


# CITY COMMISSION POLICY

<b>GRAND RAPIDS</b>  <b>MICHIGAN</b>	<b>NUMBER:</b> 900-38	<b>HISTORY</b>	
		<b>FILE #</b>	<b>DATE</b>
	<b>DATE:</b> July 27, 1999	72244	03/09/04
	<b>FILE NUMBER:</b> 66187	76001	03/13/07
	<b>DEPARTMENT:</b> Economic Dev.	79693	09/14/10

**SUBJECT:** APPLICATIONS FOR PERSONAL PROPERTY TAX RELIEF UNDER ACT 328 OF THE PUBLIC ACTS OF 1998

**PURPOSE:** To encourage the expansion of businesses and the acquisition of equipment in order to create or retain employment that is available to all citizens of the City of Grand Rapids.

**POLICY:**

It is the policy of the City of Grand Rapids to encourage the renovation and expansion of businesses and the purchase of equipment to encourage the creation and retention of employment for the citizens of Grand Rapids by assisting through the use of tax abatement incentives under Act 328 of the Public Acts of 1998, for those employers who evidence strong commitment to equal employment opportunity practices.

1. Eligibility

Public Act 328 provides the City the authority to recommend to the State Tax Commission personal property tax relief to eligible businesses for new personal property acquisitions. For purposes of economic development, the City Commission may consider requests under the following limited and special circumstances as a means of encouraging job retention and creation in the City.

- a) Major New Business – Businesses which are relocating their business from a location outside the City of Grand Rapids and will bring more than 25 new jobs to the City. The new employment will need to generate income tax revenue in an amount equal to or greater than the amount of tax relief, unless specifically waived by the City Commission.

# CITY COMMISSION POLICY

NUMBER: 900-38

Page 2 of 3

- b) Major Expansion of Existing Business – An existing business which will create more than 25 new jobs. The new employment will need to generate income tax revenue in an amount equal to or greater than the amount of tax relief, unless specifically waived by the City Commission.
- c) Business Retention – To retain jobs and encourage rebuilding of a business at its current location following a major disaster which has destroyed a substantial amount of its real and personal property at that location. In the case where rebuilding will cause a rise in the property tax liability of an existing business, the City Commission will consider an abatement if it does not result in a total property tax bill that is less than the taxes paid annually before the disaster. The business must agree to rebuild in the City of Grand Rapids and retain a number of jobs equal to or greater than the number employed before the disaster.

## 2. Applicability

- a) Exemption will be for no more than twelve (12) years for all new personal property placed within the District within two (2) years of approval of a resolution by the City Commission.
- b) All applicants must be current with all real and personal property taxes.
- c) All applicants must not be under written orders for violations of the zoning ordinance and must be in compliance with all applicable zoning codes.
- d) All applicants must enter into a Memorandum of Understanding with the City of Grand Rapids.
- e) If applicant's project exceeds \$600,000 or total employment upon completion of project is likely to equal or exceed fifteen (15) persons, then they must receive certification of equal opportunity practices from the Office of Diversity and Inclusion according to the following guidelines. If the project is below \$600,000 and employment is not likely to exceed 15, then the company is not required to be certified.
- f) Property tax relief will not be granted to businesses having tax abatements or exemptions under other City or State economic development programs (e.g. P.A. 198, Renaissance Zone) or businesses located in a Tax Increment Financing Area.

# CITY COMMISSION POLICY

NUMBER: 900-38

Page 3 of 3

3. Compliance with Equal Opportunity and Non-Discrimination in City Contracting Policy

Applicants seeking the Personal Property Tax Relief shall demonstrate their commitment to and compliance with City Commission Policy 600-10 – Equal Opportunity and Non-Discrimination in City Contracting. Such commitment shall be demonstrated by completion and submission of all required data to the Office of Diversity and Inclusion. The Office of Diversity and Inclusion shall receive and evaluate this data and issue an approval/denial letter.

Any application for Personal Property Tax Relief shall be accompanied by the appropriate approval letter from the Office of Diversity and Inclusion.

Unless this Policy is waived as provided for hereunder, the City Commission shall not act upon the application until the Office of Diversity and Inclusion has certified that such applicant is either exempt from or in compliance with this Policy.

4. Applicability

- a) Exemption will be for no more than twelve (12) years for all new personal property placed within the District within two (2) years of approval of a resolution by the City Commission.
- b) All applicants must be current with all real and personal property taxes.
- c) All applicants must not be under written orders for violations of the zoning ordinance and must be in compliance with all applicable zoning codes.
- d) All applicants must enter into a Memorandum of Understanding with the City of Grand Rapids.
- e) If applicant's project exceeds \$600,000 or total employment upon completion of project is likely to equal or exceed fifteen (15) persons, then they must receive certification of equal opportunity practices from the Office of Diversity and Inclusion according to the above guidelines under Section 3. If the project is below \$600,000 and employment is not likely to exceed 15, then the company is not required to be certified.
- f) Property tax relief will not be granted to businesses having tax abatements or exemptions under other City or State economic development programs (e.g. P.A. 198, Renaissance Zone) or businesses located in a Tax Increment Financing Area.