

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4093**

A bill to amend 1974 PA 198, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

by amending section 4 (MCL 207.554), as amended by 2004 PA 437.

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

1           Sec. 4. (1) A local governmental unit, by resolution of its  
2 legislative body, may establish plant rehabilitation districts and  
3 industrial development districts that consist of 1 or more parcels  
4 or tracts of land or a portion of a parcel or tract of land.

5           (2) The legislative body of a local governmental unit may

1 establish a plant rehabilitation district or an industrial  
2 development district on its own initiative or upon a written  
3 request filed by the owner or owners of 75% of the state equalized  
4 value of the industrial property located within a proposed plant  
5 rehabilitation district or industrial development district. This  
6 request shall be filed with the clerk of the local governmental  
7 unit.

8 (3) Except as provided in section 9(2)(h), after December 31,  
9 1983, a request for the establishment of a proposed plant  
10 rehabilitation district or industrial development district shall be  
11 filed only in connection with a proposed replacement facility or  
12 new facility, the construction, acquisition, alteration, or  
13 installation of or for which has not commenced at the time of the  
14 filing of the request. The legislative body of a local governmental  
15 unit shall not establish a plant rehabilitation district or an  
16 industrial development district pursuant to subsection (2) if it  
17 finds that the request for the district was filed after the  
18 commencement of construction, alteration, or installation of, or of  
19 an acquisition related to, the proposed replacement facility or new  
20 facility. This subsection shall not apply to a speculative  
21 building.

22 (4) Before adopting a resolution establishing a plant  
23 rehabilitation district or industrial development district, the  
24 legislative body shall give written notice by certified mail to the  
25 owners of all real property within the proposed plant  
26 rehabilitation district or industrial development district and  
27 shall hold a public hearing on the establishment of the plant

1 rehabilitation district or industrial development district at which  
2 those owners and other residents or taxpayers of the local  
3 governmental unit shall have a right to appear and be heard.

4 (5) The legislative body of the local governmental unit, in  
5 its resolution establishing a plant rehabilitation district, shall  
6 set forth a finding and determination that property comprising not  
7 less than 50% of the state equalized valuation of the industrial  
8 property within the district is obsolete.

9 (6) A plant rehabilitation district or industrial development  
10 district established by a township shall be only within the  
11 unincorporated territory of the township and shall not be within a  
12 village.

13 (7) Industrial property that is part of an industrial  
14 development district or a plant rehabilitation district may also be  
15 part of a tax increment district established under the tax  
16 increment finance authority act, 1980 PA 450, MCL 125.1801 to  
17 125.1830.

18 (8) A local governmental unit, by resolution of its  
19 legislative body, may terminate a plant rehabilitation district or  
20 an industrial development district, if there are no industrial  
21 facilities exemption certificates in effect in the plant  
22 rehabilitation district or the industrial development district on  
23 the date of the resolution to terminate.

24 (9) Before acting on a proposed resolution terminating a plant  
25 rehabilitation district or an industrial development district, the  
26 local governmental unit shall give at least 14 days' written notice  
27 by certified mail to the owners of all real property within the

1 plant rehabilitation district or industrial development district as  
2 determined by the tax records in the office of the assessor or the  
3 treasurer of the local tax collecting unit in which the property is  
4 located and shall hold a public hearing on the termination of the  
5 plant rehabilitation district or industrial development district at  
6 which those owners and other residents or taxpayers of the local  
7 governmental unit, or others, shall have a right to appear and be  
8 heard.

9 (10) BEGINNING JULY 1, 2009, THE LEGISLATIVE BODY OF THE LOCAL  
10 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN  
11 INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE UNLESS THE APPLICANT  
12 STATES, IN WRITING, THAT THE APPLICANT WILL NOT KNOWINGLY HIRE OR  
13 CONTRACT WITH ANY BUSINESS ENTITY THAT KNOWINGLY HIRES AN  
14 INDIVIDUAL WHO IS NOT AUTHORIZED UNDER FEDERAL LAW TO WORK IN THE  
15 UNITED STATES.

16 (11) BEGINNING JULY 1, 2009, THE LEGISLATIVE BODY OF THE LOCAL  
17 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN  
18 INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE UNLESS THE APPLICANT  
19 STATES, IN WRITING, THAT THE APPLICANT WILL MAKE A GOOD FAITH  
20 EFFORT TO EMPLOY OR CONTRACT WITH MICHIGAN RESIDENTS OR INDIVIDUALS  
21 WHO PLAN ON BECOMING RESIDENTS OF THIS STATE AND MICHIGAN FIRMS TO  
22 CONSTRUCT, REHABILITATE, DEVELOP, OR RENOVATE THE FACILITY.

23 (12) BEGINNING JULY 1, 2009, THE WRITTEN AGREEMENT DESCRIBED  
24 IN SUBSECTION (10) SHALL ALSO CONTAIN A REMEDY PROVISION THAT  
25 PROVIDES FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

26 (A) A REQUIREMENT THAT THE APPLICANT'S INDUSTRIAL FACILITIES  
27 EXEMPTION CERTIFICATE IS REVOKED UNDER THIS ACT IF THE APPLICANT IS

1 DETERMINED TO BE IN VIOLATION OF SUBSECTION (10), AS DETERMINED BY  
2 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENTAL UNIT.

3 (B) A REQUIREMENT THAT THE APPLICANT MAY BE REQUIRED TO REPAY  
4 SOME OR ALL OF THE BENEFITS RECEIVED UNDER THIS ACT IF THE  
5 APPLICANT IS DETERMINED TO BE IN VIOLATION OF THE PROVISIONS OF  
6 SUBSECTION (10), AS DETERMINED BY THE LEGISLATIVE BODY OF THE LOCAL  
7 GOVERNMENTAL UNIT.

8 (13) NOT LATER THAN THE FEBRUARY 1 IMMEDIATELY FOLLOWING THE  
9 COMPLETION OF THE RENOVATION, RESTORATION, OR CONSTRUCTION OF A  
10 FACILITY, THE APPLICANT SHALL REPORT TO THE LEGISLATIVE BODY OF THE  
11 LOCAL GOVERNMENTAL UNIT REGARDING ALL OF THE FOLLOWING:

12 (A) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN JOBS FOR THE  
13 RENOVATION, RESTORATION, OR CONSTRUCTION OF A FACILITY FOR WHICH AN  
14 INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE WAS GRANTED.

15 (B) THE NUMBER OF JOBS CREATED FROM THE RENOVATION,  
16 RESTORATION, OR CONSTRUCTION OF A FACILITY FOR WHICH AN INDUSTRIAL  
17 FACILITIES EXEMPTION CERTIFICATE WAS GRANTED.

18 (C) THE DETAILS OF THE GOOD FAITH EFFORTS REQUIRED OF THE  
19 APPLICANT DESCRIBED IN SUBSECTION (11).

20 (14) NOT LATER THAN MAY 1 EACH YEAR, THE LEGISLATIVE BODY OF  
21 THE LOCAL GOVERNMENTAL UNIT SHALL COMPILE ALL INFORMATION SUBMITTED  
22 BY APPLICANTS UNDER SUBSECTION (13) AND SUBMIT IT TO THE BOARD OF  
23 THE MICHIGAN STRATEGIC FUND.

24 (15) THE ATTORNEY GENERAL OF THIS STATE, OR OTHER APPROPRIATE  
25 STATE AGENCY, SHALL BE RESPONSIBLE FOR ANY ENFORCEMENT NECESSARY TO  
26 ENSURE COMPLIANCE AFTER THE APPLICANT HAS SIGNED THE AGREEMENT  
27 UNDER THE PROVISIONS DESCRIBED IN SUBSECTIONS (10), (11), AND (12).

1           Enacting section 1. This amendatory act does not take effect  
2 unless all of the following bills of the 95th Legislature are  
3 enacted into law:

4           (a) Senate Bill No. 502.

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6           (b) Senate Bill No. 539.

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