

City of Kentwood

TAX ABATEMENT PROGRAM UNDER THE PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT DISTRICTS ACT of 1974

History

The following policies have been adopted by the Kentwood City Commission of the City of Kentwood on July 6, 2004 after study and recommendations from the Tax Abatement Study Committee in Spring 2004. The Study Committee was made up of business representatives, Economic Development Corporation members, City representatives and citizens to develop clear guidelines on the issuance of tax abatements in the City of Kentwood.

General Policies

1. The term of tax abatements for real property shall be 12 years. The term of personal property tax abatements shall be 8 years. Extensions of abatements for personal property beyond the eight year period will not be considered.
2. These policies have been developed as a guide to indicate what information will be helpful for the Kentwood City Commission in rendering their decision on a tax abatement. Receipt of the information does not necessarily guarantee approval of the Industrial Facilities Exemption Certificate.
2. The city wants businesses to create and retain jobs and to remain competitive. Kentwood recognizes that in some cases, new technologies may create a loss of employment for the company that is necessary to prevent the loss of the business or its relocation outside the state of Michigan. In the case of job retention or job loss, the burden of proof is on the applicant to show how the approval of the tax abatement would avert substantial job loss. The applicant shall also show how changing technologies will affect the skill and wage levels of the jobs that are to be retained.
3. Under the provisions of Public Act 198, an Industrial Development District must be established prior to the application for an Industrial Facilities Exemption Certificate. The Industrial Development District must be a legal description of the parcel of land on which the abatement is to take place. If an Industrial Development District currently exists on the property, the applicant may proceed directly to the application of an Industrial Facilities Exemption Certificate.
4. Tax abatements shall not be granted for speculative buildings as defined by Section 207.553 Section 3 (8) of Public Act 198 of 1974, as amended.

5. The applicant for tax abatement must submit a report on June 1 of each year of the term of the abatement detailing the number and type of jobs created and the current employment for the company. Failure to submit the report may result in the termination of the Industrial Facilities Exemption Certificate (the "Certificate").
6. Tax abatement recipients must report any leased equipment approved under the Certificate to the State Tax Commission and the Kentwood City Assessor. A copy of the lease for each piece of equipment must be provided to the State Tax Commission and the City Assessor. The term of the lease must exceed the term of the certificate.
7. A tax abatement application is not complete until the required applications and attachments for the tax abatements has been completed and filed with the city. The application will not be processed prior to receipt of the completed application.
8. Public Act 198 of 1974 as amended requires that if a business with a tax abatement relocates outside Kentwood while the abatement is still in effect, the city has an option to require the business to repay the abated taxes.
9. The City Commission will generally approve applications for tax abatement where the company shows the following:
 - That it has filed all necessary applications and attachments with the City of Kentwood
 - That jobs will be created or retained as a result of the project, or in the case of employment loss, the company must indicate how retention or reduction of jobs will avert substantial loss of jobs

Procedures for application for tax abatement through the City of Kentwood

The procedure for the approval of tax abatements approved takes about 2 months from time the applications are completed and filed with the city and the time it is prepared for forwarding to the State Tax Commission.

The applicant must attend the public hearings for the establishment of the industrial development district and for the approval of the certificate. The applicant or the applicant's representative will be sent notice of the dates and times of the meetings they are to attend. The Kentwood City Commission meets on the first and third Tuesdays of the month at 7:30 P.M. at the Kentwood City Center, 4900 Breton SE. The company representative attending the meeting should be knowledgeable about the operations of the company, its products, competitors, and employment. The employment data presented should include the number of jobs, wage ranges, and benefits associated with the jobs created by the expansion. The representative will be asked to make a brief presentation on the company covering the information provided to the city.

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An application for tax abatement should be filed at:

City of Kentwood

4900 Breton SE P.O. Box 8848

Kentwood MI 49518-8848

Attn: Lisa Golder

For more information, contact:

Lisa Golder

City of Kentwood

(616) 554-0709

(616) 698-7118 (fax)

golderl@ci.kentwood.mi.us (e-mail)