

STEPS IN APPLYING FOR AN INDUSTRIAL FACILITIES TAX EXEMPTION

IMPORTANT: PLEASE ALLOW A MINIMUM OF 45 DAYS FOR THE APPLICATION TO BE PROCESSED BY THE CITY OF NORTON SHORES. ALL APPLICATIONS MUST BE RECEIVED BY THE STATE TAX COMMISSION NO LATER THAN OCTOBER 31ST.

WHEN A DISTRICT HAS NOT BEEN ESTABLISHED

1. Applicant submits a letter to the City Clerk stating the nature of the request and information regarding type of business, proposed new construction, renovation or equipment and the location of the proposed district. The information sheet should be submitted at this time along with the \$500 fee for processing the district application.
2. The request is reviewed by City staff to determine qualifications, and submitted to the City Council. The City Council will set the date for a public hearing to consider establishment of the proposed district.
3. The public hearing is generally held at the next City Council meeting. Following the public hearing, the Council may establish the district.

WHEN THE DISTRICT IS ESTABLISHED

1. The applicant submits the completed application to the City Clerk. The information sheet, if not previously submitted, and the \$500 certificate processing fee must be included. Act 198 applications must be submitted within 180 days of start of construction. If the application covers personal property, the depreciation schedule of the property for tax purposes must be included.
2. The application is reviewed and the request forwarded to the City Council which will set the date for a public hearing.
3. The public hearing is generally held at the next City Council meeting. Following the public hearing, the City Council will consider the application.
4. If the application is approved by the City Council, the application and necessary attachments are forwarded by the City Clerk to the State Tax Commission for final approval and the applicant will be notified by the Commission directly regarding the approval. The certificate will become effective on December 31st for the specified number of years.

City of Norton Shores
Tax Abatement Policy

Following are the criteria for businesses to be considered for Act 198 and/or Act 328 tax abatement. The City Council will utilize the criteria in making a determination on whether to grant the abatement request and to establish a term for the abatement.

1. The applicant must be an eligible business as defined in Act 198 and Act 328 legislation.
2. An eligible business must be located in an eligible district. For Act 198 abatement, a firm must be located within an Industrial Development District. For Act 328 abatement, a firm must be located in an Industrial Development District, a Brownfield Redevelopment District or a Tax Increment Financing District.
3. The eligible business must be either relocating to the City or a new/existing business in the City that is expanding or adding equipment. Job creation and/or job retention will be a key factor in the evaluation.
4. The maximum number of years for which abatement is granted shall not be more than 12 years for an Act 198 and shall not be more than six years for an Act 328.
5. The Act 328 abatement may not be available to a business also requesting and/or currently receiving Act 198 abatement. As a corollary, Act 198 abatement may not be available to a firm requesting and/or currently receiving Act 328 abatement. The purpose of the policy is for the eligible business and City Council to work together to determine which abatement is to be considered to assist the eligible business.
6. The City Council at its discretion may also consider unique circumstances of the applicant in evaluating the request.
7. The applicant shall remain within the City of Norton Shores during the term for which the abatement was approved and, if the applicant relocates, permanently reduces employment and/or operations, or closes the facility, the applicant shall pay to the affected taxing units an amount equal to those taxes it would have paid had the abatement not been in effect.
8. The applicant shall not appeal the assessment of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission, excluding any pending real or personal tax appeals, during an existing act 198 or 328 abatement certificate. If the applicant appeals its assessment of property, the City reserves the right to revoke any Act 198 or Act 328 tax abatements currently in place and will require the applicant to pay the affected taxing units an amount equal to those taxes that would have been paid had the abatement not been in effect. Also, the City shall consider an applicant's history related to tax appeals when it considers future tax abatement requests.

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

APPLICANT INFORMATION
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility)	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location)	▶ 1d. City/Township/Village (indicate which)	▶ 1e. County
▶ 2. Type of Approval Requested <input type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))	▶ 3a. School District where facility is located	▶ 3b. School Code
4. Amount of years requested for exemption (1-12 Years)		
5. Per section 5, 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 part of the facility. Attach additional page(s) if more room is needed.		
6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ _____ Real Property Costs	
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ _____ Personal Property Costs	
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ _____ Total of Real & Personal Costs	
7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.		
	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>
Real Property Improvements ▶ _____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased	
Personal Property Improvements ▶ _____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased	
▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. <input type="checkbox"/> Yes <input type="checkbox"/> No		
▶ 9. No. of existing jobs at this facility that will be retained as a result of this project.	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion.	
11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.		
a. TV of Real Property (excluding land) _____		
b. TV of Personal Property (excluding inventory) _____		
c. Total TV _____		
▶ 12a. Check the type of District the facility is located in: <input type="checkbox"/> Industrial Development District <input type="checkbox"/> Plant Rehabilitation District		
▶ 12b. Date district was established by local government unit (contact local unit)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input type="checkbox"/> No	

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
14a. Name of Contact Person	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents)			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)		16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)	
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.		16c. LUCI Code	
17. Name of Local Government Body		16d. School Code	
		▶ 18. Date of Resolution Approving/Denying this Application	

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

Instruction for Completing Form 1012, Industrial Facilities Tax Exemption (IFT) Application

The completed original application form 1012 and all required attachments, plus two additional copies, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government within six months of commencement of project.)

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village) in triplicate. (Providing an accurate school district where the facility is located is vital.)

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs (see sample). Detail listing of machinery and equipment must match amount shown on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if

applicable, verifying lessee (applicant) has direct ad valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original and one complete copy are required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).
5. Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).

6. Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).
7. Treasury Form 3222 (if applicable) - Fiscal Statement for Tax Abatement Request.

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor.

Please refer to the following Web site for P.A. 198 of 1974:
<http://www.legislature.mi.gov/>.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

INFORMATION SHEET

(Applicant)

(Address)

In order to properly process your application for an Industrial Facilities Exemption Certificate, the following information is requested:

1. The nature of the business and any special or unique properties of the company:

2. Number of years the firm has been in the community:

Number of years the firm has been in business:

3. Number of Employees: Current Added-Result of Expansion

Full-time _____ _____

Part-time _____ _____

Called back
 from layoff _____ _____

4. Value of Expansion or Improvement:

Land Improvement: _____

Building Improvements: _____

Machinery and Equipment: _____

Furniture and Fixtures: _____

5. Number of years requested for tax exemption: _____

How will the number of years benefit the company? _____

6. Does the company have past or pending appeals of real or personal property assessments with the Michigan Tax Tribunal or the State Tax Commission? (See paragraph 8 of the City of Norton Shores Tax Abatement Policy.)

Yes _____ No _____

7. Long-range plans for the company: _____

8. Any additional information you feel may be helpful in processing your application for City Council consideration:

9. Any other areas in which the City may assist your company:

By _____

Title _____

Date _____

Lynne A. Fuller, City Clerk
Michael Huston, Finance Director
2011

City of Norton Shores
4814 Henry Street
Norton Shores MI 49441

RE: Act 198 and/or 328 Agreement with the City of Norton Shores

_____ (The Company) has submitted an application to the City of Norton Shores (City) for the granting of:

_____ Industrial Facilities Exemption Certificate (IFE) pursuant to P.A. 198
_____ Exemption of New Personal Property pursuant to P.A. 328

To encourage the granting of the tax abatement and in recognition of the investment the City will be making toward the economic growth of the Company and thus the community, I hereby agree on behalf of the Company:

1. The attached information sheet is an integral part of this agreement and outlines the investment the Company intends to make.
2. The Company will submit a letter to the City no later than January 10th immediately following the second year after the issuance of the abatement certifying:
 - a. Number of jobs created or retained
 - b. Actual cost for both real and personal property acquisitions
 - c. If the number of jobs created or total project cost differ from that described in the information sheet, a disclosure explaining the variance is required.
3. The Company will recertify the current employment information outlined above every year through the expiration of the abatement.
4. The Company understands that if employment has not been retained or reached, or the expansion or improvement was not substantially completed as described in the application and information sheet, the City has the right to reduce the term or revoke the tax abatement.
5. The Company understands that if real and personal property taxes are not paid and do not remain current, the City has the right to reduce the term or revoke the tax abatement.
6. The applicant shall remain with the local unit during the period of time for which the abatement has been approved and, if the applicant relocates, substantially reduces employment and/or operations, or closes the facility, the applicant shall pay to the affected taxing units an amount equal to those taxes it would have paid had the abatement not been in effect.

By the signatures below, representatives of both the Company and City acknowledge their responsibilities towards the successful completion of the project. It is understood certain economic conditions may delay or even prohibit the maintenance of the Company's goals. Prior to any City action concerning the reduction or revocation of a tax abatement, or recapture of abated taxes, the Company will have the right to a public hearing before the City Council.

WITNESS:

Company Name

Company Address

By: _____

Title: _____

Date: _____

WITNESS:

ACKNOWLEDGED BY THE
CITY OF NORTON SHORES

By: _____

Title: Mayor

Date: _____

City of Norton Shores
4814 Henry Street
Norton Shores MI 49441

RE: Act 198 and/or 328 Application

_____ (The Company) has submitted an application to the City of Norton Shores (City) for the granting of:

_____ Industrial Facilities Exemption Certificate (IFE) pursuant to P.A. 198
_____ Exemption of New Personal Property pursuant to P.A. 328

In accordance with STC Bulletin No. 3 dated January 16, 1998, we do hereby affirm that no payment of any kind in excess of the fee allowed by Act 198 and/or 328, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate.

WITNESS:

Company Name

Company Address

By: _____

Title: _____

Date: _____

WITNESS:

ACKNOWLEDGED BY THE
CITY OF NORTON SHORES

By: _____

Title: Mayor

Date: _____