

SENATE BILL NO. 657

October 30, 2025, Introduced by Senator ALBERT and referred to Committee on Government Operations.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9f (MCL 211.9f), as amended by 2023 PA 109.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9f. (1) The governing body of an eligible local assessing
2 district or, subject to subsection (5), the board of a Next
3 Michigan development corporation in which an eligible local
4 assessing district is a constituent member may adopt a resolution
5 to exempt from the collection of taxes under this act all new
6 personal property owned or leased by an eligible business located

1 in 1 or more eligible districts or distressed parcels designated in
2 the resolution or an eligible Next Michigan business as provided in
3 this section. The clerk of the eligible local assessing district or
4 the recording officer of a Next Michigan development corporation
5 shall notify in writing the assessor of the township or city in
6 which the eligible district or distressed parcel is located and the
7 legislative body of each taxing unit that levies ad valorem
8 property taxes in the eligible local assessing district in which
9 the eligible district or distressed parcel is located. Before
10 acting on the resolution, the governing body of the eligible local
11 assessing district or a Next Michigan development corporation shall
12 afford the assessor and a representative of the affected taxing
13 units an opportunity for a hearing.

14 (2) The exemption under this section is effective on the
15 December 31 immediately succeeding the adoption of the resolution
16 by the governing body of the eligible local assessing district or a
17 Next Michigan development corporation and, except as otherwise
18 provided in subsection (9), continues in effect for a period
19 specified in the resolution. However, an exemption must not be
20 granted under this section after December 31, 2012 for an eligible
21 business located in an eligible district identified in subsection
22 (11)(f)(ix) or in an eligible local assessing district identified in
23 subsection (11)(h)(ii). A copy of the resolution must be filed with
24 the state tax commission, the state treasurer, and the ~~president of~~
25 ~~the Michigan strategic fund.~~ **director of the bureau.** A resolution
26 is not effective unless approved as provided in subsection (3).

27 (3) Not more than 60 days after receipt of a copy of the
28 resolution adopted by the governing body of an eligible local
29 assessing district under subsection (1), the state tax commission

1 shall determine if the new personal property subject to the
2 exemption is owned or leased by an eligible business and if the
3 eligible business is located in 1 or more eligible districts. If
4 the state tax commission determines that the new personal property
5 subject to the exemption is owned or leased by an eligible business
6 and that the eligible business is located in 1 or more eligible
7 districts, the state treasurer, with the written concurrence of the
8 ~~president of the Michigan strategic fund,~~ **director of the bureau,**
9 shall approve the resolution adopted under subsection (1) if the
10 state treasurer and the ~~president of the Michigan strategic fund~~
11 **director of the bureau** determine that exempting new personal
12 property of the eligible business is necessary to reduce
13 unemployment, promote economic growth, and increase capital
14 investment in this state. In addition, for an eligible business
15 located in an eligible local assessing district described in
16 subsection (11) (h) (ii), the resolution adopted under subsection (1)
17 must be approved if the state treasurer and the ~~president of the~~
18 ~~Michigan strategic fund~~ **director of the bureau** determine that
19 granting the exemption is a net benefit to this state, that
20 expansion, retention, or location of an eligible business will not
21 occur in this state without this exemption, and that there is no
22 significant negative effect on employment in other parts of this
23 state as a result of the exemption.

24 (4) After December 31, 2016, a governing body of an eligible
25 local assessing district shall not adopt a resolution under
26 subsection (1) exempting new personal property from the collection
27 of taxes under this act without a written agreement entered into
28 with the eligible business subject to the exemption, which written
29 agreement contains a remedy provision that includes, but is not

1 limited to, the following:

2 (a) A requirement that the exemption under this section is
3 revoked if the eligible business is determined to be in violation
4 of the provisions of the written agreement.

5 (b) A requirement that the eligible business may be required
6 to repay all or part of the personal property taxes exempted under
7 this section if the eligible business is determined to be in
8 violation of the provisions of the written agreement.

9 (c) A requirement that the exemption under this section is
10 revoked if the eligible business is determined to be in violation
11 of the provisions concerning the exemption set forth in the
12 resolution adopted under subsection (1).

13 (d) A requirement that the exemption under this section is
14 revoked if continuance of the exemption would be contrary to any of
15 the requirements of this section, including, but not limited to,
16 the requirement that the eligible business be an eligible business
17 or an acquiring eligible business under this section.

18 (5) A Next Michigan development corporation may only adopt a
19 resolution under subsection (1) exempting new personal property
20 from the collection of taxes under this act for new personal
21 property located in a Next Michigan development district. A Next
22 Michigan development corporation shall not adopt a resolution under
23 subsection (1) exempting new personal property from the collection
24 of taxes under this act without a written agreement entered into
25 with the eligible Next Michigan business subject to the exemption,
26 which written agreement contains a remedy provision that includes,
27 but is not limited to, all of the following:

28 (a) A requirement that the exemption under this section is
29 revoked if the eligible Next Michigan business is determined to be

1 in violation of the provisions of the written agreement.

2 (b) A requirement that the eligible Next Michigan business may
3 be required to repay all or part of the personal property taxes
4 exempted under this section if the eligible Next Michigan business
5 is determined to be in violation of the provisions of the written
6 agreement.

7 (c) For an agreement entered into after December 31, 2016, a
8 requirement that the exemption under this section is revoked if the
9 eligible Next Michigan business is determined to be in violation of
10 the provisions concerning the exemption set forth in the resolution
11 adopted under subsection (1).

12 (d) For an agreement entered into after December 31, 2016, a
13 requirement that the exemption under this section is revoked if
14 continuance of the exemption would be contrary to any of the
15 requirements of this section, including, but not limited to, the
16 requirement that the eligible Next Michigan business be an eligible
17 business or an acquiring eligible business under this section.

18 (6) Subject to subsections (7) and (9), if an existing
19 eligible business sells or leases new personal property exempt
20 under this section to an acquiring eligible business, the exemption
21 granted to the existing eligible business continues in effect for
22 the period specified in the resolution adopted under subsection (1)
23 for the new personal property purchased or leased from the existing
24 eligible business by the acquiring eligible business and for any
25 new personal property purchased or leased by the acquiring eligible
26 business.

27 (7) After December 31, 2007, an exemption for an existing
28 eligible business continues in effect for an acquiring eligible
29 business under subsection (6) only if the continuation of the

1 exemption is approved in a resolution adopted by the governing body
2 of an eligible local assessing district or the board of a Next
3 Michigan development corporation in which the eligible local
4 assessing district is a constituent member.

5 (8) Notwithstanding 2000 PA 415, all of the following apply to
6 an exemption under this section that was approved by the state tax
7 commission on or before April 30, 1999, regardless of the effective
8 date of the exemption:

9 (a) The exemption must be continued for the term authorized by
10 the resolution adopted by the governing body of the eligible local
11 assessing district and approved by the state tax commission with
12 respect to buildings and improvements constructed on leased real
13 property during the term of the exemption if the value of the real
14 property is not assessed to the owner of the buildings and
15 improvements.

16 (b) The exemption must not be impaired or restricted with
17 respect to buildings and improvements constructed on leased real
18 property during the term of the exemption if the value of the real
19 property is not assessed to the owner of the buildings and
20 improvements.

21 (9) Notwithstanding any other provision of this section to the
22 contrary, if new personal property exempt under this section on or
23 after December 31, 2012 is eligible manufacturing personal
24 property, that eligible manufacturing personal property remains
25 exempt under this section until the later of the following:

26 (a) The date that eligible manufacturing personal property
27 would otherwise be exempt from the collection of taxes under this
28 act under section 9m, 9n, or 9o.

29 (b) The date that eligible manufacturing personal property is

no longer exempt under the resolution adopted under subsection (1).

(10) An eligible business that owns or leases new personal property that is exempt under this section and that is eligible personal property shall deliver the combined document in the time, form, and manner prescribed in sections 9m and 9n to the assessor of the township or city in which the eligible personal property is located each year that the new personal property is eligible personal property. The form must indicate that the new personal property is eligible personal property.

(11) As used in this section:

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

(b) "Authorized business" means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(c) "Eligible manufacturing personal property" means that term as defined in section 9m.

(d) "Distressed parcel" means a parcel of real property located in a city or village that meets all of the following conditions:

(i) Is located in a qualified downtown revitalization district. As used in this subparagraph, "qualified downtown revitalization district" means an area located within 1 or more of the following:

(A) The boundaries of a downtown district as defined in section 201 of the recodified tax increment financing act, 2018 PA

1 57, MCL 125.4201.

2 (B) The boundaries of a principal shopping district or a
3 business improvement district as defined in section 1 of 1961 PA
4 120, MCL 125.981.

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

8 (ii) Meets 1 of the following conditions:

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

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

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

16 (e) "Eligible business" means, effective August 7, 1998, a
17 business engaged primarily in manufacturing, mining, research and
18 development, wholesale trade, office operations, or the operation
19 of a facility for which the business that owns or operates the
20 facility is an eligible taxpayer. For purposes of a Next Michigan
21 development corporation, eligible business means only an eligible
22 Next Michigan business. Eligible business does not include a
23 casino, retail establishment, professional sports stadium, or that
24 portion of an eligible business used exclusively for retail sales.
25 Professional sports stadium does not include a sports stadium in
26 existence on June 6, 2000 that is not used by a professional sports
27 team on the date of the resolution adopted under subsection (1). As
28 used in this subdivision, "casino" means a casino regulated by this
29 state under the Michigan Gaming Control and Revenue Act, 1996 IL 1,

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

4 (f) "Eligible district" means 1 or more of the following:

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

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

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

11 (iv) A brownfield redevelopment zone as that term is designated
12 under the brownfield redevelopment financing act, 1996 PA 381, MCL
13 125.2651 to 125.2670.

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

17 (vi) An authority district or a development area as those terms
18 are defined in part 3 of the recodified tax increment financing
19 act, 2018 PA 57, MCL 125.4301 to 125.4329.

20 (vii) An authority district as that term is defined in part 4
21 of the recodified tax increment financing act, 2018 PA 57, MCL
22 125.4401 to 125.4420.

23 (viii) A downtown district or a development area as those terms
24 are defined in part 2 of the recodified tax increment financing
25 act, 2018 PA 57, MCL 125.4201 to 125.4230.

26 (ix) An area that contains an eligible taxpayer.

27 (x) A Next Michigan development district.

28 (g) "Eligible distressed area" means 1 of the following:

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

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

2 (ii) An area that contains an eligible taxpayer.

3 (h) "Eligible local assessing district" means a city, village,
4 or township that contains an eligible distressed area or that is a
5 party to an intergovernmental agreement creating a Next Michigan
6 development corporation, or a city, village, or township that meets
7 1 or more of the following conditions and is located in a county
8 all or a portion of which borders another state or Canada:

9 (i) Is currently served by not fewer than 4 of the following
10 existing services:

11 (A) Water.

12 (B) Sewer.

13 (C) Police.

14 (D) Fire.

15 (E) Trash.

16 (F) Recycling.

17 (ii) Is party to an agreement under 1984 PA 425, MCL 124.21 to
18 124.30, with a city, village, or township that provides not fewer
19 than 4 of the following existing services:

20 (A) Water.

21 (B) Sewer.

22 (C) Police.

23 (D) Fire.

24 (E) Trash.

25 (F) Recycling.

26 (i) "Eligible Next Michigan business" means that term as
27 defined in section 3 of the Michigan economic growth authority act,
28 1995 PA 24, MCL 207.803.

29 (j) "Eligible personal property" means that term as defined in

1 section ~~3(e)(ii)~~ **3(g)(ii)** or (iv) of the state essential services
 2 assessment act, 2014 PA 92, MCL 211.1053.

3 (k) "Eligible taxpayer" means a taxpayer that meets both of
 4 the following conditions:

5 (i) Is an authorized business.

6 (ii) Is eligible for tax credits described in section 9 of the
 7 Michigan economic growth authority act, 1995 PA 24, MCL 207.809.

8 (l) "Existing eligible business" means an eligible business
 9 identified in a resolution adopted under subsection (1) for which
 10 an exemption has been granted under this section.

11 (m) "New personal property" means personal property that was
 12 not previously subject to tax under this act or was not previously
 13 placed in service in this state and that is placed in an eligible
 14 district after a resolution under subsection (1) is approved. As
 15 used in this subdivision, for exemptions approved by the state
 16 treasurer under subsection (3) after April 30, 1999, new personal
 17 property does not include buildings described in section 14(6) and
 18 personal property described in section 8(h), (i), and (j). For
 19 exemptions subject to resolutions adopted under subsection (1)
 20 after December 31, 2014, new personal property does not include
 21 eligible manufacturing personal property. For exemptions subject to
 22 resolutions adopted under subsection (1) after December 31, 2023,
 23 new personal property does not include a qualified solar energy
 24 facility as that term is defined in the solar energy facilities
 25 taxation act.

26 (n) "Next Michigan development corporation" and "Next Michigan
 27 development district" mean those terms as defined under ~~the Next~~
 28 ~~Michigan development act, former~~ 2010 PA 275. ~~, MCL 125.2951 to~~
 29 ~~125.2959.~~

1 (o) "Bureau" means the bureau of fair competition and free
2 enterprise created in section 7 of the economic development fair
3 competition and free enterprise act.

4 Enacting section 1. This amendatory act does not take effect
5 unless all of the following bills of the 103rd Legislature are
6 enacted into law:

7 (a) Senate Bill No. 631.

8 (b) Senate Bill No. 659.