligible investment paid or
7 accrued by the qualified taxpayer on an eligible property provided
8 that the project does not exceed the amount stated in the
9 preapproval letter. **FOR PROJECTS APPROVED ON AND AFTER JANUARY 1,**
10 **2008, IF THE TOTAL OF ALL CREDITS FOR A PROJECT IS \$1,000,000.00 OR**
11 **LESS, UP TO 12.5% OF THE COSTS OF THE QUALIFIED TAXPAYER'S ELIGIBLE**
12 **INVESTMENT PAID OR ACCRUED BY THE QUALIFIED TAXPAYER ON AN ELIGIBLE**
13 **PROPERTY OR UP TO 15% OF THE COSTS OF THE QUALIFIED TAXPAYER'S**
14 **ELIGIBLE INVESTMENT PAID OR ACCRUED BY THE QUALIFIED TAXPAYER ON AN**
15 **ELIGIBLE PROPERTY IF THE PROJECT IS DESIGNATED AS AN URBAN**
16 **DEVELOPMENT AREA PROJECT BY THE CHAIRPERSON OF THE MICHIGAN**
17 **ECONOMIC GROWTH AUTHORITY PROVIDED THAT THE PROJECT DOES NOT EXCEED**
18 **THE AMOUNT STATED IN THE PREAPPROVAL LETTER.** If eligible investment
19 exceeds the amount of eligible investment in the preapproval letter
20 for that project, the total of all credits for the project shall
21 not exceed the total of all credits on the certificate of
22 completion.

23 (b) ~~If~~ **FOR PROJECTS APPROVED BEFORE JANUARY 1, 2008, IF** the
24 total of all credits for a project is more than \$1,000,000.00 but
25 \$30,000,000.00 or less and, except as provided in subsection
26 (6)(b), the project is located in a qualified local governmental
27 unit, a percentage as determined by the Michigan economic growth

1 authority not to exceed 10% of the cost of the qualified taxpayer's
2 eligible investment as determined under subsection ~~(9)~~-(11) paid or
3 accrued by the qualified taxpayer on an eligible property. **FOR**
4 **PROJECTS APPROVED ON AND AFTER JANUARY 1, 2008, IF THE TOTAL OF ALL**
5 **CREDITS FOR A PROJECT IS MORE THAN \$1,000,000.00 BUT \$30,000,000.00**
6 **OR LESS AND, EXCEPT AS PROVIDED IN SUBSECTION (6) (B), THE PROJECT**
7 **IS LOCATED IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, A PERCENTAGE AS**
8 **DETERMINED BY THE MICHIGAN ECONOMIC GROWTH AUTHORITY NOT TO EXCEED**
9 **15% OF THE COSTS OF THE QUALIFIED TAXPAYER'S ELIGIBLE INVESTMENT AS**
10 **DETERMINED UNDER SUBSECTION (11) PAID OR ACCRUED BY THE QUALIFIED**
11 **TAXPAYER ON AN ELIGIBLE PROPERTY. HOWEVER, THE CREDIT SHALL NOT**
12 **EXCEED 12.5% OF THE COST OF THE QUALIFIED TAXPAYER'S ELIGIBLE**
13 **INVESTMENT AS DETERMINED UNDER SUBSECTION (11) PAID OR ACCRUED BY**
14 **THE QUALIFIED TAXPAYER ON AN ELIGIBLE PROPERTY UNLESS THE PROJECT**
15 **IS DESIGNATED AS AN URBAN DEVELOPMENT AREA PROJECT BY THE**
16 **CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY.** If eligible
17 investment exceeds the amount of eligible investment in the
18 preapproval letter for that project, the total of all credits for
19 the project shall not exceed the total of all credits on the
20 certificate of completion.

21 (2) If the cost of a project will be \$2,000,000.00 or less, a
22 qualified taxpayer shall apply to the Michigan economic growth
23 authority for approval of the project under this subsection. An
24 application under this subsection shall state whether the project
25 is a multiphase project. ~~The~~ **SUBJECT TO THE LIMITATION PROVIDED**
26 **UNDER SUBSECTION (31), THE** chairperson of the Michigan economic
27 growth authority or his or her designee is authorized to approve an

1 application or project under this subsection. Only the chairperson
2 of the Michigan economic growth authority is authorized to deny an
3 application or project under this subsection. A project shall be
4 approved or denied not more than 45 days after receipt of the
5 application. If the chairperson of the Michigan economic growth
6 authority or his or her designee does not approve or deny the
7 application within 45 days after the application is received by the
8 Michigan economic growth authority, the application is considered
9 approved as written. ~~The total of all credits for all projects~~
10 ~~approved under this subsection shall not exceed \$10,000,000.00 in~~
11 ~~any calendar year.~~ If the chairperson of the Michigan economic
12 growth authority or his or her designee approves a project under
13 this subsection, the chairperson of the Michigan economic growth
14 authority or his or her designee shall issue a preapproval letter
15 that states that the taxpayer is a qualified taxpayer; the maximum
16 total eligible investment for the project on which credits may be
17 claimed and the maximum total of all credits for the project when
18 the project is completed and a certificate of completion is issued;
19 and the project number assigned by the Michigan economic growth
20 authority. If a project is denied under this subsection, a taxpayer
21 is not prohibited from subsequently applying under this subsection
22 for the same project or for another project. ~~If the authority~~
23 ~~approves a total of all credits for all projects under this~~
24 ~~subsection of less than \$10,000,000.00 in a calendar year, the~~
25 ~~authority may carry forward for 1 year only the difference between~~
26 ~~\$10,000,000.00 and the total of all credits for all projects under~~
27 ~~this subsection approved in the immediately preceding calendar~~

1 year.—The Michigan economic growth authority shall develop and
2 implement the use of the application form to be used for projects
3 under this subsection. ~~Before the Michigan economic growth
4 authority substantially changes the form, the Michigan economic
5 growth authority shall adopt the changes by resolution and give
6 notice of the proposed resolution to the secretary of the senate,
7 to the clerk of the house of representatives, and to each person
8 who requested from the Michigan economic growth authority in
9 writing or electronically to be notified regarding proposed
10 resolutions. The notice and proposed resolution and all attachments
11 shall be published on the Michigan economic growth authority's
12 internet website. The Michigan economic growth authority shall hold
13 a public hearing not sooner than 14 days and not later than 30 days
14 after the date notice of a proposed resolution is given and offer
15 an opportunity for persons to present data, views, questions, and
16 arguments. The Michigan economic growth authority board members or
17 ~~1 or more persons designated by the Michigan economic growth
18 authority who have knowledge of the subject matter of the proposed
19 resolution shall be present at the public hearing and shall
20 participate in the discussion of the proposed resolution. The
21 Michigan economic growth authority may act on the proposed
22 resolution no sooner than 14 days after the public hearing. The
23 Michigan economic growth authority shall produce a final decision
24 document that describes the basis for its decision. The final
25 resolution and all attachments and the decision document shall be
26 provided to the secretary of the senate and to the clerk of the
27 house of representatives and shall be published on the Michigan~~~~

1 ~~economic growth authority's internet website. The notice shall~~
2 ~~include all of the following:~~

3 ~~—— (a) A copy of the proposed resolution and all attachments.~~

4 ~~—— (b) A statement that any person may express any data, views,~~
5 ~~or arguments regarding the proposed resolution.~~

6 ~~—— (c) The address to which written comments may be sent and the~~
7 ~~date by which comments must be mailed or electronically~~
8 ~~transmitted, which date shall not be restricted to only before the~~
9 ~~date of the public hearing.~~

10 ~~—— (d) The date, time, and place of the public hearing.~~

11 (3) If the cost of a project will be for more than
12 \$2,000,000.00 but \$10,000,000.00 or less, a qualified taxpayer
13 shall apply to the Michigan economic growth authority for approval
14 of the project under this subsection. An application under this
15 subsection shall state whether the project is a multiphase project.

16 ~~The~~ **SUBJECT TO THE LIMITATION PROVIDED UNDER SUBSECTION (31), THE**
17 chairperson of the Michigan economic growth authority or his or her
18 designee is authorized to approve an application or project under
19 this subsection. Only the chairperson of the Michigan economic
20 growth authority is authorized to deny an application or project
21 under this subsection. A project shall be approved or denied not
22 more than 45 days after receipt of the application. If the
23 chairperson of the Michigan economic growth authority or his or her
24 designee does not approve or deny an application within 45 days
25 after the application is received by the Michigan economic growth
26 authority, the application is considered approved as written. ~~The~~
27 ~~total of all credits for all projects approved under this~~

1 ~~subsection shall not exceed \$30,000,000.00 in any calendar year. If~~
2 ~~the authority approves a total of all credits for all projects~~
3 ~~under this subsection of less than \$30,000,000.00 in a calendar~~
4 ~~year, the authority may carry forward for 1 year only the~~
5 ~~difference between \$30,000,000.00 and the total of all credits for~~
6 ~~all projects approved under this subsection in the immediately~~
7 ~~preceding calendar year. The criteria in subsection (7) shall be~~
8 used when approving projects under this subsection. When approving
9 projects under this subsection, priority shall be given to projects
10 on a facility. The total of all credits for an approved project
11 under this subsection shall not exceed \$1,000,000.00. A taxpayer
12 may apply under this subsection instead of subsection (4) for
13 approval of a project that will be for more than \$10,000,000.00,
14 but the total of all credits for that project shall not exceed
15 \$1,000,000.00. If the chairperson of the Michigan economic growth
16 authority or his or her designee approves a project under this
17 subsection, the chairperson of the Michigan economic growth
18 authority or his or her designee shall issue a preapproval letter
19 that states that the taxpayer is a qualified taxpayer; the maximum
20 total eligible investment for the project on which credits may be
21 claimed and the maximum total of all credits for the project when
22 the project is completed and a certificate of completion is issued;
23 and the project number assigned by the Michigan economic growth
24 authority. If a project is denied under this subsection, a taxpayer
25 is not prohibited from subsequently applying under this subsection
26 or subsection (4) for the same project or for another project.

27 (4) If the cost of a project will be for more than

1 \$10,000,000.00 and, except as provided in subsection (6)(b), the
2 project is located in a qualified local governmental unit, a
3 qualified taxpayer shall apply to the Michigan economic growth
4 authority for approval of the project. An application under this
5 subsection shall state whether the project is a multiphase project.
6 The Michigan economic growth authority shall approve or deny the
7 project not more than 65 days after receipt of the application. A
8 project under this subsection shall not be approved without the
9 concurrence of the state treasurer. If the Michigan economic growth
10 authority does not approve or deny the application within 65 days
11 after it receives the application, the Michigan economic growth
12 authority shall send the application to the state treasurer. The
13 state treasurer shall approve or deny the application within 5 days
14 after receipt of the application. If the state treasurer does not
15 deny the application within 5 days after receipt of the
16 application, the application is considered approved. The Michigan
17 economic growth authority shall approve a limited number of
18 projects under this subsection during each calendar year as
19 provided in subsection (6). The Michigan economic growth authority
20 shall use the criteria in subsection (7) when approving projects
21 under this subsection, when determining the total amount of
22 eligible investment, and when determining the percentage of
23 eligible investment for the project to be used to calculate a
24 credit. The total of all credits for an approved project under this
25 subsection shall not exceed the amount designated in the
26 preapproval letter for that project. If the Michigan economic
27 growth authority approves a project under this subsection, the

1 Michigan economic growth authority shall issue a preapproval letter
2 that states that the taxpayer is a qualified taxpayer; the
3 percentage of eligible investment for the project determined by the
4 Michigan economic growth authority for purposes of subsection
5 (1)(b); the maximum total eligible investment for the project on
6 which credits may be claimed and the maximum total of all credits
7 for the project when the project is completed and a certificate of
8 completion is issued; and the project number assigned by the
9 Michigan economic growth authority. The Michigan economic growth
10 authority shall send a copy of the preapproval letter to the
11 department. If a project is denied under this subsection, a
12 taxpayer is not prohibited from subsequently applying under this
13 subsection or subsection (3) for the same project or for another
14 project.

15 (5) If the project is on property that is functionally
16 obsolete, the taxpayer shall include with the application an
17 affidavit signed by a level 3 or level 4 assessor, that states that
18 it is the assessor's expert opinion that the property is
19 functionally obsolete and the underlying basis for that opinion.

20 (6) The Michigan economic growth authority may approve not
21 more than ~~17-20~~ projects each calendar year under subsection (4),
22 and the following limitations apply:

23 (a) Of the ~~17-20~~ projects allowed under this subsection, the
24 total of all credits for each project may be more than
25 \$10,000,000.00 but \$30,000,000.00 or less for ~~up to 2 projects~~ **ONLY**
26 **1 PROJECT.**

27 (b) Of the ~~17-20~~ projects allowed under this subsection, up to

1 3 projects may be approved for projects that are not in a qualified
2 local governmental unit if the property is a facility for which
3 eligible activities are identified in a brownfield plan or, for 1
4 of the 3 projects, if the property is not a facility but is
5 functionally obsolete or blighted, property identified in a
6 brownfield plan. For purposes of this subdivision, a facility
7 includes a building or complex of buildings that was used by a
8 state or federal agency and that is no longer being used for the
9 purpose for which it was used by the state or federal agency.

10 (c) ~~Of the 2 projects~~ **THE PROJECT** allowed under subdivision
11 (a) ~~, 1 may be a project that also qualifies~~ **MAY ALSO QUALIFY** under
12 subdivision (b).

13 (7) The Michigan economic growth authority shall review all
14 applications for projects under subsection (4) and, if an
15 application is approved, shall determine the maximum total of all
16 credits for that project. Before approving a project for which the
17 total of all credits will be more than \$10,000,000.00 but
18 \$30,000,000.00 or less only, the Michigan economic growth authority
19 shall determine that the project would not occur in this state
20 without the tax credit offered under subsection (4). The Michigan
21 economic growth authority shall consider the following criteria to
22 the extent reasonably applicable to the type of project proposed
23 when approving a project under subsection (4), and the chairperson
24 of the Michigan economic growth authority or his or her designee
25 shall consider the following criteria to the extent reasonably
26 applicable to the type of project proposed when approving a project
27 under subsection (2) or (3) or when considering an amendment to a

1 project under subsection (9):

2 (a) The overall benefit to the public.

3 (b) The extent of reuse of vacant buildings and redevelopment
4 of blighted property.

5 (c) Creation of jobs.

6 (d) Whether the eligible property is in an area of high
7 unemployment.

8 (e) The level and extent of contamination alleviated by the
9 qualified taxpayer's eligible activities to the extent known to the
10 qualified taxpayer.

11 (f) The level of private sector contribution.

12 (g) The cost gap that exists between the site and a similar
13 greenfield site as determined by the Michigan economic growth
14 authority.

15 (h) If the qualified taxpayer is moving from another location
16 in this state, whether the move will create a brownfield.

17 (i) Whether the ~~financial statements of the qualified taxpayer~~
18 ~~indicate that it~~ **PROJECT** is financially sound and that the project
19 ~~is~~ **AND** economically sound.

20 (j) Any other criteria that the Michigan economic growth
21 authority or the chairperson of the Michigan economic growth
22 authority, as applicable, considers appropriate for the
23 determination of eligibility under subsection (3) or (4).

24 (8) A qualified taxpayer may apply for projects under this
25 section for eligible investment on more than 1 eligible property in
26 a tax year. Each project approved and each project for which a
27 certificate of completion is issued under this section shall be for

1 eligible investment on 1 eligible property.

2 (9) If, after a taxpayer's project has been approved and the
3 taxpayer has received a preapproval letter but before the project
4 is completed, the taxpayer determines that the project cannot be
5 completed as preapproved, the taxpayer may petition the Michigan
6 economic growth authority to amend the project. The total of
7 eligible investment for the project as amended shall not exceed the
8 amount allowed in the preapproval letter for that project.

9 (10) A project may be a multiphase project. If a project is a
10 multiphase project, when each component of the multiphase project
11 is completed, the taxpayer shall submit documentation that the
12 component is complete, an accounting of the cost of the component,
13 and the eligible investment for the component of each taxpayer
14 eligible for a credit for the project of which the component is a
15 part to the Michigan economic growth authority or the designee of
16 the Michigan economic growth authority, who shall verify that the
17 component is complete. When the completion of the component is
18 verified, a component completion certificate shall be issued to the
19 qualified taxpayer which shall state that the taxpayer is a
20 qualified taxpayer, the credit amount for the component, the
21 qualified taxpayer's federal employer identification number or the
22 Michigan treasury number assigned to the taxpayer, and the project
23 number. The taxpayer may assign all or part of the credit for a
24 multiphase project as provided in this section after a component
25 completion certificate for a component is issued. The qualified
26 taxpayer may transfer ownership of or lease the completed component
27 and assign a proportionate share of the credit for the entire

1 project to the qualified taxpayer that is the new owner or lessee.
2 A multiphase project shall not be divided into more than ~~20~~10
3 components. A component is considered to be completed when a
4 certificate of occupancy has been issued by the local municipality
5 in which the project is located for all of the buildings or
6 facilities that comprise the completed component and a component
7 completion certificate is issued **OR THE CHAIRPERSON OF THE MICHIGAN**
8 **ECONOMIC GROWTH AUTHORITY OR HIS OR HER DESIGNEE, FOR PROJECTS**
9 **APPROVED UNDER SUBSECTION (2) OR (3), OR THE MICHIGAN ECONOMIC**
10 **GROWTH AUTHORITY, FOR PROJECTS APPROVED UNDER SUBSECTION (4),**
11 **VERIFIES THAT THE COMPONENT IS COMPLETE.** A credit assigned based on
12 a multiphase project shall be claimed by the assignee in the tax
13 year in which the assignment is made. The total of all credits for
14 a multiphase project shall not exceed the amount stated in the
15 preapproval letter for the project under subsection (1). If all
16 components of a multiphase project are not completed by 10 years
17 after the date on which the preapproval letter for the project was
18 issued, the qualified taxpayer that received the preapproval letter
19 for the project shall pay to the state treasurer, as a penalty, an
20 amount equal to the sum of all credits claimed and assigned for all
21 components of the multiphase project and no credits based on that
22 multiphase project shall be claimed after that date by the
23 qualified taxpayer or any assignee of the qualified taxpayer. The
24 penalty under this subsection is subject to interest on the amount
25 of the credit claimed or assigned determined individually for each
26 component at the rate in section 23(2) of 1941 PA 122, MCL 205.23,
27 beginning on the date that the credit for that component was

1 claimed or assigned. As used in this subsection, "proportionate
2 share" means the same percentage of the total of all credits for
3 the project that the qualified investment for the completed
4 component is of the total qualified investment stated in the
5 preapproval letter for the entire project.

6 (11) When a project under this section is completed, the
7 taxpayer shall submit documentation that the project is completed,
8 an accounting of the cost of the project, the eligible investment
9 of each taxpayer if there is more than 1 taxpayer eligible for a
10 credit for the project, and, if the taxpayer is not the owner or
11 lessee of the eligible property on which the eligible investment
12 was made at the time the project is completed, that the taxpayer
13 was the owner or lessee of that eligible property when all eligible
14 investment of the taxpayer was made. The chairperson of the
15 Michigan economic growth authority or his or her designee, for
16 projects approved under subsection (2) or (3), or the Michigan
17 economic growth authority, for projects approved under subsection
18 (4), shall verify that the project is completed. The Michigan
19 economic growth authority shall conduct an on-site inspection as
20 part of the verification process for projects approved under
21 subsection (4). When the completion of the project is verified, a
22 certificate of completion shall be issued to each qualified
23 taxpayer that has made eligible investment on that eligible
24 property. The certificate of completion shall state the total
25 amount of all credits for the project and that total shall not
26 exceed the maximum total of all credits listed in the preapproval
27 letter for the project under subsection (2), (3), or (4) as

1 applicable and shall state all of the following:

2 (a) That the taxpayer is a qualified taxpayer.

3 (b) The total cost of the project and the eligible investment
4 of each qualified taxpayer.

5 (c) Each qualified taxpayer's credit amount.

6 (d) The qualified taxpayer's federal employer identification
7 number or the Michigan treasury number assigned to the taxpayer.

8 (e) The project number.

9 (f) For a project approved under subsection (4) for which the
10 total of all credits is more than \$10,000,000.00 but \$30,000,000.00
11 or less, the total of all credits and the schedule on which the
12 annual credit amount shall be claimed by the qualified taxpayer.

13 (g) For a multiphase project under subsection (10), the amount
14 of each credit assigned and the amount of all credits claimed in
15 each tax year before the year in which the project is completed.

16 (12) Except as otherwise provided in this section, qualified
17 taxpayers shall claim credits under this section in the tax year in
18 which the certificate of completion is issued. For a project
19 approved under subsection (4) for which the total of all credits is
20 more than \$10,000,000.00 but \$30,000,000.00 or less, the qualified
21 taxpayer shall claim 10% of its approved credit each year for 10
22 years. A credit assigned based on a multiphase project shall be
23 claimed in the year in which the credit is assigned.

24 (13) The cost of eligible investment for leased machinery,
25 equipment, or fixtures is the cost of that property had the
26 property been purchased minus the lessor's estimate, made at the
27 time the lease is entered into, of the market value the property

1 will have at the end of the lease. A credit for property described
2 in this subsection is allowed only if the cost of that property had
3 the property been purchased and the lessor's estimate of the market
4 value at the end of the lease are provided to the Michigan economic
5 growth authority.

6 (14) Credits claimed by a lessee of eligible property are
7 subject to the total of all credits limitation under this section.

8 (15) Each qualified taxpayer and assignee under subsection
9 (20), (21), or (22) that claims a credit under this section shall
10 attach a copy of the certificate of completion and, if the credit
11 was assigned, a copy of the assignment form provided for under this
12 section to the annual return filed under this act on which the
13 credit under this section is claimed. An assignee of a credit based
14 on a multiphase project shall attach a copy of the assignment form
15 provided for under this section and the component completion
16 certificate provided for in subsection (10) to the annual return
17 filed under this act on which the credit is claimed but is not
18 required to file a copy of a certificate of completion.

19 (16) Except as otherwise provided in this subsection or
20 subsection (10), (18), (20), (21), or (22), a credit under this
21 section shall be claimed in the tax year in which the certificate
22 of completion is issued to the qualified taxpayer. For a project
23 described in subsection (11)(f) for which a schedule for claiming
24 annual credit amounts is designated on the certificate of
25 completion by the Michigan economic growth authority, the annual
26 credit amount shall be claimed in the tax year specified on the
27 certificate of completion.

1 (17) The credits approved under this section shall be
2 calculated after application of all other credits allowed under
3 this act. The credits under this section shall be calculated before
4 the calculation of the credit under section 431.

5 (18) ~~If~~**EXCEPT AS OTHERWISE PROVIDED UNDER THIS SUBSECTION, IF**
6 the credit allowed under this section for the tax year and any
7 unused carryforward of the credit allowed under this section exceed
8 the qualified taxpayer's or assignee's tax liability for the tax
9 year, that portion that exceeds the tax liability for the tax year
10 shall not be refunded but may be carried forward to offset tax
11 liability in subsequent tax years for 10 years or until used up,
12 whichever occurs first. Except as otherwise provided in this
13 subsection, the maximum time allowed under the carryforward
14 provisions under this subsection begins with the tax year in which
15 the certificate of completion is issued to the qualified taxpayer.
16 If the qualified taxpayer assigns all or any portion of its credit
17 approved under this section, the maximum time allowed under the
18 carryforward provisions for an assignee begins to run with the tax
19 year in which the assignment is made and the assignee first claims
20 a credit, which shall be the same tax year. The maximum time
21 allowed under the carryforward provisions for an annual credit
22 amount for a credit allowed under subsection (4) begins to run in
23 the tax year for which the annual credit amount is designated on
24 the certificate of completion issued under this section. A credit
25 carryforward available under section 38g of former 1975 PA 228 that
26 is unused at the end of the last tax year may be claimed against
27 the tax imposed under act for the years the carryforward would have

1 been available under former 1975 PA 228. **BEGINNING ON AND AFTER**
2 **JANUARY 1, 2008, IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE**
3 **TAX YEAR EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY FOR THE TAX**
4 **YEAR, THE QUALIFIED TAXPAYER MAY ELECT TO HAVE THE EXCESS REFUNDED**
5 **AT A RATE EQUAL TO 75% OF THAT PORTION OF THE CREDIT THAT EXCEEDS**
6 **THE TAX LIABILITY OF THE QUALIFIED TAXPAYER FOR THE TAX YEAR AND**
7 **FORGO THE REMAINING 25% OF THE CREDIT AND ANY CARRYFORWARD.**

8 (19) If a project or credit under this section is for the
9 addition of personal property, if the cost of that personal
10 property is used to calculate a credit under this section, and if
11 the personal property is ~~sold to a purchaser other than an assignee~~
12 ~~under subsection (20) or~~ disposed of or transferred from **THE**
13 eligible property to any other location, the qualified taxpayer
14 that ~~sold,~~ disposed of **THAT PROPERTY**, or transferred the personal
15 property shall add the same percentage as determined under
16 subsection (1) of the federal basis of the personal property used
17 for determining gain or loss as of the date of the ~~sale,~~
18 disposition ~~,~~ or transfer to the qualified taxpayer's tax liability
19 under this act after application of all credits under this act for
20 the tax year in which the ~~sale,~~ disposition ~~,~~ or transfer occurs.
21 If a qualified taxpayer has an unused carryforward of a credit
22 under this section, the amount otherwise added under this
23 subsection to the qualified taxpayer's tax liability may instead be
24 used to reduce the qualified taxpayer's carryforward under
25 subsection (18).

26 (20) For credits under this section for projects for which a
27 certificate of completion is issued before January 1, 2006 and

1 except as otherwise provided in this subsection, if a qualified
2 taxpayer pays or accrues eligible investment on or to an eligible
3 property that is leased for a minimum term of 10 years or sold to
4 another taxpayer for use in a business activity, the qualified
5 taxpayer may assign all or a portion of the credit under this
6 section based on that eligible investment to the lessee or
7 purchaser of that eligible property. A credit assignment under this
8 subsection shall only be made to a taxpayer that when the
9 assignment is complete will be a qualified taxpayer. All credit
10 assignments under this subsection are irrevocable and, except for a
11 credit based on a multiphase project, shall be made in the tax year
12 in which the certificate of completion is issued, unless the
13 assignee is an unknown lessee. If a qualified taxpayer wishes to
14 assign all or a portion of its credit to a lessee but the lessee is
15 unknown in the tax year in which the certificate of completion is
16 issued, the qualified taxpayer may delay claiming and assigning the
17 credit until the first tax year in which the lessee is known. A
18 qualified taxpayer may claim a portion of a credit and assign the
19 remaining credit amount. Except as otherwise provided in this
20 subsection, if the qualified taxpayer both claims and assigns
21 portions of the credit, the qualified taxpayer shall claim the
22 portion it claims in the tax year in which the certificate of
23 completion is issued or, for a credit assigned and claimed for a
24 multiphase project before a certificate of completion is issued,
25 the taxpayer shall claim the credit in the year in which the credit
26 is assigned. If a qualified taxpayer assigns all or a portion of
27 the credit and the eligible property is leased to more than 1

1 taxpayer, the qualified taxpayer shall determine the amount of
2 credit assigned to each lessee. A lessee shall not subsequently
3 assign a credit or any portion of a credit assigned under this
4 subsection. A purchaser may subsequently assign a credit or any
5 portion of a credit assigned to the purchaser under this subsection
6 to a lessee of the eligible property. The credit assignment under
7 this subsection shall be made on a form prescribed by the Michigan
8 economic growth authority. The qualified taxpayer shall send a copy
9 of the completed assignment form to the Michigan economic growth
10 authority in the tax year in which the assignment is made. The
11 assignee shall attach a copy of the completed assignment form to
12 its annual return required to be filed under this act, for the tax
13 year in which the assignment is made and the assignee first claims
14 a credit, which shall be the same tax year. In addition to all
15 other procedures under this subsection, the following apply if the
16 total of all credits for a project is more than \$10,000,000.00 but
17 \$30,000,000.00 or less:

18 (a) The credit shall be assigned based on the schedule
19 contained in the certificate of completion.

20 (b) If the qualified taxpayer assigns all or a portion of the
21 credit amount, the qualified taxpayer shall assign the annual
22 credit amount for each tax year separately.

23 (c) More than 1 annual credit amount may be assigned to any 1
24 assignee and the qualified taxpayer may assign all or a portion of
25 each annual credit amount to any assignee.

26 (d) The qualified taxpayer shall not assign more than the
27 annual credit amount for each tax year.

1 (21) Except as otherwise provided in this subsection, for
2 projects for which a certificate of completion is issued before
3 January 1, 2006, and except as otherwise provided in this
4 subsection, if a qualified taxpayer is a partnership, limited
5 liability company, or subchapter S corporation, the qualified
6 taxpayer may assign all or a portion of a credit under this section
7 to its partners, members, or shareholders, based on their
8 proportionate share of ownership of the partnership, limited
9 liability company, or subchapter S corporation or based on an
10 alternative method approved by the Michigan economic growth
11 authority. A credit assignment under this subsection is irrevocable
12 and, except for a credit assignment based on a multiphase project,
13 shall be made in the tax year in which a certificate of completion
14 is issued. A qualified taxpayer may claim a portion of a credit and
15 assign the remaining credit amount. Except as otherwise provided in
16 this subsection, if the qualified taxpayer both claims and assigns
17 portions of the credit, the qualified taxpayer shall claim the
18 portion it claims in the tax year in which a certificate of
19 completion is issued or for a credit assigned and claimed for a
20 multiphase project, before the component completion certificate is
21 issued, the taxpayer shall claim the credit in the year in which
22 the credit is assigned. A partner, member, or shareholder that is
23 an assignee shall not subsequently assign a credit or any portion
24 of a credit assigned under this subsection. The credit assignment
25 under this subsection shall be made on a form prescribed by the
26 Michigan economic growth authority. The qualified taxpayer shall
27 send a copy of the completed assignment form to the Michigan

1 economic growth authority in the tax year in which the assignment
2 is made. A partner, member, or shareholder who is an assignee shall
3 attach a copy of the completed assignment form to its annual return
4 required under this act, for the tax year in which the assignment
5 is made and the assignee first claims a credit, which shall be the
6 same tax year. A credit assignment based on a credit for a
7 component of a multiphase project that is completed before January
8 1, 2006 shall be made under this subsection. In addition to all
9 other procedures under this subsection, the following apply if the
10 total of all credits for a project is more than \$10,000,000.00 but
11 \$30,000,000.00 or less:

12 (a) The credit shall be assigned based on the schedule
13 contained in the certificate of completion.

14 (b) If the qualified taxpayer assigns all or a portion of the
15 credit amount, the qualified taxpayer shall assign the annual
16 credit amount for each tax year separately.

17 (c) More than 1 annual credit amount may be assigned to any 1
18 assignee and the qualified taxpayer may assign all or a portion of
19 each annual credit amount to any assignee.

20 (d) The qualified taxpayer shall not assign more than the
21 annual credit amount for each tax year.

22 (22) For projects approved under **THIS SECTION OR** section 38g
23 of former 1975 PA 228 for which a certificate of completion is
24 issued on and after January 1, 2006, a qualified taxpayer may
25 assign all or a portion of a credit allowed under **THIS SECTION OR**
26 section 38g(2), (3), or (33) of former 1975 PA 228 under this
27 subsection. A credit assignment under this subsection is

1 irrevocable and, except for a credit assignment based on a
2 multiphase project, shall be made in the tax year in which a
3 certificate of completion is issued unless the assignee is an
4 unknown lessee. If a qualified taxpayer wishes to assign all or a
5 portion of its credit to a lessee but the lessee is unknown in the
6 tax year in which the certificate of completion is issued, the
7 qualified taxpayer may delay claiming and assigning the credit
8 until the first tax year in which the lessee is known. A qualified
9 taxpayer may claim a portion of a credit and assign the remaining
10 credit amount. If the qualified taxpayer both claims and assigns
11 portions of the credit, the qualified taxpayer shall claim the
12 portion it claims in the tax year in which a certificate of
13 completion is issued pursuant to **THIS SECTION OR** section 38g of
14 former 1975 PA 228. An assignee may subsequently assign a credit or
15 any portion of a credit assigned under this subsection to 1 or more
16 assignees. ~~An assignment under this subsection of a credit allowed~~
17 ~~under section 38g(2), (3), or (33) of former 1975 PA 228 shall not~~
18 ~~be made after 10 years after the first tax year in which that~~
19 ~~credit under section 38g(2), (3), or (33) of former 1975 PA 228 may~~
20 ~~be claimed.~~ The credit assignment or a subsequent reassignment
21 under this subsection shall be made on a form prescribed by the
22 Michigan economic growth authority. ~~The qualified taxpayer shall~~
23 ~~send a copy of the completed assignment form to the Michigan~~
24 ~~economic growth authority in the tax year in which an assignment or~~
25 ~~reassignment is made.~~ **THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR ITS**
26 **DESIGNEE SHALL REVIEW AND ISSUE A COMPLETED ASSIGNMENT OR**
27 **REASSIGNMENT CERTIFICATE TO THE ASSIGNEE OR REASSIGNEE.** An assignee

1 or subsequent reassignee shall attach a copy of the completed
2 assignment ~~form~~**CERTIFICATE** to its annual return required under
3 this act, for the tax year in which the assignment or reassignment
4 is made and the assignee or reassignee first claims a credit, which
5 shall be the same tax year. A credit assignment based on a credit
6 for a component of a multiphase project that is completed before
7 January 1, 2006 shall be made under section 38g(18) of former 1975
8 PA 228. A credit assignment based on a credit for a component of a
9 multiphase project that is completed on or after January 1, 2006
10 may be made under this section. In addition to all other procedures
11 and requirements under this section, the following apply if the
12 total of all credits for a project is more than \$10,000,000.00 but
13 \$30,000,000.00 or less:

14 (a) The credit shall be assigned based on the schedule
15 contained in the certificate of completion.

16 (b) If the qualified taxpayer assigns all or a portion of the
17 credit amount, the qualified taxpayer shall assign the annual
18 credit amount for each tax year separately.

19 (c) More than 1 annual credit amount may be assigned to any 1
20 assignee, and the qualified taxpayer may assign all or a portion of
21 each annual credit amount to any assignee.

22 (23) A qualified taxpayer or assignee under subsection (20),
23 (21), or (22) shall not claim a credit under subsection (1)(a) or
24 (b) based on eligible investment on which a credit claimed under
25 section 38d of former 1975 PA 228 was based.

26 ~~(24) The Michigan economic growth authority may certify a~~
27 ~~credit under this section based on an agreement entered into prior~~

1 ~~to January 1, 2008 pursuant to section 38g of former 1975 PA 228.~~
2 ~~The number of years for which the credit under this subsection may~~
3 ~~be claimed under this act shall equal the maximum number of years~~
4 ~~designated in the agreement reduced by the number of years for~~
5 ~~which a credit had been claimed or could have been claimed under~~
6 ~~section 38g of former 1975 PA 228.~~ WHEN REVIEWING AN APPLICATION
7 FOR A PROJECT FOR DESIGNATION AS AN URBAN DEVELOPMENT AREA PROJECT,
8 THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH AUTHORITY OR HIS OR
9 HER DESIGNEE SHALL CONSIDER ALL OF THE FOLLOWING CRITERIA:

10 (A) IF THE PROJECT INCREASES THE DENSITY OF THE AREA BY
11 PROMOTING MULTISTORY DEVELOPMENT.

12 (B) IF THE PROJECT PROMOTES MIXED-USE DEVELOPMENT AND WALKABLE
13 COMMUNITIES.

14 (C) IF THE PROJECT PROMOTES SUSTAINABLE REDEVELOPMENT.

15 (D) IF THE PROJECT ADDRESSES AREAWIDE REDEVELOPMENT AND
16 INCLUDES MULTIPLE PARCELS OF PROPERTY.

17 (E) IF THE PROJECT ADDRESSES UNDERSERVED MARKETS OF COMMERCE.

18 (F) ANY OTHER CRITERIA DETERMINED BY THE CHAIRPERSON OF THE
19 MICHIGAN ECONOMIC GROWTH AUTHORITY.

20 (25) An eligible taxpayer that claims a credit under this
21 section is not prohibited from claiming a credit under section 431.
22 However, the eligible taxpayer shall not claim a credit under this
23 section and section 431 based on the same costs.

24 (26) Eligible investment attributable or related to the
25 operation of a professional sports stadium, and eligible investment
26 that is associated or affiliated with the operation of a
27 professional sports stadium, including, but not limited to, the

1 operation of a parking lot or retail store, shall not be used as a
2 basis for a credit under this section. Professional sports stadium
3 does not include a professional sports stadium that will no longer
4 be used by a professional sports team on and after the date that an
5 application related to that professional sports stadium is filed
6 under this section.

7 (27) Eligible investment attributable or related to the
8 operation of a casino, and eligible investment that is associated
9 or affiliated with the operation of a casino, including, but not
10 limited to, the operation of a parking lot, hotel, motel, or retail
11 store, shall not be used as a basis for a credit under this
12 section. As used in this subsection, "casino" means a casino
13 regulated by this state pursuant to the Michigan gaming control and
14 revenue act, ~~the Initiated Law of 1996 IL 1~~, MCL 432.201 to
15 432.226.

16 (28) Eligible investment attributable or related to the
17 construction of a new landfill or the expansion of an existing
18 landfill regulated under part 115 of the natural resources and
19 environmental protection act, 1994 PA 451, MCL 324.11501 to
20 324.11550, shall not be used as a basis for a credit under this
21 section.

22 (29) The Michigan economic growth authority annually shall
23 prepare and submit to the house of representatives and senate
24 committees responsible for tax policy and economic development
25 issues a report on the credits under ~~subsection~~ **SUBSECTIONS (2),**
26 **(3), AND (4)**. The report shall include, but is not limited to, all
27 of the following:

1 (a) A listing of the projects under ~~subsection~~**SUBSECTIONS**
2 **(2), (3), AND (4)** that were approved in the calendar year.

3 (b) The total amount of eligible investment for projects
4 approved under ~~subsection~~**SUBSECTIONS (2), (3), AND (4)** in the
5 calendar year.

6 (30) For purposes of this section, taxpayer includes a person
7 subject to the tax imposed under chapters 2A and 2B.

8 **(31) THE TOTAL OF ALL CREDITS FOR ALL PROJECTS APPROVED UNDER**
9 **SUBSECTION (2) OR (3) SHALL NOT EXCEED \$40,000,000.00 IN ANY**
10 **CALENDAR YEAR. IF THE AUTHORITY APPROVES A TOTAL OF ALL CREDITS FOR**
11 **ALL PROJECTS UNDER SUBSECTION (2) OR (3) OF LESS THAN**
12 **\$40,000,000.00 IN A CALENDAR YEAR, THE AUTHORITY MAY CARRY FORWARD**
13 **FOR 1 YEAR ONLY THE DIFFERENCE BETWEEN \$40,000,000.00 AND THE TOTAL**
14 **OF ALL CREDITS FOR ALL PROJECTS UNDER THIS SUBSECTION APPROVED IN**
15 **THE IMMEDIATELY PRECEDING CALENDAR YEAR.**

16 **(32) ~~(31)~~As used in this section:**

17 (a) "Annual credit amount" means the maximum amount that a
18 qualified taxpayer is eligible to claim each tax year for a project
19 for which the total of all credits is more than \$10,000,000.00 but
20 \$30,000,000.00 or less, which shall be 10% of the qualified
21 taxpayer's credit amount approved under subsection ~~(3)~~**(4)**.

22 (b) "Authority" means a brownfield redevelopment authority
23 created under the brownfield redevelopment financing act, 1996 PA
24 381, MCL 125.2651 to 125.2672.

25 ~~—— (c) "Authorized business", "full time job", "new capital~~
26 ~~investment", "qualified high technology business", "retained jobs",~~
27 ~~and "written agreement" mean those terms as defined in the Michigan~~

1 ~~economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.~~

2 (C) ~~(d)~~-"Blighted", "brownfield plan", "eligible activities",
3 "facility", "functionally obsolete", "qualified local governmental
4 unit", and "response activity" mean those terms as defined in the
5 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
6 to 125.2672.

7 (D) ~~(e)~~-"Eligible investment" means, **AFTER THE DATE THAT THE**
8 **PREAPPROVAL LETTER IS ISSUED, ANY** demolition, construction,
9 restoration, alteration, renovation, or improvement of buildings or
10 site improvements on eligible property and the addition of
11 machinery, equipment, and fixtures to eligible property after the
12 date that eligible activities on that eligible property have
13 started pursuant to a brownfield plan under the brownfield
14 redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,
15 ~~and after the date that the preapproval letter is issued,~~ if the
16 costs of the eligible investment are not otherwise reimbursed to
17 the taxpayer or paid for on behalf of the taxpayer from any source
18 other than the taxpayer. The addition of leased machinery,
19 equipment, or fixtures to eligible property by a lessee of the
20 machinery, equipment, or fixtures is eligible investment if the
21 lease of the machinery, equipment, or fixtures has a minimum term
22 of 10 years or is for the expected useful life of the machinery,
23 equipment, or fixtures, and if the owner of the machinery,
24 equipment, or fixtures is not the qualified taxpayer with regard to
25 that machinery, equipment, or fixtures. **FOR PROJECTS APPROVED AFTER**
26 **JANUARY 1, 2008, ELIGIBLE INVESTMENT DOES NOT INCLUDE CERTAIN SOFT**
27 **COSTS OF THE ELIGIBLE INVESTMENT AS DETERMINED BY THE MICHIGAN**

1 ECONOMIC GROWTH AUTHORITY, INCLUDING, BUT NOT LIMITED TO, DEVELOPER
 2 FEES, APPRAISALS, PERFORMANCE BONDS, CLOSING COSTS, BANK FEES, LOAN
 3 FEES, RISK CONTINGENCIES, FINANCING COSTS, PERMANENT OR
 4 CONSTRUCTION PERIOD INTEREST, LEGAL EXPENSES, LEASING OR SALES
 5 COMMISSIONS, MARKETING COSTS, PROFESSIONAL FEES, SHARED SAVINGS,
 6 TAXES, TITLE INSURANCE, BANK INSPECTION FEES, INSURANCE, AND
 7 PROJECT MANAGEMENT FEES.

8 (E) ~~(f)~~ "Eligible property", EXCEPT AS OTHERWISE PROVIDED
 9 UNDER SUBSECTION (33), means ~~that term as defined in the brownfield~~
 10 ~~redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672,~~
 11 ~~except that, for purposes of subsection (2), all of the following~~
 12 ~~apply:~~

13 ~~—— (i) Eligible property means property identified under a~~
 14 ~~brownfield plan that was used or is currently used for commercial,~~
 15 ~~industrial, or residential purposes and that is 1 of the following:~~

16 ~~—— (A) Property for which eligible activities are identified~~
 17 ~~under the brownfield plan, is in a qualified local governmental~~
 18 ~~unit, and is a facility, functionally obsolete, or blighted.~~

19 ~~—— (B) Property that is not in a qualified local governmental~~
 20 ~~unit but is within a downtown development district established~~
 21 ~~under 1975 PA 197, MCL 125.1651 to 125.1681, and is functionally~~
 22 ~~obsolete or blighted, and a component of the project on that~~
 23 ~~eligible property is 1 or more of the following:~~

24 ~~—— (I) Infrastructure improvements that directly benefit the~~
 25 ~~eligible property.~~

26 ~~—— (II) Demolition of structures that is not response activity~~
 27 ~~under section 20101 of the natural resources and environmental~~

1 ~~protection act, 1994 PA 451, MCL 324.20101.~~

2 ~~—— (III) Lead or asbestos abatement.~~

3 ~~—— (IV) Site preparation that is not response activity under~~
 4 ~~section 20101 of the natural resources and environmental protection~~
 5 ~~act, 1994 PA 451, MCL 324.20101.~~

6 ~~—— (C) Property for which eligible activities are identified~~
 7 ~~under the brownfield plan, is not in a qualified local governmental~~
 8 ~~unit, and is a facility.~~

9 ~~—— (ii) Eligible property includes parcels that are adjacent or~~
 10 ~~contiguous to the eligible property if the development of the~~
 11 ~~adjacent or contiguous parcels is estimated to increase the~~
 12 ~~captured taxable value of the property or tax reverted property~~
 13 ~~owned or under the control of a land bank fast track authority~~
 14 ~~pursuant to the land bank fast track authority act, 2003 PA 258,~~
 15 ~~MCL 124.751 to 124.774.~~

16 ~~—— (iii) Eligible property includes, to the extent included in the~~
 17 ~~brownfield plan, personal property located on the eligible~~
 18 ~~property.~~

19 ~~—— (iv) Eligible property does not include qualified agricultural~~
 20 ~~property exempt under section 7ee of the general property tax act,~~
 21 ~~1893 PA 206, MCL 211.7ee, from the tax levied by a local school~~
 22 ~~district for school operating purposes to the extent provided under~~
 23 ~~section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.~~

24 **PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER A**
 25 **BROWNFIELD PLAN THAT WAS USED OR IS CURRENTLY USED FOR COMMERCIAL,**
 26 **INDUSTRIAL, OR RESIDENTIAL PURPOSES, INCLUDING PERSONAL PROPERTY**
 27 **LOCATED ON THE PROPERTY, TO THE EXTENT INCLUDED IN THE BROWNFIELD**

1 PLAN, AND THAT IS 1 OR MORE OF THE FOLLOWING:

2 (i) IS IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AND IS A
3 FACILITY, FUNCTIONALLY OBSOLETE, OR BLIGHTED AND INCLUDES PARCELS
4 THAT ARE ADJACENT OR CONTIGUOUS TO THAT PROPERTY IF THE DEVELOPMENT
5 OF THE ADJACENT AND CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE
6 CAPTURED TAXABLE VALUE OF THAT PROPERTY.

7 (ii) IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AND IS A
8 FACILITY, AND INCLUDES PARCELS THAT ARE ADJACENT OR CONTIGUOUS TO
9 THAT PROPERTY IF THE DEVELOPMENT OF THE ADJACENT AND CONTIGUOUS
10 PARCELS IS ESTIMATED TO INCREASE THE CAPTURED TAXABLE VALUE OF THAT
11 PROPERTY.

12 (iii) IS TAX REVERTED PROPERTY OWNED OR UNDER THE CONTROL OF A
13 LAND BANK FAST TRACK AUTHORITY.

14 (F) ~~(g)~~—"Last tax year" means the taxpayer's tax year under
15 former 1975 PA 228 that begins after December 31, 2006 and before
16 January 1, 2008.

17 (G) ~~(h)~~—"Michigan economic growth authority" means the
18 Michigan economic growth authority created in the Michigan economic
19 growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

20 (H) ~~(i)~~—"Multiphase project" means a project approved under
21 this section that has more than 1 component, each of which can be
22 completed separately.

23 (I) ~~(j)~~—"Personal property" means that term as defined in
24 section 8 of the general property tax act, 1893 PA 206, MCL 211.8,
25 except that personal property does not include either of the
26 following:

27 (i) Personal property described in section 8(h), (i), or (j) of

1 the general property tax act, 1893 PA 206, MCL 211.8.

2 (ii) Buildings described in section 14(6) of the general
3 property tax act, 1893 PA 206, MCL 211.14.

4 (J) ~~(k)~~—"Project" means the total of all eligible investment
5 on an eligible property or, for purposes of subsection (6)(b), 1 of
6 the following:

7 (i) All eligible investment on property not in a qualified
8 local governmental unit that is a facility.

9 (ii) All eligible investment on property that is not a facility
10 but is functionally obsolete or blighted.

11 (K) ~~(l)~~—"Qualified local governmental unit" means that term as
12 defined in the obsolete property rehabilitation act, 2000 PA 146,
13 MCL 125.2781 to 125.2797.

14 (L) ~~(m)~~—"Qualified taxpayer" means a taxpayer that meets both
15 of the following criteria:

16 (i) Owns or leases eligible property.

17 (ii) Certifies that, except as otherwise provided in this
18 subparagraph, the department of environmental quality has not sued
19 or issued a unilateral order to the taxpayer pursuant to part 201
20 of the natural resources and environmental protection act, 1994 PA
21 451, MCL 324.20101 to 324.20142, to compel response activity on or
22 to the eligible property, or expended any state funds for response
23 activity on or to the eligible property and demanded reimbursement
24 for those expenditures from the qualified taxpayer. However, if the
25 taxpayer has completed all response activity required by part 201
26 of the natural resources and environmental protection act, 1994 PA
27 451, MCL 324.20101 to 324.20142, is in compliance with any deed

1 restriction or administrative or judicial order related to the
2 required response activity, and has reimbursed the state for all
3 costs incurred by the state related to the required response
4 activity, the taxpayer meets the criteria under this subparagraph.

5 (M) "URBAN DEVELOPMENT AREA PROJECT" MEANS A PROJECT LOCATED
6 ON ELIGIBLE PROPERTY IN THE DOWNTOWN OR TRADITIONAL CENTRAL
7 BUSINESS DISTRICT OF A QUALIFIED LOCAL GOVERNMENTAL UNIT OR ALONG A
8 HISTORIC COMMERCIAL CORRIDOR OF A QUALIFIED LOCAL GOVERNMENTAL UNIT
9 AS DETERMINED BY THE CHAIRPERSON OF THE MICHIGAN ECONOMIC GROWTH
10 AUTHORITY OR HIS OR HER DESIGNEE.

11 (33) FOR PURPOSES OF SUBSECTION (2), ELIGIBLE PROPERTY MEANS
12 THAT TERM AS DEFINED UNDER SUBSECTION (32) (E) EXCEPT THAT ALL OF
13 THE FOLLOWING APPLY:

14 (A) ELIGIBLE PROPERTY MEANS PROPERTY IDENTIFIED UNDER A
15 BROWNFIELD PLAN THAT WAS USED OR IS CURRENTLY USED FOR COMMERCIAL,
16 INDUSTRIAL, OR RESIDENTIAL PURPOSES AND THAT IS 1 OF THE FOLLOWING:

17 (i) PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED UNDER
18 THE BROWNFIELD PLAN, IS IN A QUALIFIED LOCAL GOVERNMENTAL UNIT, AND
19 IS A FACILITY, FUNCTIONALLY OBSOLETE, OR BLIGHTED.

20 (ii) PROPERTY THAT IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL
21 UNIT BUT IS WITHIN A DOWNTOWN DEVELOPMENT DISTRICT ESTABLISHED
22 UNDER 1975 PA 197, MCL 125.1651 TO 125.1681, AND IS FUNCTIONALLY
23 OBSOLETE OR BLIGHTED, AND A COMPONENT OF THE PROJECT ON THAT
24 ELIGIBLE PROPERTY IS 1 OR MORE OF THE FOLLOWING:

25 (A) INFRASTRUCTURE IMPROVEMENTS THAT DIRECTLY BENEFIT THE
26 ELIGIBLE PROPERTY.

27 (B) DEMOLITION OF STRUCTURES THAT IS NOT RESPONSE ACTIVITY

1 UNDER SECTION 20101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL
2 PROTECTION ACT, 1994 PA 451, MCL 324.20101.

3 (C) LEAD OR ASBESTOS ABATEMENT.

4 (D) SITE PREPARATION THAT IS NOT RESPONSE ACTIVITY UNDER
5 SECTION 20101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
6 ACT, 1994 PA 451, MCL 324.20101.

7 (iii) PROPERTY FOR WHICH ELIGIBLE ACTIVITIES ARE IDENTIFIED
8 UNDER THE BROWNFIELD PLAN, IS NOT IN A QUALIFIED LOCAL GOVERNMENTAL
9 UNIT, AND IS A FACILITY.

10 (B) ELIGIBLE PROPERTY INCLUDES PARCELS THAT ARE ADJACENT OR
11 CONTIGUOUS TO THE ELIGIBLE PROPERTY IF THE DEVELOPMENT OF THE
12 ADJACENT OR CONTIGUOUS PARCELS IS ESTIMATED TO INCREASE THE
13 CAPTURED TAXABLE VALUE OF THE PROPERTY OR TAX REVERTED PROPERTY
14 OWNED OR UNDER THE CONTROL OF A LAND BANK FAST TRACK AUTHORITY
15 PURSUANT TO THE LAND BANK FAST TRACK AUTHORITY ACT, 2003 PA 258,
16 MCL 124.751 TO 124.774.

17 (C) ELIGIBLE PROPERTY INCLUDES, TO THE EXTENT INCLUDED IN THE
18 BROWNFIELD PLAN, PERSONAL PROPERTY LOCATED ON THE ELIGIBLE
19 PROPERTY.

20 (D) ELIGIBLE PROPERTY DOES NOT INCLUDE QUALIFIED AGRICULTURAL
21 PROPERTY EXEMPT UNDER SECTION 7EE OF THE GENERAL PROPERTY TAX ACT,
22 1893 PA 206, MCL 211.7EE, FROM THE TAX LEVIED BY A LOCAL SCHOOL
23 DISTRICT FOR SCHOOL OPERATING PURPOSES TO THE EXTENT PROVIDED UNDER
24 SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

25 Enacting section 1. This amendatory act takes effect January
26 1, 2008.