

SENATE BILL No. 75

February 12, 1991, Introduced by Senators SCHWARZ, POSTHUMUS, GAST, DUNASKISS, DE GROW, CISKY, CARL, WARTNER, EMMONS, ARTHURHULTZ, MC MANUS, CRUCE, HONIGMAN, N. SMITH and DI NELLO and referred to the Committee on Finance.

A bill to amend section 3 of Act No. 198 of the Public Acts of 1974, 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 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,"

as amended by Act No. 417 of the Public Acts of 1982, being section 207.553 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 198 of the Public Acts of
2 1974, as amended by Act No. 417 of the Public Acts of 1982, being
3 section 207.553 of the Michigan Compiled Laws, is amended to read
4 as follows:

1 Sec. 3. (1) "Plant rehabilitation district" means an area
2 of a local governmental unit established as provided in section
3 4.

4 (2) "Industrial development district" means an area estab-
5 lished by a local governmental unit as provided in section 4.

6 (3) "Industrial facility tax" means the specific tax levied
7 under this act.

8 (4) "Industrial facilities exemption certificate" means a
9 certificate issued pursuant to sections 5, 6, and 7.

10 (5) "Replacement" means the complete or partial demolition
11 of obsolete industrial property and the complete or partial
12 reconstruction or installation of new property of similar
13 utility.

14 (6) "Restoration" means changes to obsolete industrial prop-
15 erty other than replacement as may be required to restore the
16 property, together with all appurtenances ~~thereto~~ TO THE
17 PROPERTY, to an economically efficient functional condition.
18 Restoration ~~shall~~ DOES not include delayed maintenance or the
19 substitution or addition of tangible personal property without
20 major renovation of the industrial property. A program involving
21 expenditures for changes to the industrial property improvements
22 aggregating less than 10% of the true cash value at commencement
23 of the restoration of the industrial property improvements ~~shall~~
24 ~~be deemed~~ IS CONSIDERED to be delayed maintenance. Restoration
25 ~~shall include~~ INCLUDES major renovation including, but not nec-
26 essarily limited to, the improvement of floor loads, correction
27 of deficient or excessive height, new or improved building

1 equipment, including heating, ventilation, and lighting, reducing
 2 multistory facilities to 1 or 2 stories, improved structural sup-
 3 port including foundations, improved roof structure and cover,
 4 floor replacement, improved wall placement, improved exterior and
 5 interior appearance of buildings, improvements or modifications
 6 of machinery and equipment to improve efficiency, decrease oper-
 7 ating costs, or to increase productive capacity, and other physi-
 8 cal changes as may be required to restore the industrial property
 9 to an economically efficient functional condition, and ~~shall~~
 10 ~~include~~ INCLUDES land and building improvements and other tangi-
 11 ble personal property incident ~~thereto~~ TO THEM.

12 (7) "State equalized valuation" means ~~the valuation deter-~~
 13 ~~mined under Act No. 44 of the Public Acts of 1911, as amended,~~
 14 ~~being sections 209.1 to 209.8 of the Michigan Compiled Laws~~ 50%
 15 OF TRUE CASH VALUE.

16 (8) "Speculative building" means a new building that meets
 17 all of the following criteria and the machinery, equipment, fur-
 18 niture, and fixtures located ~~therein~~ IN THE BUILDING:

19 (a) The building is owned by, or approved as a speculative
 20 building by resolution of, a local governmental unit in which the
 21 building is located or the building is owned by a development
 22 organization and located in the district of the development
 23 organization.

24 (b) The building is constructed for the purpose of providing
 25 a manufacturing facility before the identification of a specific
 26 user of that building.

1 (c) The building does not qualify as a replacement
2 facility.

3 (9) "Development organization" means any economic develop-
4 ment corporation, downtown development authority, tax increment
5 financing authority, or an organization under the supervision of
6 and created for economic development purposes by a local govern-
7 mental unit.

8 (10) "Manufacturing facility" means buildings and struc-
9 tures including the machinery, equipment, furniture, and fix-
10 tures located therein, the primary purpose of which is 1 or more
11 of the following:

12 (a) The manufacture of goods or materials or the processing
13 of goods and materials by physical or chemical change.

14 (b) The provision of research and development laboratories
15 of companies whether or not the company manufactures the products
16 developed from their research activities.

17 Section 2. This amendatory act shall not take effect unless
18 Senate Bill No. 72

19 of the 86th Legislature is enacted into law.