

HOUSE BILL No. 6505

September 24, 2008, Introduced by Rep. Leland and referred to the Committee on New Economy and Quality of Life.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9f (MCL 211.9f), as amended by 2008 PA 230.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9f. (1) The governing body of an eligible local assessing
2 district **OR THE BOARD OF AN AEROTROPOLIS DEVELOPMENT CORPORATION IN**
3 **WHICH AN ELIGIBLE LOCAL ASSESSING DISTRICT IS A CONSTITUENT MEMBER**
4 may adopt a resolution to exempt from the collection of taxes under
5 this act all new personal property owned or leased by an eligible
6 business located in 1 or more eligible districts or distressed
7 parcels designated in the resolution. The clerk of the eligible
8 local assessing district **OR THE RECORDING OFFICER OF AN**
9 **AEROTROPOLIS DEVELOPMENT CORPORATION** shall notify in writing the
10 assessor of the local tax collecting unit in which the eligible

1 district or distressed parcel is located and the legislative body
 2 of each taxing unit that levies ad valorem property taxes in the
 3 eligible local assessing district in which the eligible district or
 4 distressed parcel is located. Before acting on the resolution, the
 5 governing body of the eligible local assessing district **OR AN**
 6 **AEROTROPOLIS DEVELOPMENT CORPORATION** shall afford the assessor and
 7 a representative of the affected taxing units an opportunity for a
 8 hearing. **AN AEROTROPOLIS DEVELOPMENT CORPORATION SHALL NOT GRANT**
 9 **MORE THAN 2 EXEMPTIONS UNDER THIS SECTION PER YEAR AND SHALL NOT**
 10 **GRANT AN EXEMPTION TO AN ELIGIBLE BUSINESS OTHER THAN A QUALIFIED**
 11 **AEROTROPOLIS BUSINESS WITHOUT THE PRIOR WRITTEN APPROVAL OF THE**
 12 **ELIGIBLE LOCAL ASSESSING DISTRICT IN WHICH THE AEROTROPOLIS**
 13 **DEVELOPMENT AREA IS LOCATED.**

14 (2) The exemption under this section is effective on the
 15 December 31 immediately succeeding the adoption of the resolution
 16 by the governing body of the eligible local assessing district **OR**
 17 **AN AEROTROPOLIS DEVELOPMENT CORPORATION** and shall continue in
 18 effect for a period specified in the resolution. A copy of the
 19 resolution shall be filed with the state tax commission **AND, FOR A**
 20 **RESOLUTION ADOPTED BY AN AEROTROPOLIS DEVELOPMENT CORPORATION, WITH**
 21 **THE STATE TREASURER, THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND,**
 22 **AND THE CLERK OF THE ELIGIBLE LOCAL ASSESSING DISTRICT. A**
 23 resolution is not effective unless approved ~~by the state tax~~
 24 ~~commission~~ as provided in subsection (3) **OR (4).**

25 (3) Not more than 60 days after receipt of a copy of the
 26 resolution adopted **BY THE GOVERNING BODY OF AN ELIGIBLE LOCAL**
 27 **ASSESSING DISTRICT** under subsection (1), the state tax commission

1 shall approve or disapprove the resolution. The state treasurer,
2 with the written concurrence of the president of the Michigan
3 strategic fund, shall advise the state tax commission as to whether
4 exempting new personal property of the eligible business is
5 necessary to reduce unemployment, promote economic growth, and
6 increase capital investment in this state.

7 (4) NOT MORE THAN 60 DAYS AFTER RECEIPT OF A COPY OF THE
8 RESOLUTION ADOPTED BY THE BOARD OF AN AEROTROPOLIS DEVELOPMENT
9 CORPORATION UNDER SUBSECTION (1), THE STATE TREASURER AND THE
10 PRESIDENT OF THE MICHIGAN STRATEGIC FUND SHALL APPROVE OR
11 DISAPPROVE THE RESOLUTION. IN DETERMINING WHETHER TO APPROVE OR
12 DISAPPROVE THE RESOLUTION THE STATE TREASURER AND THE PRESIDENT OF
13 THE MICHIGAN STRATEGIC FUND SHALL CONSIDER ALL OF THE FOLLOWING:

14 (A) WHETHER THE ELIGIBLE BUSINESS OR THE QUALIFIED
15 AEROTROPOLIS BUSINESS HAS THE ABILITY TO BE LOCATED OUTSIDE OF THIS
16 STATE.

17 (B) THE NUMBER OF JOBS THAT WILL BE CREATED OR WILL BE
18 MAINTAINED BY THE ELIGIBLE BUSINESS OR THE QUALIFIED AEROTROPOLIS
19 BUSINESS AS A RESULT OF THE EXEMPTION UNDER THIS SECTION AND THE
20 AMOUNT OF THE WAGES FOR THOSE JOBS.

21 (C) IF THE ELIGIBLE BUSINESS OR THE QUALIFIED AEROTROPOLIS
22 BUSINESS IS SEEKING TO LOCATE IN THIS STATE, WHETHER GRANTING THE
23 EXEMPTION UNDER THIS SECTION TO THE ELIGIBLE BUSINESS OR THE
24 QUALIFIED AEROTROPOLIS BUSINESS WILL BE A NET BENEFIT FOR THIS
25 STATE.

26 (D) WHETHER GRANTING THE EXEMPTION UNDER THIS SECTION TO THE
27 ELIGIBLE BUSINESS OR THE QUALIFIED AEROTROPOLIS BUSINESS WILL HAVE

1 A NEGATIVE EFFECT ON EMPLOYMENT IN OTHER AREAS OF THIS STATE.

2 (E) WHETHER THE ELIGIBLE BUSINESS OR THE QUALIFIED
3 AEROTROPOLIS BUSINESS WILL LIKELY LOCATE IN THIS STATE WITHOUT THE
4 EXEMPTION UNDER THIS SECTION AND WHETHER THE EXEMPTION PUTS OTHER
5 PORTIONS OF THIS STATE AT AN UNFAIR COMPETITIVE DISADVANTAGE.

6 (5) ~~(4)~~—Subject to subsection ~~(5)~~—(6), if an existing eligible
7 business sells or leases new personal property exempt under this
8 section to an acquiring eligible business, the exemption granted to
9 the existing eligible business shall continue in effect for the
10 period specified in the resolution adopted under subsection (1) for
11 the new personal property purchased or leased from the existing
12 eligible business by the acquiring eligible business and for any
13 new personal property purchased or leased by the acquiring eligible
14 business.

15 (6) ~~(5)~~—After December 31, 2007, an exemption for an existing
16 eligible business shall continue in effect for an acquiring
17 eligible business under subsection ~~(4)~~—(5) only if the continuation
18 of the exemption is approved in a resolution adopted by the
19 governing body of an eligible local assessing district OR THE BOARD
20 OF AN AEROTROPOLIS DEVELOPMENT CORPORATION IN WHICH THE LOCAL
21 ASSESSING DISTRICT IS A CONSTITUENT MEMBER.

22 (7) ~~(6)~~—Notwithstanding the amendatory act that added section
23 2(1)(c), all of the following shall apply to an exemption under
24 this section that was approved by the state tax commission on or
25 before April 30, 1999, regardless of the effective date of the
26 exemption:

27 (a) The exemption shall be continued for the term authorized

1 by the resolution adopted by the governing body of the eligible
2 local assessing district and approved by the state tax commission
3 with respect to buildings and improvements constructed on leased
4 real property during the term of the exemption if the value of the
5 real property is not assessed to the owner of the buildings and
6 improvements.

7 (b) The exemption shall not be impaired or restricted with
8 respect to buildings and improvements constructed on leased real
9 property during the term of the exemption if the value of the real
10 property is not assessed to the owner of the buildings and
11 improvements.

12 (8) ~~(7)~~—As used in this section:

13 (a) "Acquiring eligible business" means an eligible business
14 that purchases or leases assets of an existing eligible business,
15 including the purchase or lease of new personal property exempt
16 under this section, and that will conduct business operations
17 similar to those of the existing eligible business at the location
18 of the existing eligible business within the eligible district.

19 (B) "AEROTROPOLIS DEVELOPMENT AREA" MEANS THAT TERM AS DEFINED
20 IN THE LOCAL DEVELOPMENT FINANCING ACT, 1986 PA 281, MCL 125.2151
21 TO 125.2174.

22 (C) "AEROTROPOLIS DEVELOPMENT CORPORATION" MEANS THAT TERM AS
23 DEFINED IN THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL
24 125.2681 TO 125.2696.

25 (D) ~~(b)~~—"Distressed parcel" means a parcel of real property
26 located in a city or village that meets all of the following
27 conditions:

1 (i) Is located in a qualified downtown revitalization district.

2 As used in this subparagraph, "qualified downtown revitalization
3 district" means an area located within 1 or more of the following:

4 (A) The boundaries of a downtown district as defined in
5 section 1 of 1975 PA 197, MCL 125.1651.

6 (B) The boundaries of a principal shopping district or a
7 business improvement district as defined in section 1 of 1961 PA
8 120, MCL 125.981.

9 (C) The boundaries of the local governmental unit in an area
10 that is zoned and primarily used for business as determined by the
11 local governmental unit.

12 (ii) Meets 1 of the following conditions:

13 (A) Has a blighted or functionally obsolete building located
14 on the parcel. As used in this sub-subparagraph, "blighted" and
15 "functionally obsolete" mean those terms as defined in section 2 of
16 the brownfield redevelopment financing act, 1996 PA 381, MCL
17 125.2652.

18 (B) Is a vacant parcel that had been previously occupied.

19 (iii) Is zoned to allow for mixed use.

20 **(E)** ~~(e)~~—"Eligible business" means, effective August 7, 1998, a
21 business engaged primarily in manufacturing, mining, research and
22 development, wholesale trade, or office operations. Eligible
23 business does not include a casino, retail establishment,
24 professional sports stadium, or that portion of an eligible
25 business used exclusively for retail sales. As used in this
26 subdivision, "casino" means a casino regulated by this state
27 pursuant to the Michigan gaming control and revenue act, 1996 IL 1,

1 MCL 432.201 to 432.226, and all property associated or affiliated
2 with the operation of a casino, including, but not limited to, a
3 parking lot, hotel, motel, or retail store.

4 (F) ~~(d)~~—"Eligible district" means 1 or more of the following:

5 (i) An industrial development district as that term is defined
6 in 1974 PA 198, MCL 207.551 to 207.572.

7 (ii) A renaissance zone as that term is defined in the Michigan
8 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

9 (iii) An enterprise zone as that term is defined in the
10 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

11 (iv) A brownfield redevelopment zone as that term is designated
12 under the brownfield redevelopment financing act, 1996 PA 381, MCL
13 125.2651 to 125.2672.

14 (v) An empowerment zone designated under subchapter U of
15 chapter 1 of the internal revenue code of 1986, 26 USC 1391 to
16 1397F.

17 (vi) An authority district or a development area as those terms
18 are defined in the tax increment finance authority act, 1980 PA
19 450, MCL 125.1801 to 125.1830.

20 (vii) An authority district as that term is defined in the
21 local development financing act, 1986 PA 281, MCL 125.2151 to
22 125.2174.

23 (viii) A downtown district or a development area as those terms
24 are defined in 1975 PA 197, MCL 125.1651 to 125.1681.

25 (ix) **AN AEROTROPOLIS DEVELOPMENT AREA.**

26 (G) ~~(e)~~—"Eligible distressed area" means 1 of the following:

27 (i) That term as defined in section 11 of the state housing

development authority act of 1966, 1966 PA 346, MCL 125.1411.

(ii) An area that contains an eligible business as described in section 8(5)(b)(ii) of the Michigan economic growth authority act, 1995 PA 24, MCL 207.808.

(iii) A LOCAL DEVELOPMENT FINANCING AUTHORITY DISTRICT THAT CONTAINS AN AEROTROPOLIS DEVELOPMENT AREA.

(H) ~~(f)~~-"Eligible local assessing district" means a city, village, or township that contains an eligible distressed area **OR THAT IS A PARTY TO AN INTERGOVERNMENTAL AGREEMENT UNDER THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7, MCL 124.501 TO 124.512, THE METROPOLITAN COUNCILS ACT, 1989 PA 292, MCL 124.651 TO 124.729, OR 1951 PA 35, MCL 124.1 TO 124.13, CREATING AN AEROTROPOLIS DEVELOPMENT CORPORATION.**

(I) ~~(g)~~-"Existing eligible business" means an eligible business identified in a resolution adopted under subsection (1) for which an exemption has been granted under this section.

(J) "LOCAL DEVELOPMENT FINANCING AUTHORITY DISTRICT" MEANS AN AUTHORITY DISTRICT AS DEFINED IN THE LOCAL DEVELOPMENT FINANCING AUTHORITY ACT, 1986 PA 281, MCL 125.2151 TO 125.2174.

(K) ~~(h)~~-"New personal property" means personal property that was not previously subject to tax under this act and that is placed in an eligible district after a resolution under subsection (1) is approved. ~~by the eligible local assessing district.~~ As used in this subdivision, for exemptions approved by the state tax commission under subsection (3) after April 30, 1999, new personal property does not include buildings described in section 14(6) and personal property described in section 8(h), (i), and (j).

(1) "QUALIFIED AEROTROPOLIS BUSINESS" MEANS AN AIR-COMMERCE LINKED BUSINESS, A SUPPLY CHAIN BUSINESS, OR A BUSINESS NEEDING TO BE PHYSICALLY LOCATED NEAR AN AIRPORT FOR BUSINESS PURPOSES THAT HAS BEEN APPROVED BY THE AEROTROPOLIS DEVELOPMENT CORPORATION AND HAS BEEN CERTIFIED BY THE PRESIDENT OF THE MICHIGAN STRATEGIC FUND. A SUPPLY CHAIN BUSINESS INCLUDES, BUT IS NOT LIMITED TO, A BUSINESS THAT PROVIDES VALUE TO CUSTOMERS THROUGH APPLYING AN INTEGRATED APPROACH TO PLANNING, IMPLEMENTING, AND CONTROLLING THE FLOW OF INFORMATION, MATERIALS, AND SERVICES FROM INITIATION OF PRODUCT CONCEPT AND DEVELOPMENT THROUGH AND INCLUDING THE DISTRIBUTION OF THE FINISHED PRODUCT TO THE END CUSTOMER, INCLUDING, BUT NOT LIMITED TO, PROCUREMENT, MANUFACTURING, TECHNOLOGY, DISTRIBUTION, WAREHOUSING, MARKETING, LOGISTICS, TRANSPORTATION, OR RELATED VALUE-ADDED PROCESSES AND ACTIVITIES, INCLUDING RELATED CORPORATE OFFICES. A QUALIFIED AEROTROPOLIS BUSINESS DOES NOT INCLUDE A CASINO, RETAIL ESTABLISHMENT, PROFESSIONAL SPORTS STADIUM, OR THAT PORTION OF A QUALIFIED AEROTROPOLIS BUSINESS USED EXCLUSIVELY FOR RETAIL SALES. AS USED IN THIS SUBDIVISION, "CASINO" MEANS A CASINO REGULATED BY THIS STATE PURSUANT TO THE MICHIGAN GAMING CONTROL AND REVENUE ACT, 1996 IL 1, MCL 432.201 TO 432.226, AND ALL PROPERTY ASSOCIATED OR AFFILIATED WITH THE OPERATION OF A CASINO, INCLUDING, BUT NOT LIMITED TO, A PARKING LOT, HOTEL, MOTEL, OR RETAIL STORE.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 94th Legislature are enacted into law:

(a) Senate Bill No. _____ or House Bill No. 6502(request no. 07377'08 **).

1 (b) Senate Bill No.____ or House Bill No. 6503(request no.
2 07781'08 **).

3 (c) Senate Bill No.____ or House Bill No. 6504(request no.
4 07806'08 **).

5 (d) Senate Bill No.____ or House Bill No. 6506(request no.
6 08280'08 *).

7 (e) Senate Bill No.____ or House Bill No. 6507(request no.
8 08281'08 *).

9 (f) Senate Bill No.____ or House Bill No. 6508(request no.
10 08282'08 *).

11 (g) Senate Bill No.____ or House Bill No. 6509(request no.
12 08283'08 *).

13 (h) Senate Bill No.____ or House Bill No. 6510(request no.
14 08284'08 *).

15 (i) Senate Bill No.____ or House Bill No. 6511(request no.
16 08285'08 *).