

PERSONAL PROPERTY TAX RELIEF IN DISTRESSED COMMUNITIES (PA 328)

Public Act 328 of 1998 (PA 328) allows distressed communities, county seats and certain border county communities to abate personal property taxes on new investments made by eligible businesses.

ELIGIBILITY AND PROCESS

Eligible location sites include cities, villages and townships that contain distressed areas, as defined under the Michigan State Housing Development Authority Act, and all county seats, as defined under the Neighborhood Enterprise Zone Act. Eligible cities, villages, townships and county seats are listed on the following page.

Eligible businesses that locate in a border county and receive approval from the Michigan State Treasurer and president of the Michigan Strategic Fund may also receive this incentive. Berrien, Branch, Cass, Chippewa, Dickinson, Gogebic, Hillsdale, Iron, Lenawee, Menominee, Monroe, St. Clair, St. Joseph and Wayne are eligible border counties. The business must locate in a local governmental unit that is served by at least four of the following services: water, sewer, police, fire, trash or recycling.

Eligible projects include manufacturing, mining, research and development, wholesale trade and office operations. Retail businesses and casinos are not eligible.

Businesses may apply for the abatement through their local taxing unit if located in an eligible community. Locally approved applications are filed with the State Tax Commission (STC), which must approve or deny the local resolution within 60 days. The State Treasurer, with the written consent of the Michigan Economic Development Corporation (MEDC), is required to provide advice to the STC as to whether the exemption is necessary to reduce unemployment, promote economic growth, and increase capital investment.

New personal property is defined as property not previously subject to property taxes in any other jurisdiction in this state. This includes personal property already in Michigan, but exempt for another reason (e.g., property previously owned by a local unit of government). To determine if certain property is considered new, please contact the Department of Treasury at 517.373.0675

TERMS OF ABATEMENT

Abatements under PA 328 reduce property taxes by the full millage rate, including state and local levies. The eligible local units may, by resolution, exempt new personal property in any of the following areas: an industrial development district (**PA 198 of 1974**), a Renaissance Zone, an enterprise zone, a brownfield redevelopment zone, an empowerment zone, a tax increment financing district, a local development financing district, a Next Michigan Development Corporation District or a downtown development district.

The local community and the business negotiate the length of abatement for the new personal property tax. The law does not specify a maximum or minimum number of years.

EXTENSION UNDER PERSONAL PROPERTY TAX REFORM

Personal property exempt under PA 328 and eligible in the future for the Personal Property Tax (PPT) exemption will automatically continue to be exempt under PA 328 until that property may be claimed as exempt from the PPT in the current tax year.

CONTACT

For more information, contact the MEDC customer assistance center at 517.373.9808.

(List of eligible distressed areas and county seats on next page)

ELIGIBLE DISTRESSED COMMUNITIES AND COUNTY SEATS

This list reflects a group of communities (170 EDAs, 129 cities, 26 townships, 15 villages) that qualify for the PA 328 exemption based on Neighborhood Enterprise Zone designation, pursuant to changes to PA 147 of 1992.

CITIES

Adrian
Albion
Allegan
Alma
Alpena
Ann Arbor
Bad Axe
Bangor
Battle Creek
Bay City
Benton Harbor
Bessemer
Big Rapids
Bronson
Burton
Cadillac
Caro
Carson City
Caspian
Center Line
Charlevoix
Charlotte
Cheboygan
Coldwater
Coleman
Corunna
Crystal Falls
Dearborn
Dearborn Heights
Detroit
Dowagiac
East Lansing
Eastpointe
Ecorse
Escanaba
Ferndale
Flint
Gaastra
Gaylord
Gibraltar
Gladstone
Gladwin
Grand Haven
Grand Rapids

Grayling
Hamtramck
Harbor Beach
Harper Woods
Harrison
Harrisville
Hart
Hartford
Hastings
Hazel Park
Highland Park
Hillsdale
Holland
Houghton
Howell
Inkster
Ionia
Ironwood
Iron Mountain
Iron River
Ishpeming
Ithaca
Jackson
Kalamazoo
Lake City
Lansing
Lapeer
Lincoln Park
Livonia
Ludington
Manistee
Manistique
Marquette
Marshall
Mason
Melvindale
Menominee
Midland
Monroe
Mt. Clemens
Mt. Morris
Mt. Pleasant
Munising
Muskegon

Muskegon Heights
Niles
Norton Shores
Norway
Oak Park
Omer
Onaway
Owosso
Petoskey
Pinconning
Pontiac
Portage
Port Huron
Reed City
River Rouge
Rogers City
Saginaw
Sandusky
Sault Ste. Marie
Southfield
St. Ignace
St. Johns
St. Joseph
St. Louis
Standish
Stanton
Sturgis
Tawas City
Taylor
Three Rivers
Traverse City
Trenton
Vassar
Wakefield
Warren
Wayne
West Branch
White Cloud
Wyandotte
Wyoming
Ypsilanti

TOWNSHIPS

Benton (Berrien)
Buena Vista (Saginaw)
Calumet (Houghton)
Carp Lake (Ontonagon)
Carrrollton (Saginaw)
Champion (Marquette)
Columbia (Tuscola)
Duncan (Houghton)
Elba (Gratiot)
Elmwood (Tuscola)
Emerson (Gratiot)
Genesee (Genesee)
Marlette (Sanilac)
Minden (Sanilac)
Montrose (Genesee)
Mt. Morris (Genesee)
Oscoda (Iosco)
Oliver (Huron)
Pulawski (Presque Isle)
Redford (Wayne)
Royal Oak (Oakland)
Sebewaing (Huron)
Sheridan (Calhoun)
Spaulding (Saginaw)
Turner (Arenac)
Wisner (Tuscola)

VILLAGES

Atlanta
Baldwin
Bellaire
Beulah
Cassopolis
Centreville
Eagle River
Kalkaska
L'Anse
Leland
Mio
Newberry
Ontonagon
Paw Paw
Roscommon