

**ELIGIBLE HYDROPONICS AND ELIGIBLE AQUACULTURE PRODUCTION FACILITIES
SPECIFIC TAX ACT**

Act 512 of 2014

AN ACT to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015

The People of the State of Michigan enact:

211.981 Short title.

Sec. 1.

This act shall be known and may be cited as the "eligible hydroponics and eligible aquaculture production facilities specific tax act".

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015

211.982 Definitions.

Sec. 2.

As used in this act:

(a) "Aquaculture" means the commercial husbandry of aquaculture species, including, but not limited to, culturing, producing, growing, propagating, and harvesting aquaculture products under any applicable permits or registration.

(b) "Aquaculture production facility" means real property used for an indoor aquaculture production operation using aquaculture techniques or practices for growing aquaculture species. An aquaculture production facility includes all of the following, to the extent that it constitutes real property:

(i) Pumps, tanks, controls, application systems, indoor recirculating systems, and related infrastructure required to grow aquaculture species using aquaculture techniques or practices.

(ii) Any warehouse or shipping area integrated into the aquaculture production operation.

(iii) Offices integrated into the aquaculture production operation if the taxable value of the offices is less than 50% of the combined taxable value of the aquaculture production facility and the offices.

(c) "Commission" means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.

(d) "Eligible aquaculture production facility" means an aquaculture production facility that has a production area of not less than 10,000 square feet.

(e) "Eligible hydroponics production facility" means a hydroponics production facility that has a production area of not less than 1 acre.

(f) "Hydroponics" means a system in which water-soluble nutrients are placed in intimate contact with a plant's root system, being grown in an inert supportive medium, which inert supportive medium itself does all of the following:

(i) Supplies physical support for the roots.

(ii) Does not add or subtract plant nutrients.

(g) "Hydroponics production facility" means real property used for an indoor agriculture production operation using hydroponics techniques or practices for growing plants produced by agriculture that are useful to human beings, including, but not limited to, forages, field crops, sod, berries, herbs, fruits, vegetables, flowers, seeds, and nursery stock. Hydroponics production facility does not include an indoor agriculture production operation for growing plants that are illegal under federal law. A hydroponics production facility includes, but is not limited to, all

of the following, to the extent that it constitutes real property:

(i) Pumps, tanks, controls, application systems, and related infrastructure required to grow agricultural crops using hydroponics techniques or practices.

(ii) Any warehouse or shipping area integrated into the hydroponics production facility operation.

(iii) Offices integrated into the indoor agriculture production operation if the taxable value of the offices is less than 50% of the combined taxable value of the hydroponics production facility and the offices.

(h) "Taxable value" means the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015

211.983 Eligible hydroponics production facility or eligible aquaculture production facility; tax exemption.

Sec. 3.

For taxes levied after December 31, 2014, an eligible hydroponics production facility or an eligible aquaculture production facility is exempt from ad valorem property taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as provided under section 7uu of the general property tax act, 1893 PA 206, MCL 211.7uu.

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015

Compiler's Notes: In this section, the reference to "as provided under section 7uu of the general property tax act, 1893 PA 206, MCL 211.7uu" evidently should read "as provided under section 7ww of the general property tax act, 1893 PA 206, MCL 211.7ww."

211.984 Determination of value and taxable value.

Sec. 4.

The assessor of each local tax collecting unit in which there is an eligible hydroponics production facility or an eligible aquaculture production facility shall determine annually as of December 31 the value and taxable value of each eligible hydroponics production facility or eligible aquaculture production facility located in that local tax collecting unit.

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015

211.985 Eligible hydroponics and eligible aquaculture production facilities specific tax; amount; determination; payment; disbursement; copy sent by collecting officer to commission.

Sec. 5.

(1) There is levied upon the owner of every eligible hydroponics production facility or eligible aquaculture production facility a specific tax to be known as the eligible hydroponics and eligible aquaculture production facilities specific tax.

(2) The amount of the eligible hydroponics and eligible aquaculture production facilities specific tax in each year shall be determined as follows:

(a) Multiply the number of mills that would be assessed in the local tax collecting unit if the property were subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and if the property was exempt as provided under section 7cc of the general property tax act, 1893 PA 206, MCL 211.7cc, by the eligible hydroponics production facility's or eligible aquaculture production facility's taxable value.

(b) Multiply the result of the calculation in subdivision (a) by .25.

(c) If a new millage is approved in the local tax collecting unit in which an eligible hydroponics production facility or an eligible aquaculture production facility is located after the effective date of this act, multiply the number of mills that were approved that would be assessed if the eligible hydroponics production facility or eligible aquaculture production facility were subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, by the eligible hydroponics production facility's or eligible aquaculture production facility's taxable value. Repeat this calculation for each individual new millage approved in the local tax collecting unit after the effective date of this act. As used in this subdivision, "new millage" does not include the renewal of some or all of a millage in existence on the effective date of this act.

(d) Add the result of the calculation under subdivision (b) and the result of all calculations under subdivision (c).

(3) The eligible hydroponics and eligible aquaculture production facilities property specific tax is an annual tax, payable at the same times, in the same installments, and to the same collecting officer or officers as taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(4) The collecting officer or officers shall disburse the eligible hydroponics and eligible aquaculture production facilities property specific tax to and among this state and cities, townships, villages, school districts, counties, or other taxing units, at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(5) The collecting officer or officers shall send a copy of the amount of disbursement made to each taxing unit under this section to the commission on a form provided by the commission.

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015

211.986 Unpaid taxes subject to forfeiture, foreclosure, and sale; manner.

Sec. 6.

Unpaid eligible hydroponics and eligible aquaculture production facilities specific taxes are subject to forfeiture, foreclosure, and sale in the same manner and at the same time as taxes returned as delinquent under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

History: 2014, Act 512, Imd. Eff. Jan. 14, 2015