

E. Alternative State Essential Services Assessment

The Michigan Strategic Fund Board (Fund Board) may adopt a resolution to exempt from the Essential Services Assessment personal property and determine whether that personal property is subject to the Alternative Essential Services Assessment, if at least \$25 million will be invested in additional EMPP in Michigan during the term of the agreement with the Fund Board.

The Fund Board shall consider the following criteria to the extent reasonably applicable to the type of investment proposed when approving an exemption to the assessment:

- (a) Out-of-state competition.
- (b) Net-positive return to this state.
- (c) Level of investment made by the eligible claimant.
- (d) Business diversification.
- (e) Reuse of existing facilities.
- (f) Near-term job creation or significant job retention as a result of the investment made in eligible personal property.
- (g) Strong links to Michigan suppliers.
- (h) Whether the project is in a local unit of government that contains an eligible distressed area as that term is defined in section 11 of the state housing development authority act of 1966, 1967 PA 346, MCL 125.1411.

The Alternative State Essential Services Assessment is calculated as follows:

1. For eligible personal property acquired by the eligible claimant in year 1 to 5 years before the assessment year, multiply the acquisition cost of the eligible personal property by 100% of the mills levied under the ESA (or 1.2 mills).
2. For eligible personal property acquired by the eligible claimant in year 6 to 10 years before the assessment year, multiply the acquisition cost of the eligible personal property by 50% of the mills levied under the ESA (or .625 mills).
3. For eligible personal property acquired by the eligible claimant more than 10 years before the assessment year, multiply the acquisition cost of the eligible personal property by 30% of the mills levied under the ESA (or .450 mills).

Responsibilities as well as appeal rights under the Alternative Essential Services Assessment are the same as under the ESA (see B, C and D above).