

**HOLLAND CHARTER TOWNSHIP
GUIDELINES FOR REQUESTS FOR
PERSONAL PROPERTY TAX ABATEMENTS
UNDER PUBLIC ACT 328 OF 1998 (As Amended)
Dated: May 20, 2010**

1. Introduction and Background

This document is designed to summarize the policies and procedures adopted by the Township of Holland effective May 20, 2010, and as subsequently amended, with regard to personal property tax relief opportunities provided under Act 328 of the Public Acts of 1998, as amended.

Public Act 328 of 1998 (Act 328) as amended, the New Personal Property Tax Exemption Act, was created to allow distressed communities, specifically identified and authorized by the State of Michigan, to abate personal property taxes on new investments made by eligible businesses. In addition, through December 31, 2012, eligible businesses also include businesses that may qualify for a tax credit under the Michigan Economic Growth Authority (MEGA) Act 24 of 1995.

In order to qualify for the Act 328 personal property tax exemption, the qualified personal property must be placed in an eligible district after the local unit adopts the resolution which provides for the exemption. Property placed in the district prior to the resolution will not receive the exemption. Also, the eligible district must be established before the exemption can be approved by the Township's resolution. Completed applications are first submitted to the Township for approval. If the Township approves the application, they then forward it to the State Tax Commission for review and approval.

Abatements under P.A. 328 reduce property taxes by the full millage rate (100%), including state and local levies. The length of abatement for the new personal property taxes is established by the Township and will be limited for a period not to exceed twelve (12) years. P.A. 328 does not establish a minimum or maximum number of years for the abatement period.

The Township Board of Trustees must adopt a resolution which provides for the personal property tax exemption. The resolution requires specific language that addresses the established district, the length of the personal property exemption and that the company is a qualified eligible business.

2. Township Goals

The Township Board desires to provide opportunity for industrial development and expansion which results in the creation of additional jobs for its residents. The Township Board will evaluate all P.A. 328 applications using the following criteria in the review of applications received from both local and out-of-town firms:

- The project will create new full time jobs.
- The project will expand the Township's property tax base.
- The development of the proposed industrial facilities will compliment the Township's land use and environmental objectives.
- The project will not unduly impact the Township's public services and infrastructure.
- The applicant meets current financial obligations to the Township.
- The applicant is currently in compliance with applicable Township ordinances and other statutory provisions, or has received approval of a plan designed to bring the company into compliance with said ordinances or statutory provisions.
- Promoted industrial growth can and will provide economic stimulus to our local economy.

The above-mentioned criteria are not intended to be exhaustive. The Township reserves the right to consider such additional goals and criteria which are intended or set forth under the goals and policies of P.A. 328, as amended, and which are consistent with the general health, safety, and welfare of the Charter Township of Holland.

3. Eligibility and Policy Requirements

Following states eligibility and policy requirements for businesses to be considered for Act 328 personal property tax abatement.

1. The applicant must be an eligible business as defined by Act 328.
2. The applicant's eligible business must be located within an Industrial Development District or a Plant Rehabilitation District as defined by Public Act 198 of 1974, as amended.
3. The eligible district described in Item 2 above must be established before Act 328 personal property tax exemptions can be approved by the Township.
4. The Act 328 tax abatement will limited to a period not to exceed twelve (12) years for all new personal property placed in the building within two (2) years of approval of the application by the State Tax Commission.
5. The Township and the applicant will enter into a local agreement for the provision of this abatement prior to the resolution being submitted by the Township to the State Tax Commission.
6. An Act 198 abatement will not be available for personal property that has received an Act 328 abatement.

4. Application Procedure

The applicant must file three (3) copies of the Michigan Department of Treasury Application for Exemption of New Personal Property (issued under P.A. 328 of 1998) with the Holland Charter Township Clerk, along with a nonrefundable \$1,250 filing fee. The filing fee covers, in part, costs of processing the application by Township's administrative staff, legal fees, and expenses incurred by the Township for publishing appropriate notices. The fee may be amended from time to time by resolution of the Township Board.

The following are documents that must accompany all applications being submitted to the State Tax Commission:

1. A legal description for the property where the eligible business is located.
2. A detailed description of the business activities and operations.
3. The Township's resolution approving the Act 328 personal property exemption.

After the Clerk has received the application for an exemption certificate, the application will be referred to the Holland Charter Township staff and the Township Attorney for review and preparation of required documents. The matter will then be placed on the Board's agenda, with the applicant notified, public hearing scheduled, and appropriate notices mailed.

Final approval of the exemption certificate will be decided by the Holland Charter Township Board. The Board may exercise its discretion to determine the length of the Act 328 Certificate.

5. Transfers

If an existing eligible business sells or leases new personal property exempt under Act 328 to an acquiring eligible business, the exemption granted to the existing eligible business shall continue in effect for the acquiring business only if approved in a resolution adopted by the Township's Board of Trustees. The request for transfer shall be submitted to the Township Clerk, along with a filing fee of \$1,250.

6. Deadlines

Applications for Act 328 New Personal Property Tax Exemption may be submitted to and considered by Holland Charter Township at any time during the calendar year. However, in order for a exemption certificate to be considered and approved by the State Tax Commission by December 31 of any given year the application should be approved by the Township Board on or before the second meeting of October and submitted by the Township to the State Tax Commission before October 31.