## SENATE SUBSTITUTE FOR HOUSE BILL NO. 5444

A bill to provide for the establishment of obsolete property rehabilitation districts in certain local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of certain local government officials; and to provide penalties.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. This act shall be known and may be cited as the
- 2 "obsolete property rehabilitation act".
- 3 Sec. 2. As used in this act:
- 4 (a) "Commercial housing property" means that portion of real
- 5 property not occupied by an owner of that real property that is

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## HB 5444, As Passed Senate, April 6, 2000

House Bill No. 5444 as amended April 5, 2000

1 classified as residential real property under section 34c of the

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- 2 general property tax act, 1893 PA 206, MCL 211.34c, is a
- 3 multiple-unit dwelling, or is a dwelling unit in a
- 4 multiple-purpose structure, used for residential purposes.
- 5 Commercial housing property also includes a building or group of
- 6 contiguous buildings previously used for industrial purposes that
- 7 will be converted to a multiple-unit dwelling or dwelling unit in
- 8 a multiple-purpose structure, used for residential purposes.
- 9 (b) "Commercial property" means land improvements classified
- 10 by law for general ad valorem tax purposes as real property
- 11 including real property assessable as personal property pursuant
- 12 to sections 8(d) and 14(6) of the general property tax act, 1893
- 13 PA 206, MCL 211.8 and 211.14, the primary purpose and use of
- 14 which is the operation of a commercial business enterprise.
- 15 Commercial property shall also include facilities related to a
- 16 commercial business enterprise under the same ownership at that
- 17 location, including, but not limited to, office, engineering,
- 18 research and development, warehousing, parts distribution, retail
- 19 sales, and other commercial activities. Commercial property also
- 20 includes a building or group of contiguous buildings previously
- 21 used for industrial purposes that will be converted to
- the operation of a commercial business
- 23 enterprise or a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial property does not include any of the
- 24 following:
- 25 (i) Land.
- 26 (ii) Property of a public utility.

1 (c) "Commission" means the state tax commission created by

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- 2 1927 PA 360, MCL 209.101 to 209.107.
- 3 (d) "Department" means the department of treasury.
- **4** (e) "Facility", except as otherwise provided in this act,
- 5 means a building or group of contiguous buildings.
- **6** (f) "Functionally obsolete" means that term as defined in
- 7 section 2 of the brownfield redevelopment financing act, 1996
- 8 PA 381, MCL 125.2652.
- **9** (g) "Obsolete properties tax" means the specific tax levied
- 10 under this act.
- 11 (h) "Obsolete property" means commercial property or commer-
- 12 cial housing property, that is 1 or more of the following:
- 13 (i) Blighted, as that term is defined in section 2 of the
- 14 brownfield redevelopment financing act, 1996 PA 381,
- **15** MCL 125.2652.
- 16 (ii) A facility as that term is defined under section 20101
- 17 of the natural resources and environmental protection act, 1994
- **18** PA 451, MCL 324.20101.
- 19 (iii) Functionally obsolete.
- (i) "Obsolete property rehabilitation district" means an
- 21 area of a qualified local governmental unit established as pro-
- 22 vided in section 3. Only those properties within the district
- 23 meeting the definition of "obsolete property" are eligible for an
- 24 exemption certificate issued pursuant to section 6.
- 25 (j) "Obsolete property rehabilitation exemption certificate"
- 26 or "certificate" means the certificate issued pursuant to section
- **27** 6.

(k) "Qualified local governmental unit" means 1 or more of

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- 2 the following:
- 3 (i) A city with a median family income of 150% or less of
- 4 the statewide median family income as reported in the 1990 fed-
- 5 eral decennial census that meets 1 or more of the following
- 6 criteria:
- 7 (A) Contains or has within its borders an eligible dis-
- **8** tressed area as that term is defined in section 1411(u)(ii) of
- 9 the state housing development authority act of 1966, 1966 PA 346,
- **10** MCL 125.1411.
- 11 (B) Is contiguous to a city with a population of 500,000 or
- 12 more.
- 13 (C) Has a population of 10,000 or more that is located out-
- 14 side of an urbanized area as delineated by the United States
- 15 bureau of the census.
- 16 (D) Is the central city of a metropolitan area designated by
- 17 the United States office of management and budget.
- 18 (E) Has a population of 100,000 or more that is located in a
- 19 county with a population of 2,000,000 or more according to the
- 20 1990 federal decennial census.
- 21 (ii) A township with a median family income of 150% or less
- 22 of the statewide median family income as reported in the 1990
- 23 federal decennial census that meets 1 or more of the following
- 24 criteria:
- 25 (A) Is contiguous to a city with a population of 500,000 or
- **26** more.

- 1 (B) All of the following:
- 2 (I) Contains or has within its borders an eligible
- 3 distressed area as that term is defined in section 1411(u)(ii) of

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- 4 the state housing development authority act of 1966, 1966 PA 346,
- **5** MCL 125.1411.
- 6 (II) Has a population of 10,000 or more.
- 7 (iii) A village with a population of 500 or more as reported
- 8 in the 1990 federal decennial census located in an area desig-
- 9 nated as a rural enterprise community before 1998 under title
- 10 XIII of the omnibus budget reconciliation act of 1993, Public Law
- **11** 103-66, 107 Stat. 416.
- 12 (iv) A city that meets all of the following criteria:
- (A) Has a population of more than 20,000 or less than 5,000
- 14 and is located in a county with a population of 2,000,000 or more
- 15 according to the 1990 federal decennial census.
- 16 (B) As of January 1, 2000, has an overall increase in the
- 17 state equalized valuation of real and personal property of less
- 18 than 65% of the statewide average increase since 1972 as deter-
- 19 mined for the designation of eligible distressed areas under sec-
- 20 tion 1411(u)(ii)(B) of the state housing development authority
- 21 act of 1966, 1966 PA 346, MCL 125.1411.
- (v) A township that meets all of the following criteria:
- 23 (A) Is located in a county with a population of more than
- 24 600,000 and less than 1,000,000 according to the 1990 federal
- 25 decennial census.
- 26 (B) Has a population of more than 40,000 and less than
- 27 80,000 according to the 2000 federal decennial census. Prior to

- 1 the release of the 2000 federal decennial census populations, the
- 2 department of management and budget's estimates of populations as
- 3 of July 1998 shall be used for the determination of this
- 4 criterion.
- (l) "Rehabilitation" means changes to obsolete property
- 6 other than replacement that are required to restore or modify the
- 7 property, together with all appurtenances, to an economically
- 8 efficient condition. Rehabilitation includes major renovation
- 9 and modification including, but not necessarily limited to, the
- 10 improvement of floor loads, correction of deficient or excessive
- 11 height, new or improved fixed building equipment, including heat-
- 12 ing, ventilation, and lighting, reducing multistory facilities to
- 13 1 or 2 stories, improved structural support including founda-
- 14 tions, improved roof structure and cover, floor replacement,
- 15 improved wall placement, improved exterior and interior appear-
- 16 ance of buildings, and other physical changes required to restore
- 17 or change the obsolete property to an economically efficient
- 18 condition. Rehabilitation shall not include improvements aggre-
- 19 gating less than 10% of the true cash value of the property at
- 20 commencement of the rehabilitation of the obsolete property.
- 21 (m) "Rehabilitated facility" means a commercial property or
- 22 commercial housing property that has undergone rehabilitation or
- 23 is in the process of being rehabilitated, including rehabilita-
- 24 tion that changes the intended use of the building. A rehabili-
- 25 tated facility does not include property that is to be used as a
- 26 professional sports stadium. A rehabilitated facility does not
- 27 include property that is to be used as a casino. As used in this

- 1 subdivision, "casino" means a casino or a parking lot, hotel,
- 2 motel, or retail store owned or operated by a casino, an affili-
- 3 ate, or an affiliated company, regulated by this state pursuant
- 4 to the Michigan gaming control and revenue act, the Initiated Law
- **5** of 1996, MCL 432.201 to 432.226.
- 6 (n) "Taxable value" means the value determined under section
- 7 27a of the general property tax act, 1893 PA 206, MCL 211.27a.
- 8 Sec. 3. (1) A qualified local governmental unit, by resolu-
- 9 tion of its legislative body, may establish 1 or more obsolete
- 10 property rehabilitation districts that may consist of 1 or more
- 11 parcels or tracts of land or a portion of a parcel or tract of
- 12 land, if at the time the resolution is adopted, the parcel or
- 13 tract of land or portion of a parcel or tract of land within the
- 14 district is either of the following:
- 15 (a) Obsolete property in an area characterized by obsolete
- 16 commercial property or commercial housing property.
- 17 (b) Commercial property that is obsolete property that was
- 18 owned by a qualified local governmental unit on the effective
- 19 date of this act, and subsequently conveyed to a private owner.
- 20 (2) The legislative body of a qualified local governmental
- 21 unit may establish an obsolete property rehabilitation district
- 22 on its own initiative or upon a written request filed by the
- 23 owner or owners of property comprising at least 50% of all tax-
- 24 able value of the property located within a proposed obsolete
- 25 property rehabilitation district. The written request must be
- 26 filed with the clerk of the qualified local governmental unit.

- 1 (3) Before adopting a resolution establishing an obsolete
- 2 property rehabilitation district, the legislative body shall give
- 3 written notice by certified mail to the owners of all real prop-
- 4 erty within the proposed obsolete property rehabilitation dis-
- 5 trict and shall afford an opportunity for a hearing on the estab-
- 6 lishment of the obsolete property rehabilitation district at
- 7 which any of those owners and any other resident or taxpayer of
- 8 the qualified local governmental unit may appear and be heard.
- 9 The legislative body shall give public notice of the hearing not
- 10 less than 10 days or more than 30 days before the date of the
- 11 hearing.
- 12 (4) The legislative body of the qualified local governmental
- 13 unit, in its resolution establishing an obsolete property reha-
- 14 bilitation district, shall set forth a finding and determination
- 15 that the district meets the requirements set forth in subsection
- **16** (1).
- 17 Sec. 4. (1) If an obsolete property rehabilitation district
- 18 is established under section 3, the owner of obsolete property
- 19 may file an application for an obsolete property rehabilitation
- 20 exemption certificate with the clerk of the qualified local gov-
- 21 ernmental unit that established the obsolete property rehabilita-
- 22 tion district. The application shall be filed in the manner and
- 23 form prescribed by the commission. The application shall contain
- 24 or be accompanied by a general description of the obsolete facil-
- 25 ity and a general description of the proposed use of the rehabil-
- 26 itated facility, the general nature and extent of the
- 27 rehabilitation to be undertaken, a descriptive list of the fixed

- 1 building equipment that will be a part of the rehabilitated
- 2 facility, a time schedule for undertaking and completing the
- 3 rehabilitation of the facility, a statement of the economic
- 4 advantages expected from the exemption, including the number of
- 5 jobs to be retained or created as a result of rehabilitating the
- 6 facility, including expected construction employment, and infor-
- 7 mation relating to the requirements in section 8.
- **8** (2) Upon receipt of an application for an obsolete property
- 9 rehabilitation exemption certificate, the clerk of the qualified
- 10 local governmental unit shall notify in writing the assessor of
- 11 the local tax collecting unit in which the obsolete facility is
- 12 located, and the legislative body of each taxing unit that levies
- 13 ad valorem property taxes in the qualified local governmental
- 14 unit in which the obsolete facility is located. Before acting
- 15 upon the application, the legislative body of the qualified local
- 16 governmental unit shall hold a public hearing on the application
- 17 and give public notice to the applicant, the assessor, a repre-
- 18 sentative of the affected taxing units, and the general public.
- 19 The hearing on each application shall be held separately from the
- 20 hearing on the establishment of the obsolete property rehabilita-
- 21 tion district.
- 22 (3) Upon receipt of an application for an obsolete property
- 23 rehabilitation exemption certificate for a facility located on
- 24 property that was owned by a qualified local governmental unit on
- 25 the effective date of this act, and subsequently conveyed to a
- 26 private owner, the clerk of the qualified local governmental
- 27 unit, in addition to the other requirements of this section,

- 1 shall request the assessor of the local tax collecting unit in
- 2 which the facility is located to determine the taxable value of
- 3 the property. This determination shall be made prior to the
- 4 hearing on the application for an obsolete property rehabilita-
- 5 tion exemption certificate held pursuant to subsection (2).
- 6 Sec. 5. The legislative body of the qualified local govern-
- 7 mental unit, not more than 60 days after receipt of the applica-
- 8 tion by the clerk, shall by resolution either approve or disap-
- 9 prove the application for an obsolete property rehabilitation
- 10 exemption certificate in accordance with section 8 and the other
- 11 provisions of this act. The clerk shall retain the original of
- 12 the application and resolution. If approved, the clerk shall
- 13 forward a copy of the application and resolution to the
- 14 commission. If disapproved, the reasons shall be set forth in
- 15 writing in the resolution, and the clerk shall send, by certified
- 16 mail, a copy of the resolution to the applicant and to the
- 17 assessor. A resolution is not effective unless approved by the
- 18 commission as provided in section 6.
- 19 Sec. 6. (1) Not more than 60 days after receipt of a copy
- 20 of the application and resolution adopted under section 5, the
- 21 commission shall approve or disapprove the resolution.
- 22 (2) Following approval of the application by the legislative
- 23 body of the qualified local governmental unit and the commission,
- 24 the commission shall issue to the applicant an obsolete property
- 25 rehabilitation exemption certificate in the form the commission
- 26 determines, which shall contain all of the following:

- (a) A legal description of the real property on which the
  obsolete facility is located.
- 3 (b) A statement that unless revoked as provided in this act
- 4 the certificate shall remain in force for the period stated in
- **5** the certificate.
- 6 (c) A statement of the taxable value of the obsolete proper-
- 7 ty, separately stated for real and personal property, for the tax
- 8 year immediately preceding the effective date of the certificate
- 9 after deducting the taxable value of the land and personal prop-
- 10 erty other than personal property assessed pursuant to sections
- 11 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL
- **12** 211.8 and 211.14.
- 13 (d) A statement of the period of time authorized by the leg-
- 14 islative body of the qualified local governmental unit within
- 15 which the rehabilitation shall be completed.
- 16 (e) If the period of time authorized by the legislative body
- 17 of the qualified local governmental unit pursuant to subdivision
- 18 (d) is less than 12 years, the exemption certificate shall con-
- 19 tain the factors, criteria, and objectives, as determined by the
- 20 resolution of the qualified local governmental unit, necessary
- 21 for extending the period of time, if any.
- 22 (3) The effective date of the certificate is the December 31
- 23 immediately following the date of issuance of the certificate.
- 24 (4) The commission shall file with the clerk of the quali-
- 25 fied local governmental unit a copy of the obsolete property
- 26 rehabilitation exemption certificate, and the commission shall
- 27 maintain a record of all certificates filed. The commission

- 1 shall also send, by certified mail, a copy of the obsolete
- 2 property rehabilitation exemption certificate to the applicant
- 3 and the assessor of the local tax collecting unit in which the
- 4 obsolete property is located.
- 5 Sec. 7. (1) A rehabilitated facility for which an obsolete
- 6 property rehabilitation exemption certificate is in effect, but
- 7 not the land on which the rehabilitated facility is located, or
- 8 personal property other than personal property assessed pursuant
- 9 to sections 8(d) and 14(6) of the general property tax act, 1893
- 10 PA 206, MCL 211.8 and 211.14, for the period on and after the
- 11 effective date of the certificate and continuing so long as the
- 12 obsolete property rehabilitation exemption certificate is in
- 13 force, is exempt from ad valorem property taxes collected under
- 14 the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.
- 15 (2) Unless earlier revoked as provided in section 12, an
- 16 obsolete property rehabilitation exemption certificate shall
- 17 remain in force and effect for a period to be determined by the
- 18 legislative body of the qualified local governmental unit. The
- 19 certificate may be issued for a period of at least 1 year, but
- 20 not to exceed 12 years. If the number of years determined is
- 21 less than 12, the certificate may be subject to review by the
- 22 legislative body of the qualified local governmental unit and the
- 23 certificate may be extended. The total amount of time determined
- 24 for the certificate including any extensions shall not exceed 12
- 25 years after the completion of the rehabilitated facility. The
- 26 certificate shall commence with its effective date and end on the
- 27 December 31 immediately following the last day of the number of

- 1 years determined. The date of issuance of a certificate of
- 2 occupancy, if required by appropriate authority, shall be the
- 3 date of completion of the rehabilitated facility.
- 4 (3) If the number of years determined by the legislative
- 5 body of the qualified local governmental unit for the period a
- 6 certificate remains in force is less than 12 years, the review of
- 7 the certificate for the purpose of determining an extension shall
- 8 be based upon factors, criteria, and objectives that shall be
- 9 placed in writing, determined and approved at the time the cer-
- 10 tificate is approved by resolution of the legislative body of the
- 11 qualified local governmental unit and sent, by certified mail, to
- 12 the applicant, the assessor of the local tax collecting unit in
- 13 which the obsolete property is located, and the commission.
- 14 Sec. 8. (1) If the taxable value of the property proposed
- 15 to be exempt pursuant to an application under consideration, con-
- 16 sidered together with the aggregate taxable value of property
- 17 exempt under certificates previously granted and currently in
- 18 force under this act or under 1974 PA 198, MCL 207.551 to
- 19 207.572, exceeds 5% of the taxable value of the qualified local
- 20 governmental unit, the legislative body of the qualified local
- 21 governmental unit shall make a separate finding and shall include
- 22 a statement in its resolution approving the application that
- 23 exceeding that amount shall not have the effect of substantially
- 24 impeding the operation of the qualified local governmental unit
- 25 or impairing the financial soundness of an affected taxing unit.
- 26 (2) The legislative body of the qualified local governmental
- 27 unit shall not approve an application for an obsolete property

- 1 exemption certificate unless the applicant complies with all of
- 2 the following requirements:
- 3 (a) The commencement of the rehabilitation of the facility
- 4 does not occur before the establishment of the obsolete property
- 5 rehabilitation district.
- **6** (b) The application relates to a rehabilitation program that
- 7 when completed constitutes a rehabilitated facility within the
- 8 meaning of this act and that shall be situated within an obsolete
- 9 property rehabilitation district established in a qualified local
- 10 governmental unit eligible under this act to establish such a
- 11 district.
- 12 (c) Completion of the rehabilitated facility is calculated
- 13 to, and will at the time of issuance of the certificate have the
- 14 reasonable likelihood to, increase commercial activity, create
- 15 employment, retain employment, prevent a loss of employment,
- 16 revitalize urban areas, or increase the number of residents in
- 17 the community in which the facility is situated.
- 18 (d) The applicant states, in writing, that the rehabilita-
- 19 tion of the facility would not be undertaken without the
- 20 applicant's receipt of the exemption certificate.
- 21 (e) The applicant is not delinquent in the payment of any
- 22 taxes related to the facility.
- Sec. 9. The assessor of each qualified local governmental
- 24 unit in which there is a rehabilitated facility with respect to
- 25 which 1 or more obsolete property rehabilitation exemption cer-
- 26 tificates have been issued and are in force shall determine
- 27 annually as of December 31 the value and taxable value, both for

- 1 real and personal property, of each rehabilitated facility
- 2 separately, having the benefit of a certificate and upon receipt
- 3 of notice of the filing of an application for the issuance of a
- 4 certificate, shall determine and furnish to the local legislative
- 5 body the value and the taxable value of the property to which the
- 6 application pertains and other information as may be necessary to
- 7 permit the local legislative body to make the determinations
- 8 required by section 8(2).
- 9 Sec. 10. (1) There is levied upon every owner of a rehabil-
- 10 itated facility to which an obsolete property rehabilitation
- 11 exemption certificate is issued a specific tax to be known as the
- 12 obsolete properties tax.
- 13 (2) The amount of the obsolete properties tax, in each year,
- 14 shall be determined by adding the results of both of the follow-
- 15 ing calculations:
- 16 (a) Multiplying the total mills levied as ad valorem taxes
- 17 for that year by all taxing units within which the rehabilitated
- 18 facility is located by the taxable value of the real and personal
- 19 property of the obsolete property on the December 31 immediately
- 20 preceding the effective date of the obsolete property rehabilita-
- 21 tion exemption certificate after deducting the taxable valuation
- 22 of the land and of personal property other than personal property
- 23 assessed pursuant to sections 8(d) and 14(6) of the general prop-
- 24 erty tax act, 1893 PA 206, MCL 211.8 and 211.14, for the tax year
- 25 immediately preceding the effective date of the obsolete property
- 26 rehabilitation exemption certificate.

- 1 (b) Multiplying the mills levied for school operating
- 2 purposes for that year under the revised school code, 1976
- **3** PA 451, MCL 380.1 to 380.1852, and the state education tax act,
- 4 1993 PA 331, MCL 211.901 to 211.906, by the taxable value of the
- 5 real and personal property of the rehabilitated facility, after
- 6 deducting all of the following:
- 7 (i) The taxable value of the land and of the personal prop-
- 8 erty other than personal property assessed pursuant to sections
- 9 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL
- 10 211.8 and 211.14.
- 11 (ii) The taxable value used to calculate the tax under sub-
- 12 division (a).
- 13 (3) The obsolete properties tax shall be collected, dis-
- 14 bursed, and assessed in accordance with this act.
- 15 (4) The obsolete properties tax is an annual tax, payable at
- 16 the same times, in the same installments, and to the same officer
- 17 or officers as taxes imposed under the general property tax act,
- 18 1893 PA 206, MCL 211.1 to 211.157, are payable. Except as other-
- 19 wise provided in this section, the officer or officers shall dis-
- 20 burse the obsolete properties tax payments received by the offi-
- 21 cer or officers each year to and among this state, cities, school
- 22 districts, counties, and authorities, at the same times and in
- 23 the same proportions as required by law for the disbursement of
- 24 taxes collected under the general property tax act, 1893 PA 206,
- 25 MCL 211.1 to 211.157.
- 26 (5) For intermediate school districts receiving state aid
- 27 under sections 56, 62, and 81 of the state school aid act of

- 1 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the
- 2 amount of obsolete property tax that would otherwise be disbursed

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- 3 to an intermediate school district, all or a portion, to be
- 4 determined on the basis of the tax rates being utilized to com-
- 5 pute the amount of state aid, shall be paid to the state treasury
- 6 to the credit of the state school aid fund established by section
- 7 11 of article IX of the state constitution of 1963.
- **8** (6) The amount of obsolete property tax described in subsec-
- 9 tion (2)(a) that would otherwise be disbursed to a local school
- 10 district for school operating purposes, and all of the amount
- 11 described in subsection (2)(b), shall be paid instead to the
- 12 state treasury and credited to the state school aid fund estab-
- 13 lished by section 11 of article IX of the state constitution of
- **14** 1963.
- 15 (7) The officer or officers shall send a copy of the amount
- 16 of disbursement made to each unit under this section to the com-
- 17 mission on a form provided by the commission.
- 18 (8) A rehabilitated facility located in a renaissance zone
- 19 under the Michigan renaissance zone act, 1996 PA 376,
- 20 MCL 125.2681 to 125.2696, is exempt from the obsolete properties
- 21 tax levied under this act to the extent and for the duration pro-
- 22 vided pursuant to the Michigan renaissance zone act, 1996 PA 376,
- 23 MCL 125.2681 to 125.2696, except for that portion of the obsolete
- 24 properties tax attributable to a tax described in section 7ff(2)
- 25 of the general property tax act, 1893 PA 206, MCL 211.7ff. The
- 26 obsolete properties tax calculated under this subsection shall be
- 27 disbursed proportionately to the taxing unit or units that levied

- 1 the tax described in section 7ff(2) of the general property tax
- 2 act, 1893 PA 206, MCL 211.7ff.
- 3 Sec. 11. The amount of the tax applicable to real property,
- 4 until paid, is a lien upon the real property to which the certif-
- 5 icate is applicable. Proceedings upon the lien as provided by
- 6 law for the foreclosure in the circuit court of mortgage liens
- 7 upon real property may commence only upon the filing by the
- 8 appropriate collecting officer of a certificate of nonpayment of
- 9 the obsolete properties tax applicable to real property, together
- 10 with an affidavit of proof of service of the certificate of non-
- 11 payment upon the owner of the facility by certified mail, with
- 12 the register of deeds of the county in which the property is
- 13 situated.
- 14 Sec. 12. The legislative body of the qualified local gov-
- 15 ernmental unit may, by resolution, revoke the obsolete property
- 16 rehabilitation exemption certificate of a facility if it finds
- 17 that the completion of rehabilitation of the facility has not
- 18 occurred within the time authorized by the legislative body in
- 19 the exemption certificate or a duly authorized extension of that
- 20 time, or that the holder of the obsolete property exemption cer-
- 21 tificate has not proceeded in good faith with the operation of
- 22 the rehabilitated facility in a manner consistent with the pur-
- 23 poses of this act and in the absence of circumstances that are
- 24 beyond the control of the holder of the exemption certificate.
- 25 Sec. 13. An obsolete property rehabilitation exemption cer-
- 26 tificate may be transferred and assigned by the holder of the
- 27 certificate to a new owner of the rehabilitated facility if the

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1 qualified local governmental unit approves the transfer after

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- 2 application by the new owner.
- 3 Sec. 14. Not later than October 15 each year, each quali-
- 4 fied local governmental unit granting an obsolete property reha-
- 5 bilitation exemption shall report to the commission on the status
- 6 of each exemption. The report must include the current value of
- 7 the property to which the exemption pertains, the value on which
- 8 the obsolete property rehabilitation tax is based, a current
- 9 estimate of the number of jobs retained or created by the exemp-
- 10 tion, and a current estimate of the number of new residents occu-
- 11 pying commercial housing property units covered by the
- 12 exemption.
- Sec. 15. (1) The department annually shall prepare and
- 14 submit to the committees of the house of representatives and
- 15 senate responsible for tax policy and economic development issues
- 16 a report on the utilization of obsolete property rehabilitation
- 17 districts, based on the information filed with the commission.
- 18 (2) After this act has been in effect for 3 years, the
- 19 department shall prepare and submit to the committees of the
- 20 house of representatives and senate responsible for tax policy
- 21 and economic development issues an economic analysis of the costs
- 22 and benefits of this act in the 3 qualified local governmental
- 23 units in which it has been most heavily utilized.
- Sec. 16. A new exemption shall not be granted under this
- 25 act after December 31, 2010, but an exemption then in effect
- 26 shall continue until the expiration of the exemption
- 27 certificate.

## HB 5444, As Passed Senate, April 6, 2000

House Bill No. 5444

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- Enacting section 1. This act does not take effect unless
- 2 all of the following bills of the 90th Legislature are enacted
- 3 into law:
- (a) Senate Bill No. 269.
- (b) House Bill No. 4400. 5
- 6 (c) House Bill No. 5443.