



City of Boyne City

Founded 1856

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BOYNE CITY
CITY COMMISSION REGULAR MEETING
Boyne City Hall
364 North Lake Street
Tuesday, July 11, 2017 at 7:00 p.m.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL
 - A. Approval to excuse Commissioner Conklin from attending today's meeting
3. CONSENT AGENDA

The purpose of the consent agenda is to expedite business by grouping non-controversial items together to be dealt with by one Commission motion without discussion. Any member of the Commission, staff, or the public may ask that any item(s) on the consent agenda be removed and placed as the last item under new business to receive full discussion. Such requests will be automatically respected.

 - A. Approval of the June 27, 2017 City Commission regular meeting as presented
4. HEARING CITIZENS COMMENTS (on non-agenda items; 5 minute limit)
5. CORRESPONDENCE
 - A. Correspondence from user of the Pickle Ball Courts
6. CITY MANAGER'S REPORT
7. REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES
 - A. Draft minutes of the June 1, 2017 Main Street Board Meeting
 - B. Draft minutes of the June 22, 2017 EDC Meeting
 - C. Draft minutes of the June 29, 2017 Main Street Board Meeting
 - D. Draft Minutes of the June 29, 2017 Airport Board Meeting
8. OLD BUSINESS
9. NEW BUSINESS
 - A. Public Hearing – Proposed Boyne City Industrial Development District #6 – Van Dam

Consideration of:
 - i. Public Hearing to hear public comment regarding a request from Van Dam Marine to establish an Industrial District #6 as requested by Van Dam and;

An Equal Opportunity Provider and Employer

Hometown Feel, Small Town Appeal

- ii. Consideration to approve the proposed Resolution authorizing the establishment of that district to be named Boyne City Industrial Development District #6 and authorize the City Manager to execute the documents, and
- iii. Direct the Boyne City Economic Development Commission to review and make recommendations to the City Commission regarding requests for abatements coming from any Industrial Development Districts established in the City

B. Request of the City Manager to go into closed session to meet with our attorney regarding pending litigation pursuant to Section 8(e) of Act 267 of 1976 (Open Meetings Act)

10. GOOD OF THE ORDER

11. ANNOUNCEMENTS

- The next regular City Commission meeting is scheduled for Tuesday, July 25 27, 2017 at noon

12. ADJOURNMENT



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agenda packets & minutes for each board

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**JUNE 27, 2017
REGULAR MEETING**

RECORD OF THE PROCEEDINGS OF THE REGULAR BOYNE CITY COMMISSION MEETING DULY CALLED AND HELD AT BOYNE CITY HALL, 364 NORTH LAKE STREET, ON TUESDAY JUNE 27, 2017

CALL TO ORDER

Mayor Neidhamer called the meeting to order at noon followed by the Pledge of Allegiance.

Present: Mayor Tom Neidhamer, Mayor Pro-Tem Gene Towne, Commissioners Ron Grunch, Laura Sansom and Hugh Conklin

Absent: None

Staff: Cindy Grice, Michael Cain, John Lamont, Mark Fowler, Scott McPherson, Andy Kovolski, Barb Brooks and Ingrid Day

Others: There were four citizens in attendance including a representative from the Petoskey News Review.

**CONSENT AGENDA
MOTION**

2017-06-055
Moved by Conklin
Second by Grunch

Approval of the June 13, 2017 City Commission regular meeting as presented

Approval of the purchase of an Ideapad Miix510-121SK computer for the Main Street department for a total cost of \$985.00 contingent upon the Main Street Board approval of this purchase at their June 29 meeting and authorize the City Manager to execute the documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

Ingrid Day, new assistant to the Main Street Director was introduced.

CORRESPONDENCE

Correspondence from Consumers Energy Company regarding a refund was received and filed. Correspondence from Boyne Mountain regarding a joint agency public meeting to be held on July 10, 2017 at Boyne Mountain regarding the Boyne River Hydroelectric Project's upcoming application to the Federal Energy Regulatory Commission for re-licensing the project was also received and filed.

**CITY MANAGERS
REPORT**

City Manager Cain reported:

- Great progress continues to take place at the new City Facility complex. The building is now housing the Police and Fire departments.
- We are hoping to get replacement parts and have the drinking fountain at the top of Avalanche operational by the coming weekend.
- Summer tax bills and newsletters will be going out to all property owners on July 1
- City Hall will be closed on July 4th

- Clerk / Treasurer Grice introduced Natalie Davenport. Natalie is a student at Public Administration major at Central Michigan University and has been job shadowing at City Hall today.

**REPORTS OF
OFFICERS, BOARDS
AND STANDING
COMMITTEES**

**West Michigan Water
Line Special
Assessment**

The May, 2017 Financial Statement was received and filed.

Review of materials provided and consideration to authorize City staff, including the Assessor and City Manager to move forward with the steps required for a special assessment for the provision of City water on West Michigan and Woodlawn Streets as requested.

City Manager Cain discussed the petition from residents along West Michigan and Woodlawn Streets requesting a special assessment so that a water main can be installed to extend water service to their areas. As the City Commission will recall, we have had several discussions regarding our desire to extend water and sewer utilities but that the Enterprise funds that operate those systems do not have excess money to pay for such expansions. Therefore, recent expansions have generally only taken place when paid for by developers or through very infrequent grants. The approximate cost of this project is \$263,210. The Water fund does not have sufficient funds to cover this project which means that the project would need to be financed through outside revenues which would involve acquisition and interest costs. All costs would need to be verified and finalized should the Commission choose to move forward. At this time, we are looking to formally make the Commission aware of this request and begin discussion of some of the issues related to it.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with moving forward with the steps required.

MOTION

2017-06-056
Moved by Conklin
Second by Grunch

To authorize City staff, including the Assessor and City Manager to move forward with the steps required for a special assessment for the provision of City water on West Michigan and Woodlawn Streets as requested.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Michigan Department of
Natural Resources
Waterways Grant
Agreement Resolution**

Consideration to adopt the proposed resolution as presented from the Michigan Department of Natural Resources – Waterways Division agreeing to the contract terms and authorize the City Manager to sign all necessary documents

Harbormaster Barb Brooks discussed the resolution required to formalize the Michigan Department of Natural Resources Waterways Division grant we

recently received for the amount of \$260,000. There are no red flags in the agreement. The engineering contract has already been approved.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in resolution and agreement. Commissioner Sansom inquired about the project beginning date and was informed that it could be this fall. Commissioner Grunch inquired about Boyne Thunder participation.

MOTION

2017-06-057
Moved by Towne
Second by Sansom

To adopt the proposed resolution as presented from the Michigan Department of Natural Resources – Waterways Division agreeing to the contract terms and authorize the City Manager to sign all necessary documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Ridge Run Dog Park
Grant Resolution**

Consideration to approve Team Elmer's bid of \$14,492 to construct the fitness trails at the Ridge Run Dog Park and authorize the City Manager to execute the documents

Public Works Superintendent Andy Kovolski discussed the Michigan Recreation Passport grant that the City was awarded to construct a Fitness trail, install a handicap accessible gate and to purchase two benches for the Ridge Run Dog Park. The grant amount is for a total amount of \$15,000, the City is responsible for \$4,600, leaving \$10,400 to be paid by Passport funds. The Friends of the Dog Park group have agreed to donate funds to cover the benches and gates. The low bid is from Team Elmers in the amount of \$14,492.

Staff Comments: None

Citizens Comments: None

Board Discussion: Commissioner Sansom said it is nice to see grants help with this. Commissioner Conklin requested verification of the actual costs the City match will be. All Commissioner are in favor of the recommendation.

MOTION

2017-06-058
Moved by Sansom
Second by Grunch

To approve Team Elmer's bid of \$14,492 to construct the fitness trails at the Ridge Run Dog Park and authorize the City Manager to execute the documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**SCADA Software
Purchase**

Consideration to approve the proposal from Windemuller Electric for the purchase of SCADA software for the Water / Wastewater Department in the amount of \$5,249.00 and authorize the City Manager to execute the documents

Water / Wastewater Superintendent Mark Fowler discussed the current Supervisory Control and Data Acquisition (SCADA) computer system. It is having ongoing glitches and we are getting false alarms and PLC code failures. The SCADA system is at the wastewater plant and is used to control the pumps and associated equipment at the plant, well houses, booster stations and lift stations. We can monitor all of the sites from the wastewater plant and make adjustments to the operating parameters from there. It is also the system that automatically calls someone if there is an alarm at one of those facilities. The current software systems are 11 years old and running on a Windows XP computer. The city has an upgraded computer that we can use. We will just need to move the software license and get new dial out software. Windemuller has provided us with a quote for \$5,249. There are funds in the budget to cover this expense.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation.

MOTION

2017-06-059
Moved by Grunch
Second by Conklin

To approve the proposal from Windemuller Electric for the purchase of SCADA software for the Water / Wastewater Department in the amount of \$5,249.00 and authorize the City Manager to execute the documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Wastewater Treatment
Plant Fence Repair /
Replacement**

Consideration to approve the proposal from Harbor Fence to repair and replace approximately 200 feet of fence at the Wastewater Treatment plant in the amount of \$2,597 and authorize the City Manager to execute the documents

Water / Wasterwater Superintendent Mark Fowler discussed the quote received from Harbor Fence to repair and replace approximately 200 feet of fencing. The fencing was damaged by fallen trees. This should complete the fence repairs around the perimeter of the facility.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation.

MOTION

2017-06-060
Moved by Towne
Second by Sansom

To approve the proposal from Harbor Fence to repair and replace approximately 200 feet of fence at the Wastewater Treatment plant in the amount of \$2,597 and authorize the City Manager to execute the documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Good of the Order

Commissioner Sansom said she likes the posters that are out regarding the water balloons at the 4th of July raft race.

**CLOSED SESSION
MOTION**

2017-06-061
Moved by Towne
Second by Sansom

To approve Request of the City Manager to go into closed session for 1) with our attorney regarding Attorney/Client Privilege document as provided in MCL 15.268 (h) of the Michigan Open Meetings Act (PA 267 of 1976) and 2) to consider the purchase of real property as provided in MCL 15.268 (d) of the Michigan Open Meetings Act (PA 267 of 1976) at 1:01 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

MOTION

2017-06-062
Moved by Neidhamer
Second by Towne

To return to open session at 3:58 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

ADJOURNMENT

Motion by Mayor Neidhamer seconded by Commissioner Conklin to adjourn the Regular City Commission meeting of Tuesday, June 27, 2017 at 3:59 p.m.

Tom Neidhamer
Mayor

Cindy Grice
Clerk / Treasurer

DRAFT



Michael, Andy, Ben and
all others who did a great
job on the New Tennis and
Pickleball Courts, we thank you:

Roger Perrault, Don Clemmer,
Lal Simons, Letty & Howard
Helsman, John Phaseler,

Wiana Kory - I think its
improved my game! haha
Chuck Story

We love our new courts!
Thank you so much! Ellen Story
Thanks much! Sue Fors
THANKS Mike Snow

Ram Reynolds

My thanks - LAURA & PATRICK MAUCH

Fun - TERRANCE & Kristan FISHER

Great Courts!!

Todd Kennedy
Chuck Story

Sally Edwards
Bill Braun

You're the best!







Approved: _____

Meeting of June 1, 2017 MINUTES OF THE BOYNE CITY MAIN STREET BOARD REGULAR MEETING HELD ON THURSDAY, JUNE 1, 2017 at 8:30 AM CITY HALL, 364 NORTH LAKE STREET

Call to Order Chair Michelle Cortright called the meeting to order at 8:30 a.m.

Roll Call Present: Michael Cain, Michelle Cortright, Rebecca Harris, Kelsie King-Duff, Chris Bandy, Robin Lee Berry, Rob Swartz , Don Ryde

Meeting Attendance Absent: Pat O'Brien , Ben Van Dam

City Staff: Recording Secretary Jane Halstead, Assistant Planning/Zoning Administrator Patrick Kilkenny, Planning/Zoning Administrator Scott McPherson

Public: One, Ashley Cousens

Excused Absences MOTION Ryde moved, Swartz seconded, PASSED UNANIMOUSLY to excuse Pat O'Brien and Ben Van Dam.

Approval of Minutes MOTION Bandy moved, Harris seconded, PASSED UNANIMOUSLY to approve the May 11, 2017 with a spelling correction.

Citizens Comments None.

Correspondence None.

Committee Reports Promotions Committee King-Duff reported that the committee is finalizing the bands and sponsors for Stroll the Streets.

Design Committee Becky Harris reported that the Last River Draw Dedication will take place on Thursday, June 8th. On Friday, June 9th the installation of the new sculptures for the Walk-About-Sculpture show will begin. The winner from last year's show will be announced at 4:00 p.m. at Freshwater Studio on June 9th as well.

The Design Committee is still working on where to locate the mosaic sculpture.

Economic Vitality/Team Boyne

Cain reported that the new owners of the Lally property on Lake Street were present and discussion took place regarding plans for that property. Boyne USA is renting the Fieldcrest Motel for employee housing.

Marketing

King-Duff said the Marketing Committee is working on the promotional banners for Boyne Thunder. They are planning on taking an inventory to see where/what banners are located throughout town. Cain said there are banners in storage at the DPW building that could possibly re-used somewhere in town.

Boyne Thunder is fast-approaching. There are 120 boats registered. People are signing up for the on-land poker run which will be held during Boyne Thunder.

The new dock has been installed at the marina.

Farmer's Market

Erica Tosch has resigned as the Farmer's Market Manager. Becky Harris will help with the market until a new manager is hired.

On July 15th, the Michigan Farmers Market Association (MIFMA) will be at the Boyne City Farmer's Market providing training on the SNAP food program.

Director's Report

- The Design Committee is still working on the location of the Mosaic Sculpture.
 - King-Duff attended the NLEA meeting at the new football field in Petoskey.
 - Ryde and King-Duff attended the DDA forum held in May in Indian River.
 - The removal of the holiday lights was less expensive than projected, with a cost of \$160. Two professional opinions were received and no more pruning of trees is required at this time.
 - Stroll the Streets begins June 9th.
 - Restaurant week is June 12th to June 18th.
 - King-Duff held interviews for an assistant and will be making an offer of employment soon.
 - The Farmer's Market Manager Position will be posted soon.
 - The next meeting of the Main Street Board will be held on June 29th.
-

Old Business

Parking Study Discussion

The Board discussed the current parking situation in the City and would like to be proactive in addressing the issue. Long-term goals need to be determined.

King-Duff thinks it would be a valuable tool if done in conjunction with the Market Study from Michigan Main Street.

Scott McPherson said that a study/count was done in 2007 of parking in the City but there have been many changes since that time. Updated information gathered under a more scientific approach, by an expert, may be valuable.

It was decided to have the Organization Committee address the issue.

Holiday Lighting

King-Duff recommended that the holiday lighting be handled by the Design Committee. It is an agenda item for their next meeting.

Photography Contract

King-Duff recommended that the Board approve the contract with Kim Ritsema for photography. King-Duff and the marketing committee worked with Ritesma to create an updated list of events that Main Street would like photographed throughout the year.

MOTION

Swartz moved, Cain seconded, PASSED UNANIMOUSLY to renew the photography contract with Kim Ritesma.

New Business

Liquor License – Food Truck Rally

MOTION

Swartz moved, Cain seconded, PASSED UNANIMOUSLY to recommend to the City Commission the approval of the application to the Michigan Liquor Control Commission for a special license to serve alcohol on July 13, 2017 at the Food Truck Rally.

Liquor License – Farm Meal

MOTION

Swartz moved, Cain seconded, PASSED UNANIMOUSLY to recommend to the City Commission the approval of the application to the Michigan Liquor Control Commission for a special license to serve alcohol on August 12, 2017 for the Farm Meal.

Financial Report Review

The Financial Report was received and filed.

Other

- **Theatre** – Rich Bergman of the Boyne Theatre was notified of the façade grant he received. He was appreciative of the grant.
- **Open Space** – Cain stated that the appraisals on the property are due by the end of June.
- **Pavilion** – Cortright said \$300,000 has been raised for the Pavilion and in September construction will begin. We will get as much as we can get done for \$300,000 and continue fundraising after the initial construction is done. Phase 1 is expected to cost \$500,000.

Good Of The Order

- Freshwater Studio will host a fundraiser for George Colburn's documentary "Young Hemingway and His Enduring Eden" on Friday June 2nd. Lee Berry wrote the theme song and will perform it with the BC Hemingway Youth Choir.
- John Gorka will be performing Sunday at 7:00 p.m. at Freshwater Studio.
- The Farm Meal is August 12th and will be held at the Bear Creek Organic Farm.
- The pavement marking throughout Boyne City has been completed.
- The traffic light poles are being replaced at the corner of Water and Lake Streets. Work is expected to be completed next week. Until then there will be a 4 way stop at the intersection.
- The tower clock is expected to return to Boyne City on Saturday, June 3rd. It will be reassembled and running by the middle of next week and there will be a clock starting ceremony featuring the Tallboys' Family.
- The Police and Fire Departments will be moving into the new City Hall next week. The old DPW and fire hall building will come down the week of June 12th.
- The Hearse Cruise that took place this past weekend was successful.
- The new Fishing Pier will be completed by the end of the week.
- The White Family is scheduled to visit next week.
- There has been community discussion regarding water balloons and the July 4th Raft Race. Cortright said the race is a fun event and needs to be preserved. Organizers are looking for ways to mitigate environmental damage from balloons – water guns being a good alternative.
- Cortright enjoyed a concert at the Band Shell in Charlevoix recently. It would be great to have an outdoor performance venue in Boyne City.
- The location of the benches in the downtown area was discussed. King-Duff suggested that the Marketing Committee inventory where they are located currently and then it can be decided where they should be placed.
- The Board discussed possibly taking a tour around the Downtown District after the next meeting.
- Swartz said the registration for the September 3rd Tri-Athlon is going very well.
- Restoration continues at Local Flavor. Façade improvements are ten months out. Bandy has tables, chairs and displays for sale.
- Don Ryde stated it was nice to see the entire downtown busy and vibrant, including the Water Street area.
- NLEA is offering a RRC Best Practices Training on June 27th.
- Ashley Cousens said the Mushroom Festival went well. The Taste of Morels had a great turnout.

ADJOURNMENT

The Boyne City Main Street Board meeting of June 1, 2017 was adjourned by Chair Michelle Cortright at 9:55 a.m.

Jane Halstead, Recording Secretary



Approved _____

**MEETING OF
June 22, 2017**

**MINUTES OF THE BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION
SPECIAL MEETING DULY CALLED AND HELD ON THURSDAY, JUNE 22, 2017
at CITY HALL ~ 364 N Lake St, Boyne City**

CALL TO ORDER

Chair Gillett called the meeting to order at 8:30 a.m.

ROLL CALL

Present: Kelly Bellant, Michael Cain, Michelle Cortright, Pete Friedrich, Ralph Gillett, Josette Lory
Absent: Pat Anzell, Todd Fewins, Marilee Grom

**EXCUSED ABSENCES
MOTION**

Friedrich moved, Anzell seconded, PASSED UNANIMOUSLY to excuse Pat Anzell and Todd Fewin

MEETING ATTENDANCE

Staff: Recording Secretary Jane Halstead
Public: None

UNFINISHED BUSINESS

None

NEW BUSINESS

Michael Cain was contacted by a manufacturing company looking to relocate their operation to Boyne City. They are interested in building a 20,000 to 25,000 square foot facility that would employ approximately 30 people. Cain toured the Industrial Park with them and they expressed an interest. The Board discussed "rights of first refusal".

The next regular EDC meeting is scheduled for July 10th, 2017.

ANNOUNCEMENTS

Gillett moved, Lory seconded, PASSED UNANIMOUSLY to adjourn the June 22, 2017 Economic Development Corporation meeting at 9:03 a.m.

**ADJOURNMENT
MOTION**

Jane Halstead, Recording Secretary



Approved: _____

Meeting of June 29, 2017 MINUTES OF THE BOYNE CITY MAIN STREET BOARD REGULAR MEETING HELD ON THURSDAY, JUNE 29, 2017 at 8:30 AM CITY HALL, 364 NORTH LAKE STREET

Call to Order Chair Michelle Cortright called the meeting to order at 8:30 a.m.

Roll Call Present: Michael Cain, Michelle Cortright, Chris Bandy, Robin Lee Berry, Rob Swartz, Don Ryde, Pat O'Brien, Ben Van Dam

Meeting Attendance Absent: Becky Harris City Staff: Main Street Director Kelsie King-Duff, Recording Secretary Jane Halstead, Assistant Planning/Zoning Administrator Patrick Kilkenny, Main Street Assistant Ingrid Day

Public: One, Ashley Cousens

Excused Absences MOTION Cain moved, Swartz seconded, PASSED UNANIMOUSLY to excuse Becky Harris.

Approval of Minutes MOTION Bandy moved, Van Dam seconded, PASSED UNANIMOUSLY to approve the June 1, 2017 minutes as presented.

Citizens Comments None.

Correspondence Kelsie King-Duff received a SNAP Reauthorization Letter from the USDA. King-Duff returned the necessary documentation and the SNAP cards can continue to be accepted at the Farmer's Market.

Committee Reports Organization Committee Swartz reported that the Organization Committee met on June 13th and discussed the job description for the new Main Street Assistant. They also discussed long-term funding, grant opportunities and the changes taking place with TIF. On August 9th there is a meeting of the Market Study project team.

Promotions Committee Chris Bandy said the preparations are done for the on-land Poker Run which will take place during Boyne Thunder.

Design Committee

The Design Committee discussed the holiday lighting and the placement of the mosaic sculpture which will both be addressed later in today's meeting. The July Design Committee meeting is cancelled.

Economic Vitality/Team Boyne

Cain reported that a new chair is needed for the Committee as Ashley Cousens is stepping down.

The Committee toured the Old First Merit/Lally Building on Lake Street which is currently available for lease.

Marketing

King-Duff said the Boyne Thunder banners are up.

The Marketing Committee has been tracking the advertisements placed for each event Main Street does and found that the events are well covered in the local papers.

Boyne Thunder

Boyne Thunder is next week. There is a meeting tonight to work out final details. There are 120 boats registered.

Farmer's Market

King-Duff has been interviewing candidates for the Farmer's Market Manager. She hopes to start a new Manager sometime after Boyne Thunder is over.

The weekend of Boyne Thunder the Farmer's Market will be held at Peninsula Beach (July 8th).

Director's Report

- Ingrid Day has started working as the new Assistant to the Main Street Manager. Welcome Ingrid!
- The SNAP machine for the Farmer's Market is back up and running.
- The White Family was recently in town and King-Duff attended a dinner with them.
- The new Walk-About-Sculpture pieces have been installed. Ann Gildner was the People's Choice Winner for the 2016-2017 show for her sculpture "Free Fall".
- Michigan Main Street has cancelled the quarterly training scheduled for August.
- King-Duff and Cousens will be reviewing future Chamber newsletters beginning Wednesday, July 12th and the newsletters will go out on Thursdays instead of Friday.
- Restaurant Week received good feedback.
- The Last River Draw Dedication had a good turnout.
- Stroll the Streets is going well. Sponsorships received total \$13,600. King-Duff will get figures from the last two years for comparison purposes.
- King-Duff will start sending weekly debriefing emails on Friday to board members on a trial basis. She will include road closure requests in that email to keep all informed. King-Duff will also provide a written Manager's report at the monthly meetings.
- July 13th is the Food Truck Rally.

Old Business

Mosaic Sculpture

A location for the mosaic sculpture has been selected in Peninsula Beach Park in the Main Street district.

MOTION

Lee Berry moved, Bandy seconded, PASSED UNANIMOUSLY to recommend the City Commission approve the placement of a mosaic sculpture in Peninsula Beach Park at the designated location.

Holiday Lighting

The Board discussed the holiday lighting for downtown and reviewed the recommendations made by the Design Committee. The Board agrees that we would like to “step up our game” and make improvements to the downtown lighting. In terms of holiday lighting contracts, we are too late in the year to make extensive changes. The Board agreed with the Design Committee’s recommendation to have Holiday Lighting Service install new lights in the 16 trees in the planter boxes downtown to get a start on a more vibrant holiday plan. The Design Committee also recommended a renewal of the contract for the lighted snowflakes and large decorations with Hometown Decoration and Display. The Board decided a one year contract is the way to go to allow flexibility if the lighting design plan changes next year.

MOTION

Van Dam moved, Ryde seconded, PASSED UNANIMOUSLY to approve a 1 year contract with Holiday Lighting Service for a maximum amount of \$6,834.80 for new holiday lighting for the 16 trees in the downtown planter boxes.

MOTION

Van Dam moved, Swartz seconded, PASSED UNANIMOUSLY to approve a 1 year contract with Hometown Decoration and Display for \$5,996.00 for lighted snowflake pole decorations and 10 large lighted decorations downtown.

New Business

Office Equipment

Currently, the new Main Street Office Assistant, Ingrid Day, is using her personal computer in the office. It was determined by the City’s IT company that a tablet in conjunction with a docking station would meet the needs of the office. King-Duff is asking for approval for the new equipment as it was not included in the Main Street budget for this year. This request has already been approved by the City Commission.

MOTION

Cain moved, Bandy seconded, PASSED UNANIMOUSLY to approve the purchase of an Ideapad Miix510-121SK w/Intel Core i7-6500u 8 GB Ram, 256 GB SSD at a cost of \$820 and the Pro version dock at a cost of \$165 for a total cost of \$985.

Financial Report Review

The Financial Report was received and filed.

Other

- **Theatre** – The owners are still working through quotes; they will not be pursuing historic tax credits but will be looking at grant opportunities.
- **Open Space** – The area is being cleaned up and the dead trees have been removed. We are still waiting to see what the dollar amount of the grant will be.
- **Pavilion** – An expenditure of \$5,000 has been made to the architect to obtain construction bids. Phase 1 will begin in September at a cost of \$300,000.

Closed Session

City Manager Michael Cain requested the Main Street Board go into a closed session in order to consider the purchase of real property as provided in MCL 15.268 (d) of the Michigan Open Meetings Act (PA 267 of 1976).

MOTION

Cain moved, Swartz seconded, PASSED UNANIMOUSLY to go into closed session at 9:36 a.m.

MOTION

Swartz moved, Van Dam seconded, PASSED UNANIMOUSLY to return to open session of the Boyne City Main Street Board Meeting at 10:15 a.m.

Good Of The Order

- The LaFrance firetruck will be going into the new City Hall building at the conclusion of the July 4th parade.
- The new traffic poles have been installed at the corner of Water and Lake Streets. They contain arrays to improve Verizon cellular reception. The timing coordination between the two traffic signals downtown has been re-established.
- The new fishing pier is open and is a great addition to Boyne City.
- A new bike rack and trees have been installed in front of Café Sante. The bike rack is already getting a lot of use.
- DPW crews are busy spraying weeds and cleaning up planters and sidewalks throughout the City.
- The City has been offered a bronze sculpture of a Wolverine. This will be discussed by the Design Committee.
- Van Dam Boat Builders is putting an addition on their custom boat building facility.

ADJOURNMENT

MOTION

Cain moved, Van Dam seconded, PASSED UNANIMOUSLY to adjourn the Boyne City Main Street Board meeting of June 29, 2017 at 10:25 a.m.

Jane Halstead, Recording Secretary



Approved: _____

**MEETING OF
JUNE 29, 2017**

**RECORD OF THE PROCEEDINGS OF THE MEETING OF THE BOYNE CITY
AIRPORT ADVISORY BOARD HELD JUNE 29, 2017**

CALL TO ORDER

Chair Schmidt called the meeting to order at **5:30 p.m.** followed by the pledge of allegiance.

**ROLL CALL
ATTENDANCE**

Present: Richard Bouters, Brian Harrington, Jerry Schmidt
*Bud Chipman, * Leon Jarema, Oral Sutliff
Absent:, Leon Vercruysee, *Rod Cortright
**Ex Officio Members*

Citizens:

Staff: Airport Manager/City Manager, Michael Cain

**EXCUSED ABSENCES
MOTION**

NONE

**APPROVAL OF MINUTES
MOTION**

Motion by **Sutliff** Seconded by **Harrington** **PASSED UNANIMOUSLY** to approve the **May 25, 2017** minutes as written.

CORRESPONDENCE

NONE

**CITIZENS COMMENTS
(NON-AGENDA ITEMS)**

NONE

COMMITTEES

UNFINISHED BUSINESS

- A. General Utility Licensing – Obstruction Issues:** 1. Airport Fence: Measurements of the airport fence were taken to determine FAA compliance. A section of fence along the South boarder by Brockway Street remains out of compliance. The board will meet with City personnel to determine a course of action. 2. FAA Obstruction list: The board will work toward an action plan to comply with FAA requirements.
- B. Hangar Updates:** Hangar C-15 is in the process of being rented.

C. Other: None

NEW BUSINESS

- A. Epic Fuel Contract:** City Manager Michael Cain was contacted by Epic Fuel regarding a contract to provide fuel to the Airport. He requested details from them and the board will review.
- B. Other: None**

GOOD OF THE ORDER

- A.** The Airport fuel price is **\$4.22/gal.** as of **April 21, 2017.**

ANNOUNCEMENTS

NEXT MEETING

MOTION

- A.** The next regular Airport Advisory Board meeting is scheduled for **Thursday, July 27, 2017 at 5:30 p.m.** at the Airport Terminal.

ADJOURNMENT

- A.** The meeting was adjourned **6:12 p.m.** by **Chair Schmidt.**

Richard L. Bouters-Secretary _____



City of Boyne City

MEMO

Date: July 7, 2017

To: Mayor Neidhamer and the Boyne City City Commission

From: Michael Cain, City Manager *Mc*

Subject: Proposed Boyne City Industrial Development District #6 – Van Dam

Before the City Commission is the request, as noted in their attached letter dated May 18, 2017 and the supporting memo from the NLEA, of the Van Dam companies to establish a new Industrial Development District (IDD) on their properties south of Division Street, just west of M-75. Their properties are zoned regional commercial/industrial. I have included a City map showing proposed district #6 in orange as well as our existing five other districts. Also included is a copy of Michigan Public Act 198 of 1974 which provides the legal basis for this matter.

As noted in the proposed resolution today's public hearing has been properly advertised and each of the affected taxing jurisdictions have been notified.

Subject to any input during the public hearing, staff supports the establishment of District #6 as proposed.

I would further recommend that should the City Commission choose to establish the proposed new district that any tax abatement requests involving this and any other IDD be considered first by our existing Economic Development Commission for a recommendation to the City Commission. This would provide a uniform two-step process for considering all such requests, no matter where in the City they come from.

RECOMMENDATION: That the City Commission: 1) hold the Public Hearing to establish Industrial Development District #6 as requested by Van Dam, based on public input 2) approve the proposed resolution, and 3) direct the Boyne City Economic Development Commission to review and make recommendations to the City Commission regarding requests for abatements coming from any Industrial Development Districts established in the City.

Options:

- Hold the public hearing but postpone the decision on the request for further consideration or information.
- Deny the request.
- Other options as determined by the City Commission.

VAN DAM

THE WORLD'S FINEST WOODEN BOATS

Date: 5/18/2017

Ms. Cindy Grice, Clerk
City of Boyne City
319 North Lake Street
Boyne City, MI 49712

Dear Ms. Grice,

Van Dam Marine Co, Van Dam Custom Boats and Boyne Boat Yard are requesting that the City of Boyne City establish an Industrial Development District (IDD) pursuant to Public Act 198 of 1974 as amended, for property at 970 and 974 E. Division Street, Boyne City, MI 49712 commonly known as Van Dam Custom Boats.

The property tax identification numbers are 15-051-302-002-50, 15-051-302-002-80 (see attached).

A preliminary search of the State's website does not show that the property was ever established as an IDD. The site is zoned regional commercial industrial by the city.

I look forward to hearing from you. Please call me if you have any questions.

Sincerely,



Ben Van Dam
President



Celebrating 40 years of excellence!





A regional public/private economic development organization serving Antrim, Charlevoix, Cheboygan and Emmet Counties, Michigan, USA

Date: 7/7/2017

Subject: Van Dam Marine Co. request to establish an Industrial Development District

Property Tax Abatement – P. A. 198 Industrial Facilities Tax

Van Dam Marine Co. is requesting the City of Boyne City establish an Industrial Development District pursuant to Public Act 198 of 1974 as amended, for property at 970 and 974 E. Division Street, Boyne City, MI commonly known as Van Dam Custom Boats. Establishing this district is the first step in applying for an Industrial Facilities Exemption Certificate or “tax abatement”.

The Van Dam’s have been a corporate citizen of the City of Boyne City for the past 40 years, most commonly known for producing the world’s finest wooden boats. Under the Van Dam umbrella you have Van Dam Custom Boats, Van Dam Marine Co. and the Boyne Boat Yard employing over a dozen people.

Van Dam Marine Co. is currently looking to add an estimated \$750,000 - 1250 sq. ft addition to their existing manufacturing space. This addition to manufacturing space allows Van Dam Marine to grow their business, retain their current employees and hire additional five employees. The value of the tax abatement affords them to expand and remain at their location in the City of Boyne City.

Why would a local unit of government offer industrial property tax abatement?

- To promote economic development.
- To preserve current local tax base and provide for future tax revenue increases.
- To attract new businesses, keep businesses and to target the type of businesses they want to attract.
- To compete for jobs with other states and countries that have lower taxes.
- To reward a company that has been a good corporate citizen.
- Annual salaries of the new and retained jobs flow into the local community.

- Core Partners -





Northern Lakes

ECONOMIC ALLIANCE

A regional public/private economic development organization serving Antrim, Charlevoix, Cheboygan and Emmet Counties, Michigan, USA

- Other business factors may dictate where a company locates, but tax abatement is one of the key considerations for a company to remain competitive, continue in business and maintain their local employment.

Win: Win

- ✓ *New tax base is created so that all taxing units are positively affected.*
- ✓ *The tax abatement helps the company with cash flow so that the expansion can occur.*

Thank you for your consideration of establishing an Industrial Development District as requested by Van Dam Marine Co.

Submitting on behalf of Van Dam Marine Co:

Buck Love,
Business Retention and Growth Specialist
Northern Lakes Economic Alliance

1313 Boyne Ave / P.O. Box 8

Boyne City, Michigan 49712.

Phone: 231.582.6482 - Fax: 231.582.3213

www.northernlakes.net * info@northernlakes.net

- Core Partners -



**Resolution to Establish an
Industrial Development District**

Minutes of a regular meeting City Commission of the City of Boyne City held on July 11, 2017 at the City of Boyne City temporary location, 364 N. Lake Street at 7:00pm.

PRESENT:
ABSENT:

The following preamble and resolution were offered by _____
and supported by _____.

Resolution Establishing an Industrial Development District for Van Dam Marine, Co.

WHEREAS, pursuant to PA 198 of 1974, as amended, the City Commission has the authority to establish "Industrial Development Districts" within the City of Boyne City; and

WHEREAS, Van Dam Marine Co. petitioned this City Commission to establish an Industrial Development District on property located in the City of Boyne City hereinafter described; and

WHEREAS, construction, acquisitions, alterations or installation of a proposed facility has not commenced at the time of filing the request to establish this district; and

WHEREAS, written notice was given by certified mail to all owners of real property located within the district, and to the public by newspaper advertisement in the *Boyne Gazette* and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing was held on July 11, 2017, at which all of the owners of real property within the proposed Industrial Development District and all residents and tax payers of City of Boyne City were afforded an opportunity to be heard thereon; and

WHEREAS, the City of Boyne City Commission deems it to be in the public interest of the City of Boyne City to establish the Industrial Development District as proposed; and

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Boyne City that the following described parcel of land situated in the City of Boyne City, Charlevoix County, and the State of Michigan, to wit:

Parcel Number: 15-051-302-002-50

COM AT NE COR SEC 2 T32N R6W TH AL N LI SD SEC N89DEG38'21"W 16.50FT FOR POB TH CONT AL N LI N89DEG38'21"W 312.79FT (REC AS 312.87FT) TH SOODEG08'33"W 33.0FT TO S LI DIVISION RD TH CONT SOODEG08'33"W 379.43FT TH N89DEG33'04"W 221.94FT TH N OODEG09'28"E 30.0FT TH N88DEG42'11"W 156.82FT TH S01DEG17'49"W 241.53FT TO ALI REC AS BEING 621.20FT S OF N LI SD SEC AS EST BY M.C. FEINDT, P.S. IN 1969 TH ALA LI REC AS BEING PARA WI SD N SECLI S89DEG38'24"E 71.29FT TH CONT AL LASTDESC CRSE S89DEG37'27"E 357.60FT TH NOO DEG10'48"E 220.02FT (REC AS 220FT) TH S 89DEG37'27"E 267.03FT (REC AS 267.0FT) TOA LI REC AS BEING 16.50FT W OF ELI SO SEC AS EST

5

BY M.C. FEINDT, P.S. IN 1969 THAL SD LI NOODEG11'16"E 368.17FT (REC AS 368.20FT) TO S LI SD RD TH CONT AL LAST DESC CRSE NOODEG11'16"E 33.0FT TO POB BEING PT OF NE1/4 OF NE1/4 SEC 2 T32N R6W CONT 5.05A 2002SP/COMB 302-001-15, 001-30/302-001-40 Split on 05/30/2017 with 051-302-002-80 into 051-302-002-55, 051-302-002-85;

Parcel Number: 15-051-302-002-80

COM AT NE COR SEC 2 T32N R6W TH AL N LI SD SEC N89DEG38'21"W 329.29FT (REC AS 329.37FT) FOR POB TH CONT AL N LI N89DEG 38'21"W 938.37FT (REC AS 938.61FT) TH PARAWI E1/8 LI SD SEC AS EST BY M.C. FEINDT, P.S. IN 1969 SOODEG00'18"E 33.0FT TO S LI DIVISION RD TH CONT AL LAST DESC CRSE SOODEG00'18"E 588.04FT (REC AS 588.20FT) TH ALA LI REC AS PARA WI N LI SD SEC A SEST BY M.C. FEINDT, P.S. S89DEG38'24"E 553.18FT TH N01DEG17'49"E 241.53FT TH S 88DEG42'11"E 156.82FT TH SOODEG09'28"W 30.0FT TH S89DEG33'04"E 221.94FT TH NOO DEG08'33"E 379.43FT TO S LI SD RD TH CONT AL LAST DES CRSE NOODEG08'33"E 33.0 FT TO POB BEING PT OF NE1/4 OF NE1/4 SEC2 T32N R6W CONT 11.425A 2002SP FR 302-001-15 & 001-30 Split on 05/30/2017 with 051-302-002-50 into 051-302-002-55, 051-302-002-85;

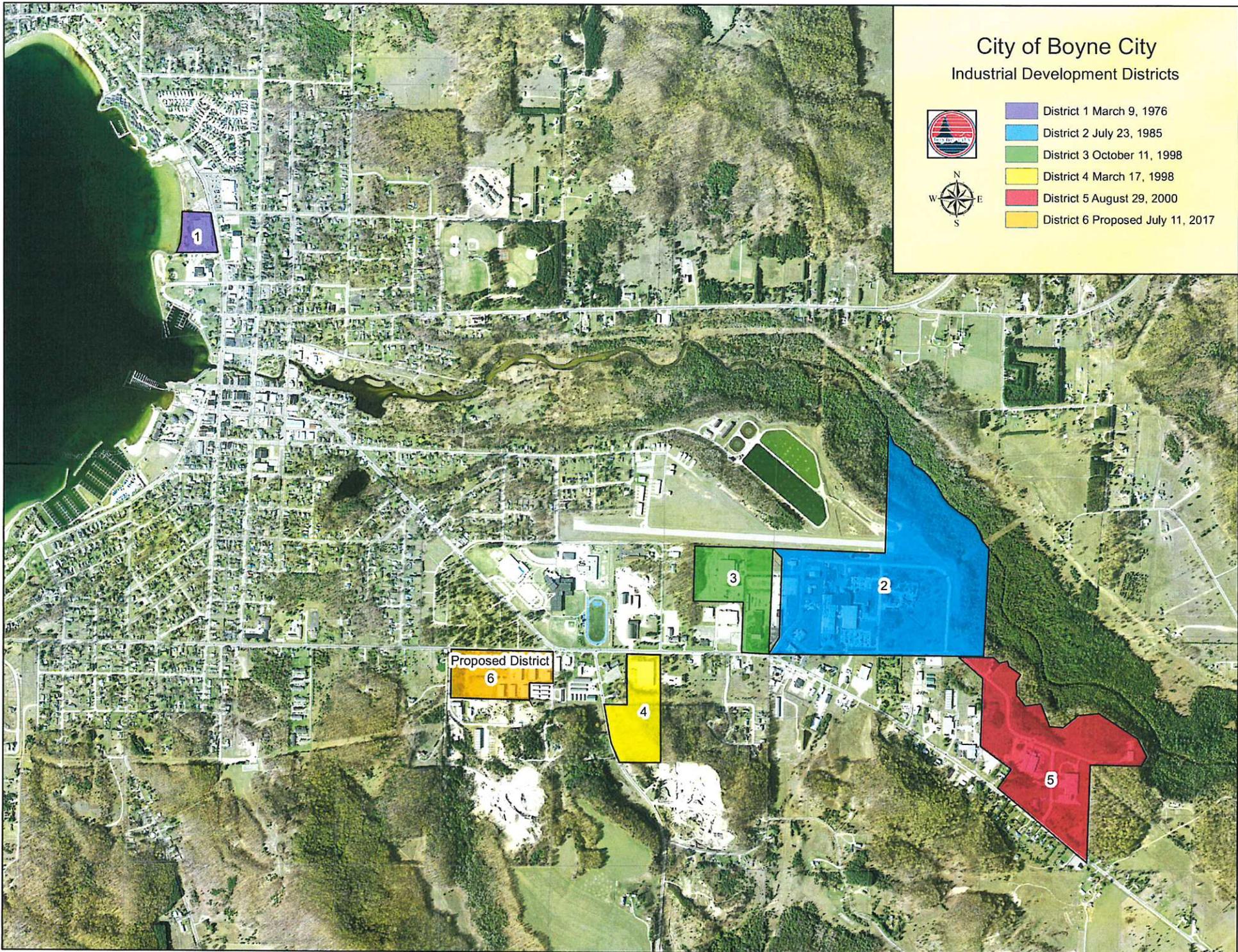
is established as an Industrial Development District pursuant to the provision of PA 198 of 1974, as amended, to be known as Boyne City Industrial Development District # 6.

AYES:
NAYS:
ABSTAIN:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Boyne City, Charlevoix County, Michigan, at a regular meeting held on July 11, 2017.

Cindy Grice, Clerk/Treasurer
City of Boyne City



PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT DISTRICTS
Act 198 of 1974

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 impose and provide for the disposition of an administrative fee; 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.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 2001, Act 157, Imd. Eff. Nov. 6, 2001.

Popular name: Act 198

The People of the State of Michigan enact:

207.551 Meanings of certain words and phrases.

Sec. 1. The words and phrases defined in sections 2 and 3 have the meanings respectively ascribed to them for the purposes of this act.

History: 1974, Act 198, Imd. Eff. July 9, 1974.

Compiler's note: For transfer of powers and duties of department of commerce under Act 198 of 1974 to the chief executive officer of the Michigan jobs commission, see E.R.O. No. 1994-8, compiled at MCL 408.47 of the Michigan Compiled Laws.

Popular name: Act 198

207.552 Definitions.

Sec. 2. (1) "Commission" means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.

(2) "Facility" means either a replacement facility, a new facility, or, if applicable by its usage, a speculative building.

(3) "Next Michigan development corporation" means that term as defined in section 3 of the next Michigan development act, 2010 PA 275, MCL 125.2953.

(4) "Replacement facility" means 1 of the following:

(a) In the case of a replacement or restoration that occurs on the same or contiguous land as that which is replaced or restored, industrial property that is or is to be acquired, constructed, altered, or installed for the purpose of replacement or restoration of obsolete industrial property together with any part of the old altered property that remains for use as industrial property after the replacement, restoration, or alteration.

(b) In the case of construction on vacant noncontiguous land, property that is or will be used as industrial property that is or is to be acquired, constructed, transferred, or installed for the purpose of being substituted for obsolete industrial property if the obsolete industrial property is situated in a plant rehabilitation district in the same city, village, or township as the land on which the facility is or is to be constructed and includes the obsolete industrial property itself until the time as the substituted facility is completed.

(5) "New facility" means new industrial property other than a replacement facility to be built in a plant rehabilitation district or industrial development district.

(6) "Local governmental unit" means a city, village, township, or next Michigan development corporation located in this state. For purposes of this act, if a next Michigan development corporation establishes a plant rehabilitation district or an industrial development district, the next Michigan development corporation shall act as the local governmental unit in establishing and operating the plant rehabilitation district or the industrial development district.

(7) "Industrial property" means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures or any part or accessory whether completed or in the process of construction comprising an integrated whole, the primary purpose and use of which is the engaging in a high-technology activity, operation of a strategic response center, operation of a motorsports entertainment complex, operation of a logistical optimization center, operation of qualified commercial activity, operation of a major distribution and logistics facility, the manufacture of goods or materials, creation or synthesis of biodiesel fuel, or the processing of goods and materials by physical or chemical change; property acquired, constructed, altered, or installed due to the passage of proposal A in 1976; the operation of a hydro-electric dam by a private company other than a public utility; or agricultural processing facilities. Industrial property includes facilities related to a manufacturing operation under the same ownership, including, but not limited to, office, engineering, research and development, warehousing, or parts distribution facilities. Industrial property also includes research and development laboratories of companies other than those companies that

manufacture the products developed from their research activities and research development laboratories of a manufacturing company that are unrelated to the products of the company. For applications approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007, industrial property also includes an electric generating plant that is not owned by a local unit of government, including, but not limited to, an electric generating plant fueled by biomass. For an industrial development district created before July 1, 2010, industrial property also includes an electric generating plant that is fueled by biomass that is not owned by a unit of local government if the electric generating plant involves the reuse of a federal superfund site remediated by the United States environmental protection agency and an independent study has concluded that the electric generating plant would not have an adverse effect on wood supply of the area from which the wood supply of the electric generating plant would be derived. An electric generating plant described in the preceding sentence is presumed not to have an adverse impact on the wood supply of the area from which the wood supply of the electric generating plant would be derived if the company has a study funded by the United States department of energy and managed by the department of energy, labor, and economic growth that concludes that the electric generating plant will consume not more than 7.5% of the annual wood growth within a 60-mile radius of the electric generating plant. Industrial property also includes convention and trade centers in which construction begins not later than December 31, 2010 and is over 250,000 square feet in size or, if located in a county with a population of more than 750,000 and less than 1,100,000, is over 100,000 square feet in size or, if located in a county with a population of more than 26,000 and less than 28,000, is over 30,000 square feet in size. Industrial property also includes a federal reserve bank operating under 12 USC 341, located in a city with a population of 600,000 or more. Industrial property may be owned or leased. However, in the case of leased property, the lessee is liable for payment of ad valorem property taxes and shall furnish proof of that liability. For purposes of a local governmental unit that is a next Michigan development corporation, industrial property includes only property used in the operation of an eligible next Michigan business, as that term is defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803. Industrial property does not include any of the following:

(a) Land.

(b) Property of a public utility other than an electric generating plant that is not owned by a local unit of government as provided in this subsection.

(c) Inventory.

(8) "Obsolete industrial property" means industrial property the condition of which is substantially less than an economically efficient functional condition.

(9) "Economically efficient functional condition" means a state or condition of property the desirability and usefulness of which is not impaired due to changes in design, construction, technology, or improved production processes, or from external influencing factors that make the property less desirable and valuable for continued use.

(10) "Research and development laboratories" means building and structures, including the machinery, equipment, furniture, and fixtures located in the building or structure, used or to be used for research or experimental purposes that would be considered qualified research as that term is used in section 41 of the internal revenue code, 26 USC 41, except that qualified research also includes qualified research funded by grant, contract, or otherwise by another person or governmental entity.

(11) "Manufacture of goods or materials" or "processing of goods or materials" means any type of operation that would be conducted by an entity included in the classifications provided by sector 31-33 — manufacturing, of the North American industry classification system, United States, 1997, published by the office of management and budget, regardless of whether the entity conducting that operation is included in that manual.

(12) "High-technology activity" means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(13) "Logistical optimization center" means a sorting and distribution center that optimizes transportation and uses just-in-time inventory management and material handling.

(14) "Commercial property" means that term as defined in section 2 of the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782.

(15) "Qualified commercial activity" means commercial property that meets all of the following:

(a) At least 90% of the property, excluding the surrounding green space, is used for warehousing, distribution, or logistic purposes and is located in a county that borders another state or Canada or for a communications center.

(b) Occupies a building or structure that is greater than 100,000 square feet in size.

(16) "Motorsports entertainment complex" means a closed-course motorsports facility, and its ancillary grounds and facilities, that satisfies all of the following:

- (a) Has at least 70,000 fixed seats for race patrons.
 - (b) Has at least 6 scheduled days of motorsports events each calendar year, at least 2 of which shall be comparable to nascar nextel cup events held in 2007 or their successor events.
 - (c) Serves food and beverages at the facility during sanctioned events each calendar year through concession outlets, a majority of which are staffed by individuals who represent or are members of 1 or more nonprofit civic or charitable organizations that directly financially benefit from the concession outlets' sales.
 - (d) Engages in tourism promotion.
 - (e) Has permanent exhibitions of motorsports history, events, or vehicles.
- (17) "Major distribution and logistics facility" means a proposed distribution center that meets all of the following:
- (a) Contains at least 250,000 square feet.
 - (b) Has or will have an assessed value of \$5,000,000.00 or more for the real property.
 - (c) Is located within 35 miles of the border of this state.
 - (d) Has as its purpose the distribution of inventory and materials to facilities owned by the taxpayer whose primary business is the retail sale of sporting goods and related inventory.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1975, Act 302, Imd. Eff. Dec. 19, 1975;—Am. 1976, Act 224, Imd. Eff. July 30, 1976;—Am. 1978, Act 37, Imd. Eff. Feb. 24, 1978;—Am. 1981, Act 211, Imd. Eff. Dec. 30, 1981;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1986, Act 66, Imd. Eff. Apr. 1, 1986;—Am. 1999, Act 140, Imd. Eff. Oct. 18, 1999;—Am. 2000, Act 247, Imd. Eff. June 29, 2000;—Am. 2002, Act 280, Imd. Eff. May 9, 2002;—Am. 2003, Act 5, Imd. Eff. Apr. 24, 2003;—Am. 2005, Act 118, Imd. Eff. Sept. 22, 2005;—Am. 2005, Act 267, Imd. Eff. Dec. 16, 2005;—Am. 2007, Act 12, Imd. Eff. May 29, 2007;—Am. 2007, Act 146, Imd. Eff. Dec. 10, 2007;—Am. 2008, Act 170, Imd. Eff. July 2, 2008;—Am. 2008, Act 457, Imd. Eff. Jan. 9, 2009;—Am. 2008, Act 581, Imd. Eff. Jan. 16, 2009;—Am. 2009, Act 209, Imd. Eff. Jan. 4, 2010;—Am. 2010, Act 273, Imd. Eff. Dec. 15, 2010;—Am. 2011, Act 154, Imd. Eff. Sept. 27, 2011.

Compiler's note: For transfer of powers and duties of department of commerce under Act 198 of 1974 to the chief executive officer of the Michigan jobs commission, see E.R.O. No. 1994-8, compiled at MCL 408.47 of the Michigan Compiled Laws.

Popular name: Act 198

207.553 Additional definitions.

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

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

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

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

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

(6) "Restoration" means changes to obsolete industrial property other than replacement as may be required to restore the property, together with all appurtenances to the property, to an economically efficient functional condition. Restoration does not include delayed maintenance or the substitution or addition of tangible personal property without major renovation of the industrial property. A program involving expenditures for changes to the industrial property improvements aggregating less than 10% of the true cash value at commencement of the restoration of the industrial property improvements is delayed maintenance. Restoration includes major renovation including but not necessarily limited to the improvement of floor loads, correction of deficient or excessive height, new or improved building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, improvements or modifications of machinery and equipment to improve efficiency, decrease operating costs, or to increase productive capacity, and other physical changes as may be required to restore the industrial property to an economically efficient functional condition, and shall include land and building improvements and other tangible personal property incident to the improvements.

(7) "State equalized valuation" means the valuation determined under 1911 PA 44, MCL 209.1 to 209.8.

(8) "Speculative building" means a building that meets 1 of the following criteria and the machinery, equipment, furniture, and fixtures located in the building:

(a) A new building that meets all of the following:

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

(ii) The building is constructed for the purpose of providing a manufacturing facility before the

identification of a specific user of that building.

(iii) The building does not qualify as a replacement facility.

(b) The building is an existing building on an improved parcel of industrial property used for the manufacturing of goods or materials or processing of goods or materials. Not more than 1 building shall be awarded an industrial facilities exemption certificate under this subdivision. A building that complies with this subdivision shall be presumed to have been constructed within 9 years of the filing of the application for an industrial facilities exemption certificate and shall comply with the following:

(i) Has been unoccupied for at least 4 years immediately preceding the date the certificate is issued.

(ii) Is in an industrial development district created before January 1, 2011.

(iii) Is located in a county with a population of more than 22,000 and less than 24,500 containing a city with a population of more than 3,600 according to the last decennial census.

(9) "Development organization" means any economic development corporation, downtown development authority, tax increment financing authority, or an organization under the supervision of and created for economic development purposes by a local governmental unit.

(10) "Manufacturing facility" means buildings and structures, including the machinery, equipment, furniture, and fixtures located therein, the primary purpose of which is 1 or more of the following:

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

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

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

(12) "Strategic response center" means a facility that provides catastrophe response solutions through the development and staffing of a national response center for which a plant rehabilitation district or an industrial development district was created before December 31, 2007.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1975, Act 247, Imd. Eff. Sept. 4, 1975;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1996, Act 1, Imd. Eff. Jan. 30, 1996;—Am. 2007, Act 13, Imd. Eff. May 29, 2007;—Am. 2010, Act 122, Imd. Eff. July 19, 2010.

Compiler's note: For transfer of powers and duties of department of commerce under Act 198 of 1974 to the chief executive officer of the Michigan jobs commission, see E.R.O. No. 1994-8, compiled at MCL 408.47 of the Michigan Compiled Laws.

Popular name: Act 198

207.554 Plant rehabilitation district or industrial development district; establishment; number of parcels; filing; notice; hearing; finding and determination; district established by township; industrial property as part of industrial development district or plant rehabilitation district also part of tax increment district; termination; notice.

Sec. 4. (1) A local governmental unit, by resolution of its legislative body, may establish plant rehabilitation districts and industrial development districts that consist of 1 or more parcels or tracts of land or a portion of a parcel or tract of land.

(2) The legislative body of a local governmental unit may establish a plant rehabilitation district or an industrial development district on its own initiative or upon a written request filed by the owner or owners of 75% of the state equalized value of the industrial property located within a proposed plant rehabilitation district or industrial development district. This request shall be filed with the clerk of the local governmental unit.

(3) Except as provided in section 9(2)(h), after December 31, 1983, a request for the establishment of a proposed plant rehabilitation district or industrial development district shall be filed only in connection with a proposed replacement facility or new facility, the construction, acquisition, alteration, or installation of or for which has not commenced at the time of the filing of the request. The legislative body of a local governmental unit shall not establish a plant rehabilitation district or an industrial development district pursuant to subsection (2) if it finds that the request for the district was filed after the commencement of construction, alteration, or installation of, or of an acquisition related to, the proposed replacement facility or new facility. This subsection shall not apply to a speculative building.

(4) Before adopting a resolution establishing a plant rehabilitation district or industrial development district, the legislative body shall give written notice by certified mail to the owners of all real property within the proposed plant rehabilitation district or industrial development district and shall hold a public hearing on the establishment of the plant rehabilitation district or industrial development district at which those owners and other residents or taxpayers of the local governmental unit shall have a right to appear and be heard.

(5) The legislative body of the local governmental unit, in its resolution establishing a plant rehabilitation

district, shall set forth a finding and determination that property comprising not less than 50% of the state equalized valuation of the industrial property within the district is obsolete.

(6) A plant rehabilitation district or industrial development district established by a township shall be only within the unincorporated territory of the township and shall not be within a village.

(7) Industrial property that is part of an industrial development district or a plant rehabilitation district may also be part of a tax increment district established under the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

(8) A local governmental unit, by resolution of its legislative body, may terminate a plant rehabilitation district or an industrial development district, if there are no industrial facilities exemption certificates in effect in the plant rehabilitation district or the industrial development district on the date of the resolution to terminate.

(9) Before acting on a proposed resolution terminating a plant rehabilitation district or an industrial development district, the local governmental unit shall give at least 14 days' written notice by certified mail to the owners of all real property within the plant rehabilitation district or industrial development district as determined by the tax records in the office of the assessor or the treasurer of the local tax collecting unit in which the property is located and shall hold a public hearing on the termination of the plant rehabilitation district or industrial development district at which those owners and other residents or taxpayers of the local governmental unit, or others, shall have a right to appear and be heard.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1980, Act 449, Imd. Eff. Jan. 15, 1981;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1993, Act 334, Eff. Apr. 1, 1994;—Am. 1994, Act 266, Eff. Imd. July 6, 1994;—Am. 1995, Act 218, Imd. Eff. Dec. 1, 1995;—Am. 1999, Act 140, Imd. Eff. Oct. 18, 1999;—Am. 2004, Act 437, Imd. Eff. Dec. 21, 2004.

Compiler's note: For transfer of powers and duties of department of commerce under Act 198 of 1974 to the chief executive officer of the Michigan jobs commission, see E.R.O. No. 1994-8, compiled at MCL 408.47 of the Michigan Compiled Laws.

Popular name: Act 198

207.555 Application for industrial exemption certificate; filing; contents; notice to assessing and taxing units; hearing; application fee.

Sec. 5. (1) After the establishment of a district, the owner or lessee of a facility may file an application for an industrial facilities exemption certificate with the clerk of the local governmental unit that established the plant rehabilitation district or industrial development district. The application shall be filed in the manner and form prescribed by the commission. The application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be a part of the facility, a time schedule for undertaking and completing the restoration, replacement, or construction of the facility, and information relating to the requirements in section 9.

(2) Upon receipt of an application for an industrial facilities exemption certificate, the clerk of the local governmental unit shall notify in writing the assessor of the assessing unit in which the facility is located or to be located, and the legislative body of each taxing unit that levies ad valorem property taxes in the local governmental unit in which the facility is located or to be located. Before acting upon the application, the legislative body of the local governmental unit shall afford the applicant, the assessor, and a representative of the affected taxing units an opportunity for a hearing.

(3) The local governmental unit may charge the applicant an application fee to process an application for an industrial facilities exemption certificate. The application fee shall not exceed the actual cost incurred by the local governmental unit in processing the application or 2% of the total property taxes abated under this act for the term that the industrial facilities exemption certificate is in effect, whichever is less. A local governmental unit shall not charge an applicant any other fee under this act.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1976, Act 224, Imd. Eff. July 30, 1976;—Am. 1996, Act 323, Imd. Eff. June 26, 1996.

Popular name: Act 198

207.556 Application for industrial facilities exemption certificate; approval or disapproval; appeal.

Sec. 6. The legislative body of the local governmental unit, not more than 60 days after receipt by its clerk of the application, shall by resolution either approve or disapprove the application for an industrial facilities exemption certificate in accordance with section 9 and the other provisions of this act. If disapproved, the reasons shall be set forth in writing in the resolution. If approved, the clerk shall forward the application to the commission within 60 days of approval or before October 31 of that year, whichever is first, or as otherwise provided in section 7 in order to receive the industrial facilities exemption certificate effective for the

following year. If disapproved, the clerk shall return the application to the applicant. The applicant may appeal the disapproval to the commission within 10 days after the date of the disapproval.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1996, Act 323, Imd. Eff. June 26, 1996;—Am. 2013, Act 85, Imd. Eff. June 28, 2013.

Popular name: Act 198

207.557 Determination by commission; issuance of industrial facilities exemption certificate; notice of application; concurrence; effective date of certificate; mailing and filing of certificate; notice of refusal to issue certificate; resolutions approving or amending industrial facilities exemption certificate; completed application; error or mistake; failure to forward application, amended or transfer application, or request to revoke certificate; duties of commission.

Sec. 7. (1) Within 60 days after receipt of an approved application or an appeal of a disapproved application that was submitted to the commission before October 31 of that year, the commission shall determine whether the facility is a speculative building or designed and acquired primarily for the purpose of restoration or replacement of obsolete industrial property or the construction of new industrial property, and whether the facility otherwise complies with section 9 and with the other provisions of this act. If the commission so finds, it shall issue an industrial facilities exemption certificate. Before issuing a certificate the commission shall notify the state treasurer of the application and shall obtain the written concurrence of the department of licensing and regulatory affairs that the application complies with the requirements in section 9. Except as otherwise provided in this section and section 7a, the effective date of the certificate for a replacement facility or new facility is the immediately succeeding December 31 following the date the certificate is issued. For a speculative building or a portion of a speculative building, except as otherwise provided in section 7a, the effective date of the certificate is the immediately succeeding December 31 following the date the speculative building, or the portion of a speculative building, is used as a manufacturing facility.

(2) The commission shall send an industrial facilities exemption certificate, when issued, by mail to the applicant, and a certified copy by mail to the assessor of the assessing unit in which the facility is located or to be located, and that copy shall be filed in his or her office. Notice of the commission's refusal to issue a certificate shall be sent by mail to the same persons.

(3) Notwithstanding any other provision of this act, if on December 29, 1986 a local governmental unit passed a resolution approving an exemption certificate for 10 years for real and personal property but the commission did not receive the application until 1992 and the application was not made complete until 1995, then the commission shall issue, for that property, an industrial facilities exemption certificate that begins December 30, 1987 and ends December 30, 1997.

(4) Notwithstanding any other provision of this act, if pursuant to section 16a a local governmental unit passed a resolution approving an industrial facilities exemption certificate for a new facility on October 14, 2003 for a certificate that expired in December 2002, the commission shall issue for that property an industrial facilities exemption certificate that begins on December 30, 2002 and ends December 30, 2009.

(5) Notwithstanding any other provision of this act, if on or before February 10, 2007 a local governmental unit passed a resolution approving an amendment of an industrial facilities exemption certificate for a replacement facility and that certificate was revoked by the commission effective December 30, 2005 with the order of revocation issued by the commission on April 10, 2006, notwithstanding the revocation, the commission shall retroactively amend the certificate and give full effect to the amended certificate, which shall include the additional personal property expenditures described in the resolution amending the certificate, for the period of time beginning when the certificate was originally approved until the certificate was revoked.

(6) Notwithstanding any other provision of this act, if on July 23, 2012, a local governmental unit passed a resolution approving an industrial facilities exemption certificate for a new facility, but the application was not made complete until 2013, the commission shall issue for that property an industrial facilities exemption certificate that begins on December 31, 2012 and ends December 31, 2024.

(7) Notwithstanding any other provision of this act, if on February 21, 2012, a local governmental unit passed a resolution approving an industrial facilities exemption certificate for a new facility, but the application was not made complete until 2013, the commission shall issue for that property an industrial facilities exemption certificate that begins on December 31, 2012.

(8) If the commission receives an application under this act for an industrial facilities exemption certificate for a new facility or a replacement facility and the application is made complete before October 31 following

the year in which the application is received by the commission, the commission may issue for that property an industrial facilities exemption certificate that has an effective date of December 31 of the year in which the application was received by the commission.

(9) If an error or mistake in an application for an industrial facilities exemption certificate is discovered after the local governmental unit has passed a resolution approving the application or after the commission has issued a certificate for the application, an applicant may submit an amended application in the same manner as an original application under this act that corrects the error or mistake. The legislative body of the local governmental unit and the commission may approve or deny the amended application. If the commission previously issued a certificate for the original application and approves an amended application under this subsection, the commission shall issue an amended certificate for the amended application with the same effective date as the original certificate.

(10) If the clerk of the qualified local governmental unit failed to forward an application, an amended or transfer application, or a request to revoke a certificate that was approved by the legislative body of the qualified local governmental unit before October 31 of that year to the commission before October 31 but filed the application, the amended or transfer application, or the request to revoke a certificate before October 31 of the immediately succeeding year and the commission approves the application, the amended or transfer application, or the request to revoke a certificate, notwithstanding any other provision of this act, the certificate shall be considered to be issued, transferred, amended, or revoked on December 31 of the year in which the local governmental unit approved the application, the amended or transfer application, or the request to revoke the certificate.

(11) Beginning October 1, 2013, the commission shall do all of the following for each industrial facilities exemption certificate approved or disapproved by the commission under subsection (8), (9), or (10):

(a) Notify the office of the member of the house of representatives of this state and the office of the senator of this state, who represent the geographic area in which the property covered by the application for a certificate is located, that an application for a certificate has been approved or disapproved under subsection (8), (9), or (10).

(b) Publish on its website a copy of the certificate if approved, or a copy of the denial notice if disapproved, under subsection (8), (9), or (10) and whatever additional information the commission considers appropriate regarding the application.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1975, Act 302, Imd. Eff. Dec. 19, 1975;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1996, Act 323, Imd. Eff. June 26, 1996;—Am. 1996, Act 513, Imd. Eff. Jan. 13, 1997;—Am. 2005, Act 267, Imd. Eff. Dec. 16, 2005;—Am. 2006, Act 483, Imd. Eff. Dec. 28, 2006;—Am. 2008, Act 457, Imd. Eff. Jan. 9, 2009;—Am. 2013, Act 85, Imd. Eff. June 28, 2013;—Am. 2014, Act 514, Imd. Eff. Jan. 14, 2015.

Popular name: Act 198

207.557a Cost of facility exceeding certain amount of state equalized value.

Sec. 7a. If, after reviewing the application described in section 7, the commission determines that the cost of the facility exceeds \$150,000,000.00 of state equalized value, then all of the following apply:

(a) The replacement, restoration, or construction of the facility shall be completed within 6 years of the effective date of the initial industrial facilities exemption certificate or a greater time as authorized by the commission for good cause.

(b) The commission shall provide not more than 3 separate industrial facilities exemption certificates for the facility. The initial industrial facilities exemption certificate shall be effective for not more than 14 years. The second industrial facilities exemption certificate shall be effective 2 years after the initial industrial facilities exemption certificate becomes effective and shall continue to be effective for not more than 14 years. The third industrial facilities exemption certificate shall be effective 4 years after the initial industrial facilities exemption certificate becomes effective and shall continue to be effective for not more than 14 years. The commission may modify each certificate during the replacement, restoration, or construction of the facility.

(c) For each industrial facilities exemption certificate, the commission shall determine the portion of the facility to be completed. During the first 2 years of the industrial facilities exemption certificate period, the state equalized valuation of that portion of the facility shall be used to calculate the industrial facilities tax as provided in section 14. Upon the expiration of each industrial facilities exemption certificate or its revocation under section 15, that portion of the facility is subject to the general ad valorem property tax.

(d) Notwithstanding subdivision (b), an industrial facilities exemption certificate for a facility described in this section shall expire not more than 12 years from the completion of the facility.

History: Add. 1996, Act 513, Imd. Eff. Jan. 13, 1997.

Popular name: Act 198

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207.558 Exemption of facility and certain persons from ad valorem taxes.

Sec. 8. A facility or that portion of a facility described in section 7a, for which an industrial facilities exemption certificate is in effect, but not the land on which the facility is located or to be located or inventory of the facility, for the period on and after the effective date of the certificate and continuing so long as the industrial facilities exemption certificate is in force, is exempt from ad valorem real and personal property taxes and the lessee, occupant, user, or person in possession of that facility for the same period is exempt from ad valorem taxes imposed under Act No. 189 of the Public Acts of 1953, being sections 211.181 and 211.182 of the Michigan Compiled Laws.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1993, Act 334, Eff. Apr. 1, 1994;—Am. 1996, Act 513, Imd. Eff. Jan. 13, 1997.

Popular name: Act 198

207.559 Finding and determination in resolution approving application for certificate; valuation requiring separate finding and statement; compliance with certain requirements as condition to approval of application and granting of certificate; demolition, sale, or transfer of obsolete industrial property; certificate applicable to speculative building; procedural information; replacement facility; property owned or operated by casino; "casino" defined; issuance of certificates.

Sec. 9. (1) The legislative body of the local governmental unit, in its resolution approving an application, shall set forth a finding and determination that the granting of the industrial facilities exemption certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the local governmental unit or impairing the financial soundness of a taxing unit that levies an ad valorem property tax in the local governmental unit in which the facility is located or to be located. If the state equalized valuation of property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate state equalized valuation of property exempt under certificates previously granted and currently in force, exceeds 5% of the state equalized valuation of the local governmental unit, the commission, with the approval of the state treasurer, shall make a separate finding and shall include a statement in the order approving the industrial facilities exemption certificate that exceeding that amount shall not have the effect of substantially impeding the operation of the local governmental unit or impairing the financial soundness of an affected taxing unit.

(2) Except for an application for a speculative building, which is governed by subsection (4), the legislative body of the local governmental unit shall not approve an application and the commission shall not grant an industrial facilities exemption certificate unless the applicant complies with all of the following requirements:

(a) The commencement of the restoration, replacement, or construction of the facility occurred not earlier than 12 months before the filing of the application for the industrial facilities exemption certificate. If the application is not filed within the 12-month period, the application may be filed within the succeeding 12-month period and the industrial facilities exemption certificate shall in this case expire 1 year earlier than it would have expired if the application had been timely filed. This subdivision does not apply for applications filed with the local governmental unit after December 31, 1983.

(b) For applications made after December 31, 1983, the proposed facility shall be located within a plant rehabilitation district or industrial development district that was duly established in a local governmental unit eligible under this act to establish a district and that was established upon a request filed or by the local governmental unit's own initiative taken before the commencement of the restoration, replacement, or construction of the facility.

(c) For applications made after December 31, 1983, the commencement of the restoration, replacement, or construction of the facility occurred not earlier than 6 months before the filing of the application for the industrial facilities exemption certificate.

(d) The application relates to a construction, restoration, or replacement program that when completed constitutes a new or replacement facility within the meaning of this act and that shall be situated within a plant rehabilitation district or industrial development district duly established in a local governmental unit eligible under this act to establish the district.

(e) Completion of the facility is calculated to, and will at the time of issuance of the certificate have the reasonable likelihood to create employment, retain employment, prevent a loss of employment, or produce energy in the community in which the facility is situated.

(f) Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity but rather is primarily for the purpose and will primarily have the

effect of restoration, replacement, or updating the technology of obsolete industrial property. An increase in productive capacity, even though significant, is not an impediment to the issuance of an industrial facilities exemption certificate if other criteria in this section and act are met. This subdivision does not apply to a new facility.

(g) The provisions of subdivision (c) do not apply to a new facility located in an existing industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in April of 1992 if the application was approved by the local governing body and was denied by the state tax commission in April of 1993.

(h) The provisions of subdivisions (b) and (c) and section 4(3) do not apply to 1 or more of the following:

(i) A facility located in an industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in October 1995 for construction that was commenced in July 1992 in a district that was established by the legislative body of the local governmental unit in July 1994. An industrial facilities exemption certificate described in this subparagraph shall expire as provided in section 16(3).

(ii) A facility located in an industrial development district that was established in January 1994 and was owned by a person who filed an application for an industrial facilities exemption certificate in February 1994 if the personal property and real property portions of the application were approved by the legislative body of the local governmental unit and the personal property portion of the application was approved by the state tax commission in December 1994 and the real property portion of the application was denied by the state tax commission in December 1994. An industrial facilities exemption certificate described in this subparagraph shall expire as provided in section 16(3).

(iii) A facility located in an industrial development district that was established in December 1995 and was owned by a person who filed an application for an industrial facilities exemptions certificate in November or December 1995 for construction that was commenced in September 1995.

(iv) A facility located in an industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in July 2001 for construction that was commenced in February 2001 in a district that was established by the legislative body of the local governmental unit in September 2001. An industrial facilities exemption certificate described in this subparagraph shall expire as provided in section 16. The facility described in this subparagraph shall be taxed under this act as if it was granted an industrial facilities exemption certificate in October 2001, and a corrected tax bill shall be issued by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. If granting the industrial facilities exemption certificate under this subparagraph results in an overpayment of the tax, a rebate, including any interest and penalties paid, shall be made to the taxpayer by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll within 30 days of the date the exemption is granted. The rebate shall be without interest.

(v) A facility located in an industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in December 2005 for construction that was commenced in September 2005 in a district that was established by the legislative body of the local governmental unit in December 2005. An industrial facilities exemption certificate described in this subparagraph shall expire as provided in section 16.

(vi) A facility located in an existing industrial development district owned by a person who filed or amended an application for an industrial facilities exemption certificate for real property in July 2006 if the application was approved by the legislative body of the local governmental unit in September 2006 but not submitted to the state tax commission until September 2006.

(vii) A new facility located in an existing industrial development district owned by a person who filed or amended an application for an industrial facilities exemption certificate for personal property in June 2006 if the application was approved by the legislative body of the local governmental unit in August 2006 but not submitted to the state tax commission until 2007. The effective date of the certificate shall be December 31, 2006.

(viii) A new facility located in an industrial development district that was established by the legislative body of the local governmental unit in September of 2007 for construction that was commenced in March 2007 and for which an application for an industrial facilities exemption certificate was filed in September of 2007.

(ix) A facility located in an industrial development district that was established by the legislative body of the local governmental unit in August 2007 and was owned by a person who filed an application for an industrial facilities exemption certificate in June 2007 for equipment that was purchased in January 2007.

(x) A facility located in an industrial development district that otherwise meets the criteria of this act that

has received written approval from the chairperson of the Michigan economic growth authority.

(xi) A new facility located in an industrial development district that was established by the legislative body of the local governmental unit in August of 2008 for construction that was commenced in December 2005 and certificate of occupancy issued in September 2006 for which an application for an industrial facilities exemption certificate was filed in August of 2008.

(xii) A facility located in an industrial development district owned by a person who filed an application for a certificate for real and personal property in April 2005 if the application was approved by the legislative body of the local governmental unit in July 2005 for construction that was commenced in July 2004.

(xiii) A facility located in an industrial development district that was established by the legislative body of the local governmental unit in December 2007 for construction that was commenced in September 2007 and a certificate of occupancy issued in September 2008 for which an application for an industrial facilities exemption certificate was approved in May of 2008.

(i) The provisions of subdivision (c) do not apply to any of the following:

(i) A new facility located in an existing industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in October 1993 if the application was approved by the legislative body of the local governmental unit and the real property portion of the application was denied by the state tax commission in December 1993.

(ii) A new facility located in an existing industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in September 1993 if the personal property portion of the application was approved by the legislative body of the local governmental unit and the real property portion of the application was denied by the legislative body of the local governmental unit in October 1993 and subsequently approved by the legislative body of the local governmental unit in September 1994.

(iii) A facility located in an existing industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in August 1993 if the application was approved by the local governmental unit in September 1993 and the application was denied by the state tax commission in December 1993.

(iv) A facility located in an existing industrial development district occupied by a person who filed an application for an industrial facilities exemption certificate in June of 1995 if the application was approved by the legislative body of the local governmental unit in October of 1995 for construction that was commenced in November or December of 1994.

(v) A facility located in an existing industrial development district owned by a person who filed an application for an industrial facilities exemption certificate in June of 1995 if the application was approved by the legislative body of the local governmental unit in July of 1995 and the personal property portion of the application was approved by the state tax commission in November of 1995.

(j) If the facility is locating in a plant rehabilitation district or an industrial development district from another location in this state, the owner of the facility is not delinquent in any of the taxes described in section 10(1)(a) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2690, or substantially delinquent in any of the taxes described in and as provided under section 10(1)(b) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2690.

(3) If the replacement facility when completed will not be located on the same premises or contiguous premises as the obsolete industrial property, then the applicant shall make provision for the obsolete industrial property by demolition, sale, or transfer to another person with the effect that the obsolete industrial property shall within a reasonable time again be subject to assessment and taxation under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or be used in a manner consistent with the general purposes of this act, subject to approval of the commission.

(4) The legislative body of the local governmental unit shall not approve an application and the commission shall not grant an industrial facilities exemption certificate that applies to a speculative building unless the speculative building is or is to be located in a plant rehabilitation district or industrial development district duly established by a local governmental unit eligible under this act to establish a district; the speculative building was constructed less than 9 years before the filing of the application for the industrial facilities exemption certificate; the speculative building has not been occupied since completion of construction; and the speculative building otherwise qualifies under subsection (2)(e) for an industrial facilities exemption certificate. An industrial facilities exemption certificate granted under this subsection shall expire as provided in section 16(3).

(5) Not later than September 1, 1989, the commission shall provide to all local assessing units the name, address, and telephone number of the person on the commission staff responsible for providing procedural information concerning this act. After October 1, 1989, a local unit of government shall notify each prospective applicant of this information in writing.

(6) Notwithstanding any other provision of this act, if on December 29, 1986 a local governmental unit passed a resolution approving an exemption certificate for 10 years for real and personal property but the commission did not receive the application until 1992 and the application was not made complete until 1995, then the commission shall issue, for that property, an industrial facilities exemption certificate that begins December 30, 1987 and ends December 30, 1997. The facility described in this subsection shall be taxed under this act as if it was granted an industrial facilities exemption certificate on December 30, 1987.

(7) Notwithstanding any other provision of this act, if a local governmental unit passed a resolution approving an industrial facilities exemption certificate for a new facility on July 8, 1991 but rescinded that resolution and passed a resolution approving an industrial facilities exemption certificate for that same facility as a replacement facility on October 21, 1996, the commission shall issue for that property an industrial facilities exemption certificate that begins December 30, 1991 and ends December 2003. The replacement facility described in this subsection shall be taxed under this act as if it was granted an industrial facilities exemption certificate on December 30, 1991.

(8) Property owned or operated by a casino is not industrial property or otherwise eligible for an abatement or reduction of ad valorem property taxes under this act. As used in this subsection, "casino" means a casino or a parking lot, hotel, motel, convention and trade center, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

(9) Notwithstanding section 16a and any other provision of this act, if a local governmental unit passed a resolution approving an industrial facilities exemption certificate for a new facility on October 28, 1996 for a certificate that expired in December 2003 and the local governmental unit passes a resolution approving the extension of the certificate after December 2003 and before March 1, 2006, the commission shall issue for that property an industrial facilities exemption certificate that begins on December 30, 2005 and ends December 30, 2010 as long as the property continues to qualify under this act.

(10) Notwithstanding any other provision of this act, if the commission issued an industrial facilities exemption certificate for a new facility on December 8, 1998 but revoked that industrial facilities exemption certificate for that same facility effective December 30, 2006 and that new facility is purchased by a buyer on or before November 1, 2007, the commission shall issue for that property an industrial facilities exemption certificate that begins December 31, 1998 and ends December 30, 2010 and shall transfer that industrial facilities exemption certificate to the buyer. The new facility described in this subsection shall be taxed under this act as if it was granted an industrial facilities exemption certificate effective on December 31, 1998.

(11) Notwithstanding any other provision of this act, if the commission issued industrial facilities exemption certificates for new facilities on October 30, 2002, September 9, 2003, and November 30, 2005 but revoked the industrial facilities exemption certificates for the same facilities effective December 30, 2007 and the new facilities continue to qualify under this act, the commission shall issue for the properties industrial facilities exemption certificates which end respectively on December 30, 2008, December 30, 2009, and December 30, 2011.

(12) Notwithstanding any other provision of this act, if in August 2008 a local governmental unit passed a resolution approving an exemption certificate for 12 years for real and personal property but the commission did not receive the application until 2008, then the commission shall issue, for that property, an industrial facilities exemption certificate that begins December 31, 2006 and ends December 30, 2018. The facility described in this subsection shall be taxed under this act as if it had been granted an industrial facilities exemption certificate on December 31, 2006.

(13) Notwithstanding any other provision of this act, if in September 2011 or October 2011 a local governmental unit passed a resolution approving an exemption certificate for 12 years for personal property but the commission did not receive the application until November 2011 and the commission approved the applications in May 2012, then the commission shall issue, for that property, an industrial facilities exemption certificate that begins December 31, 2011 and ends December 30, 2023. The facility described in this subsection shall be taxed under this act as if it had been granted an industrial facilities exemption certificate on December 31, 2011.

(14) Notwithstanding any other provision of this act, if on August 23, 2011 a local governmental unit passed a resolution approving an exemption certificate for 12 years for real property and the emergency manager subsequently appointed for that local community issued an order approving the exemption certificate on November 8, 2013 but the commission did not receive the application until November 27, 2013, then the commission shall issue, for that property, an industrial facilities exemption certificate that begins December 31, 2011 and ends December 30, 2023. The real property component of the facility described in this subsection shall be taxed under this act as if it had been granted an industrial facilities exemption certificate on December 31, 2011.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1975, Act 302, Imd. Eff. Dec. 19, 1975;—Am. 1976, Act 224, Imd. Eff. July 30, 1976;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1985, Act 33, Imd. Eff. June 13, 1985;—Am. 1989, Act 119, Imd. Eff. June 28, 1989;—Am. 1990, Act 338, Imd. Eff. Dec. 21, 1990;—Am. 1991, Act 201, Imd. Eff. Jan. 3, 1992;—Am. 1994, Act 76, Imd. Eff. Apr. 11, 1994;—Am. 1994, Act 266, Imd. Eff. July 6, 1994;—Am. 1994, Act 379, Imd. Eff. Dec. 27, 1994;—Am. 1995, Act 218, Imd. Eff. Dec. 1, 1995;—Am. 1996, Act 1, Imd. Eff. Jan. 30, 1996;—Am. 1996, Act 513, Imd. Eff. Jan. 13, 1997;—Am. 1999, Act 140, Imd. Eff. Oct. 18, 1999;—Am. 2005, Act 251, Imd. Eff. Dec. 1, 2005;—Am. 2006, Act 22, Imd. Eff. Feb. 14, 2006;—Am. 2006, Act 436, Imd. Eff. Oct. 5, 2006;—Am. 2007, Act 146, Imd. Eff. Dec. 10, 2007;—Am. 2008, Act 170, Imd. Eff. July 2, 2008;—Am. 2008, Act 515, Imd. Eff. Jan. 13, 2009;—Am. 2008, Act 516, Imd. Eff. Jan. 13, 2009;—Am. 2012, Act 490, Imd. Eff. Dec. 28, 2012;—Am. 2014, Act 513, Imd. Eff. Jan. 14, 2015.

Compiler's note: Section 2 of Act 119 of 1989 provides:

"Section 2. This amendatory act shall take effect beginning with taxes levied under this act in 1989."

Popular name: Act 198

207.560 Annual determination of value of facility.

Sec. 10. (1) The assessor of each city or township in which there is a speculative building, new facility, or replacement facility with respect to which 1 or more industrial facilities exemption certificates have been issued and are in force shall determine annually as of December 31 the value and taxable value of each facility separately, both for real and personal property, having the benefit of a certificate.

(2) The assessor, upon receipt of notice of the filing of an application for the issuance of a certificate, shall determine and furnish to the local legislative body and the commission the value of the property to which the application pertains and other information as may be necessary to permit the local legislative body and the commission to make the determinations required by section 9(1).

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1975, Act 302, Imd. Eff. Dec. 19, 1975;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1996, Act 1, Imd. Eff. Jan. 30, 1996.

Popular name: Act 198

207.561 Industrial facility tax; payment; disbursements; allocation; receipt or retention of tax payment by local or intermediate school district; disposition of amount disbursed to local school district; facility located in renaissance zone; building or facility owned or operated by qualified start-up business; "qualified start-up business" defined.

Sec. 11. (1) Except as provided in subsections (6) and (7), there is levied upon every owner of a speculative building, a new facility, or a replacement facility to which an industrial facilities exemption certificate is issued a specific tax to be known as the industrial facility tax and an administrative fee calculated in the same manner and at the same rate that the local tax collecting unit imposes on ad valorem taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The industrial facility tax and administrative fee are to be paid annually, at the same times, in the same installments, and to the same officer or officers as taxes and administrative fees, if any, imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, are payable. Except as otherwise provided in this section, the officer or officers shall disburse the industrial facility tax payments received each year to and among the state, cities, townships, villages, school districts, counties, and authorities, 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. To determine the proportion for the disbursement of taxes under this subsection and for attribution of taxes under subsection (5) for taxes collected under industrial facilities exemption certificates issued before January 1, 1994, the number of mills levied for local school district operating purposes to be used in the calculation shall equal the number of mills for local school district operating purposes levied in 1993 minus the number of mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, for the year for which the disbursement is calculated.

(3) Except as provided by subsections (4) and (5), for an intermediate school district receiving state aid under section 56, 62, or 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount that would otherwise be disbursed to or retained by the intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of the state school aid, shall be paid instead to the state treasury to the credit of the state school aid fund established by section 11 of article IX of the state constitution of 1963. If the sum of any commercial facilities taxes prescribed by the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, and the industrial facility taxes paid to the state treasury to the credit of the state school aid fund that would otherwise be disbursed to the local or intermediate school district, under section 12 of the commercial redevelopment act, 1978 PA 255, MCL 207.662, and this section, exceeds the amount received by the local or intermediate school district under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656,

388.1662, and 388.1681, the department of treasury shall allocate to each eligible local or intermediate school district an amount equal to the difference between the sum of the commercial facilities taxes and the industrial facility taxes paid to the state treasury to the credit of the state school aid fund and the amount the local or intermediate school district received under sections 56, 62, and 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681. This subsection does not apply to taxes levied for either of the following:

(a) Mills allocated to an intermediate school district for operating purposes as provided for under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a.

(b) An intermediate school district that is not receiving state aid under section 56 or 62 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656 and 388.1662.

(4) For industrial facilities taxes levied before 1994, a local or intermediate school district shall receive or retain its industrial facility tax payment that is levied in any year and becomes a lien before December 1 of the year if the district files a statement with the state treasurer not later than June 30 of the year certifying that the district does not expect to receive state school aid payments under section 56, 62, or 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, in the state fiscal year commencing in the year this statement is filed and if the district did not receive state school aid payments under section 56, 62, or 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, for the state fiscal year concluding in the year the statement required by this subsection is filed. However, if a local or intermediate school district receives or retains its summer industrial facility tax payment under this subsection and becomes entitled to receive state school aid payments under section 56, 62, or 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, in the state fiscal year commencing in the year in which it filed the statement required by this subsection, the district immediately shall pay to the state treasury to the credit of the state school aid fund an amount of the summer industrial facility tax payments that would have been paid to the state treasury to the credit of the state school aid fund under subsection (3) had not this subsection allowed the district to receive or retain the summer industrial facility tax payment.

(5) For industrial facilities taxes levied after 1993, the amount to be disbursed to a local school district, except for that amount of tax attributable to mills levied under section 1211(2) or 1211c of the revised school code, 1976 PA 451, MCL 380.1211 and 380.1211c, and mills that are not included as mills levied for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, shall be paid to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(6) A speculative building, a new facility, or a replacement facility located in a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is exempt from the industrial facility tax levied under this act to the extent and for the duration provided pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except for that portion of the industrial facility tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. The industrial facility tax calculated under this subsection shall be disbursed proportionately to the local taxing unit or units that levied the special assessment or the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff.

(7) Upon application for an exemption under this subsection by a qualified start-up business, the governing body of a local tax collecting unit may adopt a resolution to exempt a speculative building, a new facility, or a replacement facility of a qualified start-up business from the collection of the industrial facility tax levied under this act in the same manner and under the same terms and conditions as provided for the exemption in section 7hh of the general property tax act, 1893 PA 206, MCL 211.7hh. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. If a resolution authorizing the exemption is adopted in the same manner as provided in section 7hh of the general property tax act, 1893 PA 206, MCL 211.7hh, a speculative building, a new facility, or a replacement facility owned or operated by a qualified start-up business is exempt from the industrial facility tax levied under this act, except for that portion of the industrial facility tax attributable to a special assessment or a tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff, for the year in which the resolution is adopted. A qualified start-up business is not eligible for an exemption under this subsection for more than 5 years. A qualified start-up business may receive the exemption under this subsection in nonconsecutive years. The industrial facility tax calculated under this subsection shall be disbursed proportionately to the taxing unit or units that levied the special assessment or the tax described in section 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff. As used in this subsection, "qualified start-up business" means that term as defined in section 31a of the single

business tax act, 1975 PA 228, MCL 208.31a, or in section 415 of the Michigan business tax act, 2007 PA 36, MCL 208.1415.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1975, Act 247, Imd. Eff. Sept. 4, 1975;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1983, Act 139, Imd. Eff. July 18, 1983;—Am. 1984, Act 122, Imd. Eff. June 1, 1984;—Am. 1993, Act 334, Eff. Apr. 1, 1994;—Am. 1994, Act 266, Imd. Eff. July 6, 1994;—Am. 1994, Act 379, Imd. Eff. Dec. 27, 1994;—Am. 1995, Act 132, Imd. Eff. July 10, 1995;—Am. 1996, Act 446, Imd. Eff. Dec. 19, 1996;—Am. 2001, Act 157, Imd. Eff. Nov. 6, 2001;—Am. 2004, Act 323, Imd. Eff. Aug. 27, 2004;—Am. 2007, Act 195, Imd. Eff. Dec. 21, 2007.

Compiler's note: Act 165 of 1989, purporting to amend MCL 207.561 and 207.564, could not take effect "unless amendment 2 of House Joint Resolution I of the 85th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963." House Joint Resolution I was submitted to, and disapproved by, the people at the special election held on November 7, 1989.

Popular name: Act 198

207.561a Facility subject to industrial facilities exemption certificate; exemption for eligible manufacturing personal property; extension; combined document; "eligible manufacturing personal property" and "eligible personal property" defined.

Sec. 11a. (1) If a facility was subject to an industrial facilities exemption certificate on or after December 31, 2012, notwithstanding any other provision of this act to the contrary, that portion of the facility that is eligible manufacturing personal property shall remain subject to the industrial facilities tax and shall remain exempt from ad valorem property taxes as provided in section 8 until that eligible manufacturing personal property would otherwise be exempt from the collection of taxes under section 9m, 9n, or 9o of the general property tax act, 1893 PA 206, MCL 211.9m, 211.9n, and 211.9o. The holder of an industrial facilities exemption certificate that has been extended under this subsection shall indicate that portion of a facility that is eligible manufacturing personal property by filing the combined document required under section 9m or 9n of the general property tax act, 1893 PA 206, MCL 211.9m and 211.9n, with the assessor of the township or city in which the eligible manufacturing personal property is located by February 20 of each year.

(2) As used in this section:

(a) "Eligible manufacturing personal property" means that term as defined in section 9m of the general property tax act, 1893 PA 206, MCL 211.9m.

(b) "Eligible personal property" means that term as defined in section 3(e)(iii) of the state essential services assessment act, 2014 PA 92, MCL 211.1053.

History: Add. 2012, Act 397, Eff. Mar. 28, 2013;—Am. 2015, Act 123, Imd. Eff. July 10, 2015;—Am. 2016, Act 110, Imd. Eff. May 6, 2016.

Compiler's note: Enacting section 1 of Act 397 of 2012 provides:

"Enacting section 1. Section 11a of 1974 PA 198, MCL 207.561a, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Compiler's note: HB 6026, referred to in enacting section 1, became 2012 PA 408. The act did not appear on the August 5, 2014 primary ballot.

207.562 Failure to pay tax applicable to personal property; seizure and sale of personal property; civil action; jeopardy assessment; disbursement.

Sec. 12. (1) If the industrial facility tax applicable to personal property is not paid within the time permitted by law for payment without penalty of taxes imposed under Act No. 206 of the Public Acts of 1893, as amended, the officer to whom the industrial facility tax is first payable may in his own name or in the name of the city, village, township, or county of which he is an officer, seize and sell personal property within this state of the owner who has so neglected or refused to pay the industrial facility tax applicable to personal property, to an amount sufficient to pay the tax, the expenses of sale, and interest on the tax at the rate of 9% per annum from the date the tax was first payable; or the officer may in his own name or in the name of the city, village, township, or county of which he is an officer, institute a civil action against the owner in the circuit court of the county in which the facility is located or in the circuit court of the county in which the owner resides or has his or its principal place of business, and in that civil action recover the amount of the tax and interest thereon at the rate of 9% per annum from the date the tax was first payable.

(2) The officer may proceed to make a jeopardy assessment, in the manner and under the circumstances provided by Act No. 55 of the Public Acts of 1956, being sections 211.691 to 211.698 of the Michigan Compiled Laws, as an additional means of collecting the amount of the tax under those circumstances.

(3) The officer may pursue 1 or more of the remedies provided in this section until such time as he has received the amount of the tax and interest thereon and costs allowed by this act or by law governing the proceedings of civil actions in the circuit courts. The amount of the tax and interest thereon shall be disbursed

by the officer in the same manner as the industrial facility tax is disbursed when first payable.

History: 1974, Act 198, Imd. Eff. July 9, 1974.

Popular name: Act 198

207.563 Tax applicable to real property as lien; automatic termination of exemption certificate; affidavit.

Sec. 13. (1) The amount of the tax applicable to real property, until paid, shall be a lien upon the real property to which the certificate is applicable. Except as provided in subsection (3), the tax shall become a lien on the property on the date the tax is levied. The appropriate parties may, subject to subsection (3), enforce the lien in the same manner as provided by law for the foreclosure in the circuit courts of mortgage liens upon real property.

(2) On or after the December 31 next following the expiration of 60 days after the service upon the owner of a certificate of nonpayment and the filing of the certificate of nonpayment, if payment has not been made within the intervening 60 days, provided for by subsection (1), the industrial facilities exemption certificate shall automatically be terminated.

(3) The treasurer of a county, township, city, or village may designate the tax day provided in section 2 of the general property tax act, 1893 PA 206, MCL 211.2, as the date on which industrial facility taxes become a lien on the real or personal property assessed by filing an affidavit in the office of the register of deeds for the county in which the real or personal property is located attesting that 1 or more of the following events have occurred:

(a) The owner or person otherwise assessed has filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC 101 to 1330.

(b) A secured lender has brought an action to foreclose on or to enforce an interest secured by the real or personal property assessed.

(c) For personal property only, the owner, the person otherwise assessed, or other person has liquidated or is attempting to liquidate the personal property assessed.

(d) The real or personal property assessed is subject to receivership under state or federal law.

(e) The owner or person otherwise assessed has assigned the real or personal property assessed for the benefit of his or her creditors.

(f) The real or personal property assessed has been seized or purchased by federal, state, or local authorities.

(g) A judicial action has been commenced that may impair the ability of the taxing authority to collect any tax due in the absence of a lien on the real or personal property assessed.

(4) The affidavit provided for in subsection (3) shall include all of the following:

(a) The year for which the industrial facility taxes due were levied.

(b) The date on which the industrial facility taxes due were assessed.

(c) The name of the owner or person otherwise assessed who is identified in the tax roll.

(d) The tax identification number of the real or personal property assessed.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 2004, Act 442, Imd. Eff. Dec. 21, 2004.

Popular name: Act 198

207.564 Industrial facility tax; amount of tax; determination; "industrial personal property" defined; termination or revocation; reduction.

Sec. 14. (1) The amount of the industrial facility tax, in each year for a replacement facility, shall be determined by multiplying the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is situated by the taxable value of the real and personal property of the obsolete industrial property for the tax year immediately preceding the effective date of the industrial facilities exemption certificate after deducting the taxable value of the land and of the inventory as specified in section 19.

(2) The amount of the industrial facility tax, in each year for a new facility or a speculative building for which an industrial facilities exemption certificate became effective before January 1, 1994, shall be determined by multiplying the taxable value of the facility excluding the land and the inventory personal property by the sum of 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located other than mills levied for school operating purposes by a local school district within which the facility is located or mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, plus 1/2 of the number of mills levied for local school district operating purposes in 1993.

(3) Except as provided in subsection (4), the amount of the industrial facility tax in each year for a new facility or a speculative building for which an industrial facilities exemption certificate becomes effective

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after December 31, 1993, shall be determined by multiplying the taxable value of the facility excluding the land and the inventory personal property by the sum of 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located other than mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, plus, subject to section 14a, the number of mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(4) For taxes levied after December 31, 2007, for the personal property tax component of an industrial facilities exemption certificate for a new facility or a speculative building that is sited on real property classified as industrial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, the amount of the industrial facility tax in each year for a new facility or a speculative building shall be determined by multiplying the taxable value of the facility excluding the land and the inventory personal property by the sum of 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located other than mills levied on industrial personal property under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and the number of mills from which industrial personal property is exempt under section 1211(1) of the revised school code, 1976 PA 451, MCL 380.1211. For taxes levied after December 31, 2007, for the personal property tax component of an industrial facilities exemption certificate for a new facility or a speculative building that is sited on real property classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, the amount of the industrial facility tax in each year for a new facility or a speculative building shall be determined by multiplying the taxable value of the facility excluding the land and the inventory personal property by the sum of 1/2 of the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is located other than the number of mills from which the property is exempt under section 1211(1) of the revised school code, 1976 PA 451, MCL 380.1211. As used in this subsection, "industrial personal property" means the following:

(a) Except as otherwise provided in subdivision (b), personal property classified under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, as industrial personal property.

(b) Beginning December 31, 2011, industrial personal property does not include a turbine powered by gas, steam, nuclear energy, coal, or oil the primary purpose of which is the generation of electricity for sale.

(5) For a termination or revocation of only the real property component, or only the personal property component, of an industrial facilities exemption certificate as provided in this act, the valuation and the tax determined using that valuation shall be reduced proportionately to reflect the exclusion of the component with respect to which the termination or revocation has occurred.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1993, Act 334, Eff. Apr. 1, 1994;—Am. 1994, Act 266, Eff. Imd. July 6, 1994;—Am. 1996, Act 1, Imd. Eff. Jan. 30, 1996;—Am. 2007, Act 39, Imd. Eff. July 12, 2007;—Am. 2007, Act 146, Imd. Eff. Dec. 10, 2007;—Am. 2008, Act 457, Imd. Eff. Jan. 9, 2009;—Am. 2011, Act 319, Eff. Dec. 31, 2011.

Compiler's note: Act 165 of 1989, purporting to amend MCL 207.561 and 207.564, could not take effect "unless amendment 2 of House Joint Resolution I of the 85th Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963." House Joint Resolution I was submitted to, and disapproved by, the people at the special election held on November 7, 1989.

Popular name: Act 198

207.564a Reduction of mills used to calculate tax under MCL 207.564(3); exception.

Sec. 14a. Within 60 days after the granting of an industrial facilities exemption certificate under section 7 for a new facility, the state treasurer may exclude 1/2 or all of the number of mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, from the specific tax calculation on the facility under section 14(3) if the state treasurer determines that reducing the number of mills used to calculate the specific tax under section 14(3) is necessary to reduce unemployment, promote economic growth, and increase capital investment in this state. This section does not apply to the personal property tax component of a certificate described in section 14(4).

History: Add. 1993, Act 334, Eff. Apr. 1, 1994;—Am. 1994, Act 266, Imd. Eff. July 6, 1994;—Am. 2007, Act 39, Imd. Eff. July 12, 2007.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the state treasurer to grant exclusions from the state education tax to the Michigan jobs commission, see E.R.O. No. 1995-1, compiled at MCL 408.49 of the Michigan Compiled Laws.

Popular name: Act 198

207.564b Repealed. 1994, Act 266, Imd. Eff. July 6, 1994.

Compiler's note: The repealed section pertained to determination of tax for which industrial facility exemption certificate effective.

Popular name: Act 198

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207.565 Revocation of exemption certificate; request; grounds; notice; hearing; order; effective date; revocation of certificate issued for speculative building; reinstatement of certificate.

Sec. 15. (1) Upon receipt of a request by certified mail to the commission by the holder of an industrial facilities exemption certificate requesting revocation of the certificate, the commission shall by order revoke the certificate in whole or revoke the certificate with respect to its real property component, or its personal property component, whichever is requested.

(2) The legislative body of a local governmental unit may by resolution request the commission to revoke the industrial facilities exemption certificate of a facility upon the grounds that, except as provided in section 7a, completion of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate, unless a greater time has been authorized by the commission for good cause; that the replacement, restoration, or construction of the facility has not occurred within 6 years after the date the initial industrial facilities exemption certificate was issued as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that completion of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that a speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility; that the certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued; or that the purposes for which the certificate was issued are not being fulfilled as a result of a failure of the holder to proceed in good faith with the replacement, restoration, or construction and operation of the replacement facility or new facility or with the use of the speculative building as a manufacturing facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder.

(3) Upon receipt of the resolution, the commission shall give notice in writing by certified mail to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit, and to the legislative body of each local taxing unit which levies taxes upon property in the local governmental unit in which the facility is located. The commission shall afford to the holder of the certificate, the local legislative body, the assessor, and a representative of the legislative body of each taxing unit an opportunity for a hearing. The commission shall by order revoke the certificate if the commission finds that completion except as provided in section 7a of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate or a greater time as authorized by the commission for good cause; that completion of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that a speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility; that the certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued; or that the holder of the certificate has not proceeded in good faith with the replacement, restoration, or construction and operation of the facility or with the use of the speculative building as a manufacturing facility in good faith in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder.

(4) The order of the commission revoking the certificate shall be effective on the December 31 next following the date of the order and the commission shall send by certified mail copies of its order of revocation to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit in which the facility is located, and to the legislative body of each taxing unit which levies taxes upon property in the local governmental unit in which the facility is located.

(5) A revocation of a certificate issued for a speculative building shall specify and apply only to that portion of the speculative building for which the grounds for revocation relate.

(6) Notwithstanding any other provision of this act, upon the written request of the holder of a revoked industrial facilities exemption certificate to the local unit of government and the commission or upon the application of a subsequent owner to the local governing body to transfer the revoked industrial facilities exemption certificate to a subsequent owner, and the submission to the commission of a resolution of concurrence by the legislative body of the local unit of government in which the facility is located, and if the facility continues to qualify under this act, the commission may reinstate a revoked industrial facilities exemption certificate for the holder or a subsequent owner that has applied for the transfer.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982;—Am. 1996, Act 513, Imd. Eff. Jan. 13, 1997;—Am. 2008, Act 170, Imd. Eff. July 2, 2008;—Am. 2010, Act 122, Imd. Eff. July 19, 2010.

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***** 207.566 SUBSECTION (2) MAY NOT APPLY: See (2) of 207.566 *****

207.566 Duration of industrial facilities exemption certificate; date of issuance of certificate of occupancy.

Sec. 16. (1) Unless earlier revoked as provided in section 15, an industrial facilities exemption certificate shall remain in force and effect for a period to be determined by the legislative body of the local governmental unit and commencing with its effective date and ending on the December 31 next following not more than 12 years after the completion of the facility with respect to both the real property component and the personal property component of the facility. The date of issuance of a certificate of occupancy, if one is required, by appropriate municipal authority shall be the date of completion of the facility.

(2) In the case of an application which was not filed within 12 months after the commencement of the restoration, replacement, or construction of the facility but was filed within the succeeding 12-month period as provided in section 9(2)(a), the industrial facilities exemption certificate, unless earlier revoked as provided in section 15, shall remain in force and effect for a period commencing with its effective date and ending on the December 31 next following not more than 11 years after completion of the facility with respect to both the real property component and the personal property component of the facility. The date of issuance of a certificate of occupancy, if one is required, by appropriate municipal authority shall be the date of completion of the facility. This subsection shall not apply for certificates issued after December 31, 1983.

(3) In the case of an application filed pursuant to section 9(4), an industrial facilities exemption certificate, unless earlier revoked as provided in section 15, shall remain in force and effect for a period to be determined by the legislative body of the local governmental unit and commencing on the effective date of the certificate and ending on the December 31 next following not more than 11 years after the effective date of the certificate.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1976, Act 224, Imd. Eff. July 30, 1976;—Am. 1978, Act 38, Imd. Eff. Feb. 24;—Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982.

Popular name: Act 198

207.566a Industrial facilities exemption certificate; provisions.

Sec. 16a. If an industrial facilities exemption certificate for a replacement facility, a new facility, or a speculative building becomes effective after December 31, 1995, for a period shorter than the maximum period permitted under section 16, then both of the following apply:

(a) The owner or lessee of the replacement facility, new facility, or speculative building may, within the final year in which the certificate is effective, within 12 months after the certificate expires, or, as permitted by the local governmental unit, at any other time in which the certificate is in effect apply for another certificate under this act. If the legislative body of a local governmental unit disapproves an application submitted under this subdivision, then the applicant has no right of appeal of that decision as described in section 6.

(b) The legislative body of a local governmental unit shall not approve applications for certificates the sum of whose periods exceeds the maximum permitted under section 16 for the user or lessee of a replacement facility, new facility, or speculative building.

History: Add. 1996, Act 94, Imd. Eff. Feb. 28, 1996;—Am. 2008, Act 306, Imd. Eff. Dec. 18, 2008.

Popular name: Act 198

207.567 Assessment of real and personal property comprising facility; notice of determination.

Sec. 17. (1) The assessor of each city or township in which is located a facility with respect to which an industrial facilities exemption certificate is in force shall annually determine, with respect to each such facility, an assessment of the real and personal property comprising the facility having the benefit of an industrial facilities exemption certificate which would have been made under Act No. 206 of the Public Acts of 1893, as amended, if the certificate had not been in force. A holder of an industrial facilities exemption certificate shall furnish to the assessor such information as may be necessary for the determination.

(2) The assessor, having made the determination, shall annually notify the commission, the legislative body of each unit of local government which levies taxes upon property in the city or township in which the facility is located, and the holder of the industrial facilities exemption certificate of the determination, separately stating the determinations for real property and personal property, by certified mail not later than October 15 based upon valuations as of the preceding December 31.

History: 1974, Act 198, Imd. Eff. July 9, 1974.

Popular name: Act 198

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207.568 Rules.

Sec. 18. The commission may promulgate rules as it deems necessary for the administration of this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

History: 1974, Act 198, Imd. Eff. July 9, 1974.

Popular name: Act 198

Administrative rules: R 209.51 to R 209.57 of the Michigan Administrative Code.

207.569 Form and contents of exemption certificate.

Sec. 19. An industrial facilities exemption certificate shall be in the form the commission determines but shall contain:

(a) A legal description of the real property on which the facility is or is to be located.

(b) A statement that unless revoked as provided in this act the certificate shall remain in force for the period stated in the certificate.

(c) In the case of a replacement facility a statement of the state equalized valuation of the obsolete industrial property, separately stated for real and personal property, for the tax year immediately preceding the effective date of the certificate after deducting the state equalized valuation of the land and inventory.

History: 1974, Act 198, Imd. Eff. July 9, 1974.

Popular name: Act 198

207.570 Appeal.

Sec. 20. A party aggrieved by the issuance or refusal to issue, revocation, transfer, or modification of an industrial facilities exemption certificate may appeal from the finding and order of the commission in the manner and form and within the time provided by Act No. 306 of the Public Acts of 1969, as amended.

History: 1974, Act 198, Imd. Eff. July 9, 1974.

Popular name: Act 198

207.571 Transfer and assignment of industrial facilities exemption certificate.

Sec. 21. (1) An industrial facilities exemption certificate may be transferred and assigned by the holder of the industrial facilities exemption certificate to a new owner or lessee of the facility but only with the approval of the local governmental unit and the commission after application by the new owner or lessee, and notice and hearing in the same manner as provided in section 5 for the application for a certificate.

(2) If the owner or lessee of a facility for which an industrial facilities exemption certificate is in effect relocates that facility outside of the industrial development district or plant rehabilitation district during the period in which the industrial facilities exemption certificate is in effect, the owner or lessee is liable to the local governmental unit from which it is leaving, upon relocating, for an amount equal to the difference between the industrial facilities tax to be paid by the owner or lessee of that facility for that facility for the tax years remaining under the industrial facilities exemption certificate that is in effect and the general ad valorem property tax that the owner or lessee would have paid if the owner or lessee of that facility did not have an industrial facilities exemption certificate in effect for those years. If the local governmental unit determines that it is in its best interest, the local governmental unit may forgive the liability of the owner or lessee under this subsection. The payment provided in this subsection shall be distributed in the same manner as the industrial facilities tax is distributed.

History: 1974, Act 198, Imd. Eff. July 9, 1974;—Am. 1999, Act 140, Imd. Eff. Oct. 18, 1999.

Popular name: Act 198

207.572 Industrial facilities exemption certificate; requirements for approval and issuance; application for industrial facilities exemption certificate for eligible next Michigan business; written agreement required; remedy provision.

Sec. 22. (1) A new industrial facilities exemption certificate shall not be approved and issued under this act after April 1, 1994, unless a written agreement is entered into between the local governmental unit and the person to whom the certificate is to be issued, and filed with the department of treasury.

(2) A next Michigan development corporation shall not approve an application for an industrial facilities exemption certificate for an eligible next Michigan business without a written agreement entered into with the eligible next Michigan business containing a remedy provision that includes, but is not limited to, all of the following:

(a) A requirement that the industrial facilities exemption certificate is revoked if the eligible next Michigan

business is determined to be in violation of the provisions of the written agreement.

(b) A requirement that the eligible next Michigan business may be required to repay all or part of the benefits received under this act if the eligible next Michigan business is determined to be in violation of the provisions of the written agreement.

History: Add. 1993, Act 334, Eff. Apr. 1, 1994;—Am. 1994, Act 266, Eff. Imd. July 6, 1994;—Am. 2010, Act 273, Imd. Eff. Dec. 15, 2010.

Popular name: Act 198

July 2017

July 2017							August 2017						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 25	26	27	28	29	30	Jul 1
2	3	4 Independence Day (United States)	5	6 6:00pm Parks & Rec	7	8
9	10 12:00pm EDC/LDFA	11 7:00pm City Commission	12	13	14	15
16	17 5:00pm Planning Commission	18	19	20	21	22
23	24	25 12:00pm City Commission	26	27 5:30pm Airport Advisory Board	28	29
30	31	Aug 1	2	3	4	5

August 2017

August 2017							September 2017						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jul 30	31	Aug 1 5:00pm ZBA	2	3 6:00pm Parks & Rec	4	5 6:00am Mich Mtn. Mayhem
6	7	8 7:00pm City Commission	9	10	11	12 Antique Auto Show/Flea M
13 Antique Auto Show/Flea Market	14	15	16	17 5:00pm Historic District	18	19
20	21 5:00pm Planning Commission	22 12:00pm City Commission	23	24 5:30pm Airport Advisory Board	25	26
27	28	29	30	31	Sep 1	2