


CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 700-08	HISTORY	
		FILE #	DATE
	DATE: December 22, 1998	65998	6/8/99
	FILE NUMBER: 65459		
	DEPARTMENT: FISCAL SERVICES		

SUBJECT: RENAISSANCE ZONE: DETERMINATION OF “SUBSTANTIALLY DELINQUENT” TAX STATUS

PURPOSE: To establish the dollar amount and other criteria by which the City will determine “substantially delinquent” status for the purpose of enforcing certain provisions of the State Renaissance Zone Act as provided for in Section 10 of Public Act No. 36 of 1999, as amended, being MCL 125.2690.

POLICY:

The following is the policy of the City Commission with respect to determination of “Substantial Delinquency” with respect to the granting of tax exemption as provided for in MCL 125.2690 as amended:

1. In order to qualify for exemption in tax years 1999 and thereafter, from certain City Property and City Income Taxes, a resident, business or property owner shall bring all applicable significant outstanding tax balances current on or before December 31 each year.
2. There is hereby established certain minimum levels for the purpose of determining the dollar threshold which shall preclude the approval of a tax exemption as follows:
 - a) On December 31 of any calendar year, the resident, business or property owner has a property tax balance past due and outstanding which is in excess of \$1,000

and/or

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- b) On December 31 of any calendar year, the resident, business or property owner has been determined to have an income tax delinquency, including interest of an amount in excess of \$1,000.
3. Beginning with tax year 2000, those residents, businesses or property owners determined to have a significant delinquency as described in the preceding section, shall be notified of such status, by registered letter, not later than the next immediately following February 15.
4. Beginning with tax year 2000, if the resident, business, or property owner has not resolved and/or paid off such identified outstanding delinquency on or prior to the immediately thereafter following March 31, then the City shall deem that resident, business or property owner to be "substantially delinquent" as defined in state law and shall not qualify the same for exemption from applicable taxes as defined under the Michigan Renaissance Zone Act.
5. Beginning with tax year 2000, a report of all such significant delinquencies in existence as of December 31 shall be prepared and transmitted to the City Commission. In addition, a final report issued after March 31 of each calendar year, shall be prepared and disseminated to the City Commission. This list shall contain the names and addresses of all residents, businesses or property owners who might otherwise have qualified for tax exemption during the then calendar year, but for final determination of "Substantially Delinquent" status.
6. Certain limited exemptions, denied in the 1997 and 1998 calendar tax years, shall be restored if a business submits the following documents and attests to the accuracy of same.
 - a) The business had no ownership interest in the real property cited for property tax delinquency.
 - b) The business had previously entered into a real property lease agreement thereby assuming a liability for property taxes assessed against the property.
 - c) A copy of the property rental agreement is submitted to the City Treasurer accompanied by an affidavit attesting to the qualification of the business based on the criteria cited in "a" and "b" above.
 - d) Upon receipt of the items cited in "c" above and verification of compliance with this policy, the City Treasurer, City Income Tax Administrator and City Assessor are directed to restore the appropriate State Renaissance Zone Act tax exemption to the identified real property in order to hold the tenant harmless based on a determination of net "Substantially Delinquent" status.

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- e) On or prior to December 31, 1998, a business or property owner which had previously been denied a Michigan Renaissance Zone tax exemption, due to incomplete personal property statement filings, shall have that exemption restored if all required personal property statement filings are submitted to the City Assessor.