

**Guide to Tax Exemption for Water Pollution Control Facilities
Under Part 37, Act 451 of 1994
Natural Resources and Environmental Protection Act**

Part 37 (Formerly PA 222 of 1966) as amended, states that, “If the Department of Environmental Quality finds that the facility is designed and operated primarily for control, capture and removal of industrial waste from the water, and is suitable, reasonably adequate... they shall so notify the State Tax Commission, who shall issue a certificate.”

The following are types of facilities that would normally qualify for real and personal property, sales and use tax exemption status under Part 37 providing, upon review or inspection by the Department of Environmental Quality, they are found to be functioning adequately.

1. Industrial wastewater treatment or pre-treatment installations and ancillary equipment such as wastewater storage and chemical treatment storage tanks, pumps, piping, electrical, instrumentation and sludge de-watering equipment.
 - a. Buildings housing the treatment installation including heating and lighting, foundations for equipment and catwalks or other access structures.
 - b. Private roadways used exclusively to serve the treatment facility.
 - c. Cost of items considered a part of the property value of the installations such as engineering or consultant fees and construction costs.
2. Waste disposal wells and monitoring wells.
3. Purge wells and treatment systems for industrially contaminated groundwater.
4. Incinerators or other technologies that effectively destroy hazardous industrial wastes that are potential water contaminants.
5. Landfill components that serve primarily for the purpose of reducing water pollution such as leachate collection systems.
6. Containment dikes, impervious flooring or other containment structures to retain spillage or leakage from chemical storage tanks or hazardous waste containers.
7. Industrial cooling water regeneration systems and wastewater recycle systems. Pumps and piping to the system would qualify, but not return pumps and piping back to the process.

8. Laboratories and lab equipment used in connection with industrial wastewater pollution control.
9. Agricultural facilities that have a primary purpose of water pollution control, such as animal waste storage facilities, pesticide and fertilizer storage facilities and certain land use changes such as green belts and filter strips that are installed and maintained to prevent water pollution.
10. Well casings and other measures that prevent losses to drinking water aquifers from production wells.

NOTE: Storm water facilities normally do not qualify under the statute.

The amount of tax exemption is reduced by the yearly productive or commercial value derived from any material captured or recovered from the water pollution control facilities.

Applications for water pollution control tax exemption certificates, instructions and a copy of the statute can be obtained from:

Property Services Division
P.O. Box 30760
Lansing, MI 48909
(517) 373-2408
or at: www.michigan.gov/propertytaxexemptions