

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 5824

(As amended, July 1, 2004)

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157) by adding section 9j.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9j. (1) For taxes levied after December 31, 2004, upon
2 application for an exemption under this section by <<
3 >> the administration of an innovations
4 center, the governing body of a local tax collecting unit may
5 adopt a resolution to exempt from the collection of taxes under
6 this act all personal property <<that is owned or used by any>> qualified
7 business <<located in that >>
8 innovations center << >>
9 and <<all personal property>> that is owned or used by the administration
10 of <<that>>
11 innovations center<<. >>

The clerk of the local tax collecting unit shall notify in

House Bill No. 5824 as amended July 1, 2004

1 writing the assessor of the local tax collecting unit and the
2 legislative body of each taxing unit that levies ad valorem
3 property taxes in the local tax collecting unit. Before acting
4 on the resolution, the governing body of the local tax collecting
5 unit shall afford the assessor and a representative of the
6 affected taxing units an opportunity for a hearing. A copy of
7 the resolution shall be filed with the state tax commission. The
8 application for exemption under this section shall be in a form
9 prescribed by the state tax commission.

10 (2) <<The >>
11 administration of an innovations center may claim the exemption
12 under subsection (1) by filing an affidavit claiming the
13 exemption with the assessor of the local tax collecting unit.
14 The affidavit shall be in a form prescribed by the state tax
15 commission.

16 (3) As used in this section:

17 (a) "Certified technology park" means that term as defined in
18 section 2 of the local development financing act, 1986 PA 281,
19 MCL 125.2152.

20 (b) "High-technology activity" means 1 or more of the
21 following:

22 (i) Advanced computing, which is any technology used in the
23 design and development of any of the following:

24 (A) Computer hardware and software.

25 (B) Data communications.

26 (C) Information technologies.

27 (ii) Advanced materials, which are materials with engineered

1 properties created through the development of specialized process
2 and synthesis technology.

3 (iii) Biotechnology, which is any technology that uses living
4 organisms, cells, macromolecules, microorganisms, or substances
5 from living organisms to make or modify a product, improve plants
6 or animals, or develop microorganisms for useful purposes.
7 Biotechnology does not include human cloning as defined in
8 section 16274 of the public health code, 1978 PA 368, MCL
9 333.16274, or stem cell research with embryonic tissue.

10 (iv) Electronic device technology, which is any technology
11 that involves microelectronics, semiconductors, electronic
12 equipment, and instrumentation, radio frequency, microwave, and
13 millimeter electronics, and optical and optic-electrical devices,
14 or data and digital communications and imaging devices.

15 (v) Engineering or laboratory testing related to the
16 development of a product.

17 (vi) Technology that assists in the assessment or prevention
18 of threats or damage to human health or the environment,
19 including, but not limited to, environmental cleanup technology,
20 pollution prevention technology, or development of alternative
21 energy sources.

22 (vii) Medical device technology, which is any technology that
23 involves medical equipment or products other than a
24 pharmaceutical product that has therapeutic or diagnostic value
25 and is regulated.

26 (viii) Life science technology, which is any technology that
27 has a medical diagnostic or treatment value, including, but not

1 limited to, pharmaceutical products.

2 (ix) Product research and development.

3 (c) "Innovations center" means real property that meets all
4 of the following conditions:

5 (i) Is a business incubator as that term is defined in
6 section 2 of the local development financing act, 1986 PA 281,
7 MCL 125.2152.

8 (ii) Is located within a single building.

9 (iii) Is primarily used to provide space and administrative
10 assistance to 1 or more qualified high-technology businesses
11 located within the building.

12 (d) "Qualified high-technology business" means a business
13 that is either of the following:

14 (i) A business with not less than 25% of the total operating
15 expenses of the business used for research and development as
16 determined under generally accepted accounting principles.

17 (ii) A business whose primary business activity is
18 high-technology activity.