

SUBSTITUTE FOR
SENATE BILL NO. 536

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) THE GOVERNING BODY OF A LOCAL TAX COLLECTING
2 UNIT MAY ADOPT A RESOLUTION TO EXEMPT FROM THE COLLECTION OF TAXES
3 UNDER THIS ACT SPECIFICALLY IDENTIFIED REAL AND PERSONAL PROPERTY
4 OWNED BY AN ELIGIBLE ECONOMIC DEVELOPMENT GROUP AS PROVIDED IN THIS
5 SECTION.

6 (2) BEFORE ACTING ON THE RESOLUTION UNDER SUBSECTION (1), THE
7 CLERK OF THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY IN WRITING THE
8 ASSESSOR OF THE LOCAL TAX COLLECTING UNIT AND THE LEGISLATIVE BODY
9 OF EACH TAXING UNIT THAT LEVIES AD VALOREM PROPERTY TAXES IN THE
10 LOCAL TAX COLLECTING UNIT. THE GOVERNING BODY OF THE LOCAL TAX

1 COLLECTING UNIT SHALL AFFORD THE ASSESSOR AND A REPRESENTATIVE OF
2 THE AFFECTED TAXING UNITS AN OPPORTUNITY FOR A HEARING BEFORE
3 ACTING ON THE RESOLUTION UNDER SUBSECTION (1). A COPY OF THE
4 RESOLUTION ADOPTED UNDER SUBSECTION (1) SHALL BE FILED WITH THE
5 STATE TAX COMMISSION, THE STATE TREASURER, AND ALL AFFECTED TAXING
6 UNITS. A RESOLUTION ADOPTED UNDER SUBSECTION (1) IS NOT EFFECTIVE
7 UNLESS APPROVED AS PROVIDED IN SUBSECTION (3).

8 (3) NOT MORE THAN 60 DAYS AFTER RECEIPT OF A COPY OF THE
9 RESOLUTION ADOPTED BY THE GOVERNING BODY OF A LOCAL TAX COLLECTING
10 UNIT UNDER SUBSECTION (1), THE STATE TAX COMMISSION SHALL DETERMINE
11 IF THE REAL AND PERSONAL PROPERTY SUBJECT TO THE EXEMPTION IS OWNED
12 BY AN ELIGIBLE ECONOMIC DEVELOPMENT GROUP. IF THE STATE TAX
13 COMMISSION DETERMINES THAT THE REAL AND PERSONAL PROPERTY SUBJECT
14 TO THE EXEMPTION IS OWNED BY AN ELIGIBLE ECONOMIC DEVELOPMENT
15 GROUP, THE STATE TREASURER SHALL APPROVE THE RESOLUTION ADOPTED
16 UNDER SUBSECTION (1) IF THE STATE TREASURER DETERMINES THAT
17 EXEMPTING THAT REAL AND PERSONAL PROPERTY OF THE ELIGIBLE ECONOMIC
18 DEVELOPMENT GROUP IS NECESSARY TO REDUCE UNEMPLOYMENT, PROMOTE
19 ECONOMIC GROWTH, AND INCREASE CAPITAL INVESTMENT IN THIS STATE.

20 (4) SUBJECT TO SUBSECTION (5), THE EXEMPTION UNDER THIS
21 SECTION IS EFFECTIVE ON THE DECEMBER 31 IMMEDIATELY SUCCEEDING THE
22 ADOPTION OF THE RESOLUTION BY THE GOVERNING BODY OF THE LOCAL TAX
23 COLLECTING UNIT UNDER SUBSECTION (1) AND SHALL CONTINUE IN EFFECT
24 THROUGH DECEMBER 30 IN THE YEAR 5 YEARS AFTER THE RESOLUTION UNDER
25 SUBSECTION (1) IS ADOPTED BY THE GOVERNING BODY OF THE LOCAL TAX
26 COLLECTING UNIT. HOWEVER, THE GOVERNING BODY OF A LOCAL TAX
27 COLLECTING UNIT MAY BY RESOLUTION EXTEND THE EXEMPTION OF THAT

1 SPECIFICALLY IDENTIFIED REAL AND PERSONAL PROPERTY OF AN ELIGIBLE
2 ECONOMIC DEVELOPMENT GROUP UNDER THIS SECTION FOR AN ADDITIONAL 2
3 YEARS IF THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT
4 DETERMINES THAT THE ELIGIBLE ECONOMIC DEVELOPMENT GROUP IS MAKING
5 ADEQUATE PROGRESS IN THE DEVELOPMENT OF REAL PROPERTY OR IN
6 COMBINING PARCELS OF REAL PROPERTY FOR ECONOMIC DEVELOPMENT. IF THE
7 GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT APPROVES AN
8 EXTENSION OF THE EXEMPTION UNDER THIS SECTION, THE EXEMPTION SHALL
9 END ON DECEMBER 30 IN THE YEAR 7 YEARS AFTER THE RESOLUTION UNDER
10 SUBSECTION (1) IS ADOPTED BY THE GOVERNING BODY OF THE LOCAL TAX
11 COLLECTING UNIT UNDER THIS SECTION. A COPY OF THE RESOLUTION
12 ADOPTED UNDER THIS SUBSECTION EXTENDING THE EXEMPTION UNDER THIS
13 SECTION SHALL BE FILED WITH THE STATE TAX COMMISSION AND THE STATE
14 TREASURER.

15 (5) NOT MORE THAN 45 DAYS AFTER THE STATE TREASURER APPROVES
16 UNDER SUBSECTION (3) A RESOLUTION ADOPTED UNDER SUBSECTION (1), THE
17 COUNTY IN WHICH THE LOCAL TAX COLLECTING UNIT THAT ADOPTED THE
18 RESOLUTION UNDER SUBSECTION (1) IS LOCATED MAY BY RESOLUTION ELECT
19 TO WITHDRAW ALL MILLS LEVIED BY THAT COUNTY FROM THE EXEMPTION
20 UNDER THIS SECTION. IF A COUNTY ELECTS TO WITHDRAW ALL MILLS LEVIED
21 BY THAT COUNTY FROM THE EXEMPTION UNDER THIS SECTION, THE LOCAL TAX
22 COLLECTING UNIT SHALL LEVY AND COLLECT ALL MILLS LEVIED BY THAT
23 COUNTY ON THE REAL AND PERSONAL PROPERTY OWNED BY AN ELIGIBLE
24 ECONOMIC DEVELOPMENT GROUP IDENTIFIED IN THE RESOLUTION ADOPTED
25 UNDER SUBSECTION (1). A COPY OF A RESOLUTION ADOPTED UNDER THIS
26 SUBSECTION SHALL BE FILED WITH THE LOCAL TAX COLLECTING UNIT, THE
27 STATE TAX COMMISSION, AND THE STATE TREASURER.

1 (6) THE STATE TAX COMMISSION SHALL ANNUALLY REPORT TO THE
2 SENATE AND HOUSE OF REPRESENTATIVES THE TOTAL NUMBER OF ELIGIBLE
3 ECONOMIC DEVELOPMENT GROUPS THAT ARE RECEIVING AN EXEMPTION UNDER
4 THIS SECTION, WHERE THE REAL AND PERSONAL PROPERTY SUBJECT TO THE
5 EXEMPTION IS LOCATED IN THIS STATE, AND THE TOTAL DOLLAR AMOUNT OF
6 THE TAX REVENUE FOREGONE AS A RESULT OF THOSE EXEMPTIONS.

7 (7) AS USED IN THIS SECTION, "ELIGIBLE ECONOMIC DEVELOPMENT
8 GROUP" MEANS A CHARITABLE NONPROFIT ORGANIZATION THE PRIMARY
9 PURPOSE OF WHICH IS THE ECONOMIC DEVELOPMENT OF REAL PROPERTY OR
10 COMBINING PARCELS OF REAL PROPERTY FOR ECONOMIC DEVELOPMENT
11 PURPOSES.