

West Branch Township

1705 S. Fairview Road, West Branch, MI 48661

Phone: (989) 345-5450 Fax: (989) 345-8419

www.westbranchtownship.org

TAX ABATEMENT POLICY

West Branch Township's Tax Abatement Policy is a unified, consistent, Township-wide policy in which tax abatement status is determined by an analysis of the economic development that will occur from the new plant or commercial facility.

Requirements governing the timing of applications are exact and MUST, according to law, be strictly adhered to. West Branch Township endeavors to apply the following equally across applicants and recommend such certificates for approval to appropriate proposed developments. For purposes of qualifying, please carefully read the application state acts so that the application timing, construction, and proposed items to be exempt are consistent with the mandatory timelines provided in the acts. The Township is not authorized by statute to waive such timing components.

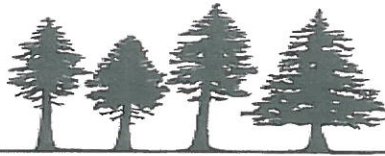
In considering a request, the Township Board will be focused on the following:

1. Total aggregated cost of the project;
2. The percentage of the cost of the project in relation to the total value of the personal property and real property prior to the proposed project;
3. Total projected economic impact to the area;
4. Total number of jobs created for a duration of time;
5. The skill level and education necessary for the jobs created; and
6. The potential for additional development and growth following the proposed project.

INDUSTRIAL FACILITY EXEMPTION CERTIFICATE

Public Act 198 of the State of Michigan, 1974 as amended allows for an eligible new plant or expansion to be exempted from half the millage on all buildings, machinery, equipment, fixtures, and furnishings for up to 12 years. For an obsolete plant that is replaced and restored, the taxes are frozen at the level prior to improvements, which provides for 100% exemption from taxes on the value of any improvements.

As outlined in Section 15(2) of Act 198, the Industrial Facility Exemption Certificate may be revoked if the project has not been completed within 24 months of the effective date of the certificate, which shall be December 31 following the date of issuance.



As outlined in Section 21 of Act 198, an Industrial Facility Exemption Certificate may be transferred or assigned to a new owner or lessee with approval of the governing body of the municipality, following a public hearing.

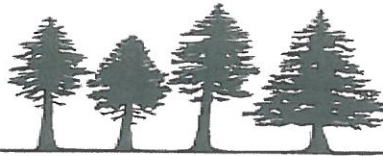
COMMERCIAL FACILITIES EXEMPTION CERTIFICATE

Public Act 255 of the State of Michigan, 1978 as amended allows for an eligible commercial facility to be exempted from up to half of the millage levied under the state education tax for a period of years.

As outlined in Section 14 of Act 255, the Commercial Facilities Exemption Certificate may be revoked if the completion of the facility has not occurred within 24 months after the effective date of the certificate, which shall be December 31 following the date of issuance.

As outlined in Section 15 of Act 255, a Commercial Facilities Exemption Certificate may be transferred or assigned to a new owner or lessee of the facility with approval of the governing body of the municipality, following a public hearing.

Adopted this 9th day of November 2022.



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West Branch Township Industrial Facilities Tax Exemption Certificate Review Process

STEP 1: Applicant submits a completed application form as prescribed by the State Tax Commission. Items required include a general description of the facility and its proposed use, the general nature and extent of the proposed restoration, replacement or construction, a descriptive list of equipment that will be part of the facility and a timeline for the project.

STEP 2: Township staff will verify that the property in question is located in a previously established Plant Rehabilitation District (PHD) or Industrial Development District (IDD). If a PRD or IDD or has not already been established, the applicant must first request the Township establish a district as required by law.

STEP 2A: If a request is made to create a PRD or IDD, the Township Board will give written notice by certified mail to the owners of all real property within the proposed PHD or IDD 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.

STEP 2B: In considering the request to determine if property comprising not less than 50% of the state equalized valuation of the industrial property within the district is obsolete, which is required in order to establish such a district.

STEP 2C: The Township Board will adopt a resolution establishing the district and acknowledging the determination mentioned in step 2B.

STEP 3: Township staff will send a copy of the IFT application to the Township Attorney for review and verification. A copy is also sent to the Township Assessor for their files.

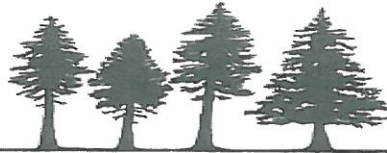
STEP 4: If approved by the attorney, the item will be placed on the next available Board of Trustees agenda for consideration of the application. The Board of Trustees will set a public hearing date.

STEP 5: The item is placed on the next available Board of Trustees agenda for a public hearing (see MCL 207.555 (2)). Notice of the hearing shall be sent by regular mail to the Township Assessor and the legislative body of each taxing unit within the district that collects ad valorem taxes (see MCL 207.555 (2)). The applicant must be present at the public hearing.

STEP 6: The Township Clerk drafts a Resolution and Abatement Agreement, according to State requirements, for consideration by the Board to either approve or disapprove the application.

STEP 7: The Board holds the public hearing and takes action on the request. The Board shall, by resolution, state its decision to either approve or disapprove the application. If denied, the reasons shall be set forth in writing in the resolution. If approved, the Board shall set the number of years for which the district will be valid and they will instruct the clerk to sign the resolution (see MCL 207.556).

STEP 8: The Township and the operator of the facility will execute an agreement outlining the conditions and recourses to be upheld during the abatement period.



STEP 9: If necessary, Forms T-1044A and/or T-1044, as created by the State Tax Commission, shall be completed. These are necessary if the abated SEV exceeds 5% of the Township's total SEV.

STEP 10: If the application is approved, the Clerk shall forward the application, resolution and other necessary information to the State Tax Commission (see MCL 207.556).

STEP 11: After review by the State Tax Commission, they will send the Industrial Facilities Exemption Certificate, or notice that the application was denied, to the Township by certified mail (see MCL 207.557(2)).

STEP 12: A copy of the Exemption Certificate shall be kept for the file, and another sent to the Assessor's Office for implementation.

Commercial Facilities Tax Exemption Certificate Review Process

STEP 1: Applicant submits a completed application form as prescribed by the State Tax Commission. Items required include general description of the qualified facility, a general description of the proposed use of the qualified facility, the general nature and extent of the rehabilitation to be undertaken, a descriptive list of the fixed building equipment that will be a part of the qualified facility, a time schedule for undertaking and completing the rehabilitation of the qualified facility, a statement of the economic advantages expected from the exemption, including the number of jobs to be retained or created as a result of rehabilitating the qualified facility, including expected construction employment, and other information (see MCL 207.656)

STEP 2: Township staff will verify that the property in question is located in a previously established Commercial Rehabilitation District (CRD). If a CRD has not already been established, the applicant must first request the Township establish a district as required by law.

STEP 2A: If a request is made to create a CRD, the Township Board will give written notice by certified mail to the county in which the proposed district is to be located and the owners of all real property within the proposed CRD and shall afford an opportunity for a hearing on the establishment of the CRD at which any of those owners and any other resident or taxpayer of the qualified local governmental unit may appear and be heard. The legislative body shall give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing.

STEP 2B: The Township Board will adopt a resolution establishing the district and send said resolution to the County.

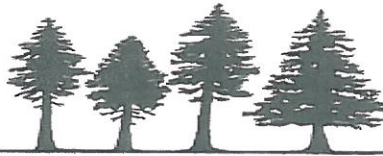
STEP 3: Township staff will send a copy of the CRD application to the Township Attorney for review and verification. A copy is also sent to the Township Assessor for their files.

STEP 4: If approved by the attorney, the item will be placed on the next available Board of Trustees agenda for consideration of the application. The Board of Trustees will set a public hearing date.

STEP 5: The item is placed on the next available Board of Trustees agenda for a public hearing (see MCL 207.844 (2)). Notice of the hearing shall be sent by regular mail to the Township Assessor and the legislative body of each taxing unit within the district that collects ad valorem taxes (see MCL 207.655). The applicant must be present at the public hearing.

STEP 6: The Township Clerk drafts a Resolution and Abatement Agreement for consideration by the Board to either approve or disapprove the application.

STEP 7: The Board holds the public hearing and takes action on the request. The Board shall, by resolution, state its decision to either approve or disapprove the application. If denied, the reasons shall be set forth in writing in the resolution. If approved, the Board shall set the number of years for which the district will be valid and they will instruct the clerk to sign the resolution (see MCL 207.658).



STEP 8: If necessary, Forms T-1044A and/or T-1044, as created by the State Tax Commission, shall be completed. These are necessary if the abated SEV exceeds 5% of the Township's total SEV.

STEP 9: If the application is approved, the Clerk shall forward the application, resolution and other necessary information to the State Tax Commission (see MCL 207.658).

STEP 10: After review by the State Tax Commission, they will send the Commercial Rehabilitation Exemption Certificate, or notice that the application was denied, to the Township by certified mail (see MCL 207.657).

STEP 11: A copy of the Exemption Certificate shall be kept for the file, and another sent to the Assessor's Office for implementation.