

**Comstock Charter Township
Industrial Facilities Tax Abatement Policy**

ADOPTED: October 21, 2021

I. General Purpose

Public Act 198 of 1974, the Plant Rehabilitation and Industrial Development Districts Act, was adopted in the State of Michigan as a means of providing a stimulus in the form of tax incentives to industry for the purpose of creating new jobs and maintaining existing jobs.

It is the responsibility of the Comstock Charter Township Board to establish the necessary districts as provided by law; to ascertain that the abatements considered will be to the benefit of the residents of the Township; to find that the issuance of any certificate will not substantially impede the operation of the Township government or impair the financial soundness of a taxing unit, to find the property being considered for the tax abatement to be obsolete; and to approve the granting of exemption certificates. The Township Board desires to continue to provide opportunity for industrial development and expansion where it meets the economic development and land use planning goals of the Township and hence the creation or retention of jobs for its residents. The Township Board also recognizes its responsibility to the community to maintain services and uphold the quality of life. All requests for tax abatements shall be considered on an individual basis by the Township Board.

II. Goals and Objectives

The primary goals of Comstock Charter Township with regard to Act 198 are to provide an atmosphere which will encourage capital formation and investment in our community and create industrial jobs. To these ends, the Township Board will evaluate Act 198 applications in view of the following goals and objectives:

1. The project will expand the Township's industrial tax base.
2. The project will provide a beneficial public purpose through either the creation of new industrial jobs within the community or the expansion/improvement of important Township infrastructure (e.g. improvement of the wastewater collection system and/or municipal water distribution system, the construction or improvement of public roads, etc.).
3. The development will complement the Township's land use and Master Plan objectives.
4. The development will provide economic stimulus to other private sector facilities.

III. Applicant Guidelines

The applicant shall comply with the following criteria, unless specifically waived by the Township Board, at the time of application for a tax abatement district:

1. The application meets all current financial obligations to the Township, is in compliance with all applicable federal, state and Township codes, and has no pending litigation against the Township, including appeals to the Michigan Tax Tribunal.
2. The estimated value of the eligible construction or capital improvement is \$500,000 or more.
3. The applicant is willing to execute an Abatement Agreement within the Township which shall, at a minimum, include the following:
 - a. That the exemption certificate may be revoked or reduced if the applicant has not substantially complied with the conditions of the abatement with respect to the items described in the application and within the time frame provided.
 - b. In the event that the applicant ceases operation, so that it is no longer employing people and producing goods and no successor employer is providing employment during the term of the abatement then, if less than two years has transpired since the approval of the exemption certificate from the State Tax Commission, 100% of the tax abatement from the local unit shall be repaid by the applicant; if between two and four years have transpired since approval of the exemption certificate by the State Tax Commission, 50% of the tax abatement from the local unit shall be repaid by the applicant; if more than four years have transpired since approval of the exemption certificate by the State Tax Commission, then no funds shall be repayable, however, the exemption certificate may be revoked for any remaining term.
4. The applicant agrees to provide Township staff with information on its project investment and number of employees as required by the Township during the term of the abatement.
5. The applicant shall follow the steps below to request that a tax abatement district be established and that an exemption certificate be issued.
 - a. Applicants requesting the establishment of a tax abatement district must submit a letter of request and an Application for the Establishment of an Act 198 District (forms available at the Township Hall) to the Township Clerk, along with a non-refundable filing fee as required in Section VI.
 - b. An Application for the Establishment of an Act 198 District shall be filed prior to the start of construction or any improvement to the property.
 - c. If the establishment of a district is approved, the applicant may proceed with an application for an exemption certificate. This may occur contemporaneously with the request to establish a district.
 - d. Applicants requesting an exemption certificate within an established district must submit an application and Act 198 Information Summary (forms available at the Township Hall) to the Township Clerk within the legal timeframe (six months from the commencement of construction/installation), along with a non-refundable filing fee (if the district was previously established) as required by in Section VI.

- e. Applicants, or their duly appointed representatives, must attend all meetings and public hearings affecting the establishment of a district and issues of their certificate; otherwise the Township Board shall take no action.
- f. Applicants must comply with the requirements of Public Act 198 of 1974, as amended. To ensure consideration for the following tax year, an exemption application should be approved by the Comstock Charter Township Board and be in the possession of the State Tax Commission (STC) in Lansing prior to October 31st to ensure it is processed by the STC before the end of the year.

IV. Township Guidelines

- 1. All completed applications for the establishment of a district, an exemption certificate or transfer of an existing certificate shall be submitted to the Township Clerk by September 1st and approved by the Township Board by mid-October.
- 2. Public hearings will be scheduled and legal notices will be published by the Township Board as required by law. The applicant will be notified of the dates of the hearings by mail.
- 3. Final approval of a district or exemption certificate issuance shall be decided by the Township Board. The Township Board will determine the abatement term length for all exemption certificates.
- 4. All exemption certificates granted by Comstock Charter Township shall be subject to compliance reviews. If the Township has reason to believe that the applicant has not been, or is no longer in compliance with the provisions stated in the application, it shall conduct a compliance review. A mandatory compliance review will be held at the mid-point of a tax abatement term.
- 5. The chief executive officer, or a duly authorized employee, of the company receiving the exemption certificate shall be required to annually file with the Township a notarized statement that the company is in compliance with their application and, if not, a statement of the company's intended actions to come into compliance. The statement shall be filed with the Township Clerk by December 31st of each year.
- 6. Pursuant to Act 334 of the Public Acts of 1993, as amended, prior to approval of the issuance of an industrial facilities exemption certificate, the applicant and the Township shall enter into an Abatement Agreement which, at a minimum, includes the following terms and conditions:
 - a. Failure by the applicant to produce the number of jobs promised in an application, or to provide the total capital investment promised in an application which was otherwise approved by the Township, could result in an abatement revocation or reduction in the number of years that taxes are abated.
 - b. In the event the applicant has not substantially complied with the application, with respect to the items described in the application, and within the time frames provided in the application, the abatement previously approved may be revoked or the term reduced by the Township.

- c. In the event the applicant ceases operation of its industrial facility in the Township, so that it is no longer employing people and not producing goods, the Township shall be repaid a portion or the entire amount of the taxes previously abated, in accordance with the provisions of the Agreement.
- d. The Township Supervisor and Clerk shall be authorized to sign the Agreement on behalf of the Township.

V. Application Fees

The initial filing fee of \$500 includes processing both the Application for Establishment of an ACT 198 District and exemption certificate application. This fee shall be due and payable upon filing of the initial application. If a District has already been established and a subsequent application is being filed for a tax abatement exemption certificate, a \$250 filing fee must accompany the application when filed. The applicant shall also thereafter reimburse the Township for any expense incurred by the Township **in excess of the filing fee** in processing such applications, such as publication and mailing expenses, committee fees, and actual legal fees incurred by the Township in processing such applications. The total fees, including any additional expenses incurred over the initial filing fee, shall not exceed 2% of the total property taxes abated during the term of the exemption certificate.

Adopted by the Comstock Township Board at a meeting on October 4, 2021.