

SUBSTITUTE FOR
HOUSE BILL NO. 6043

A bill to amend 2005 PA 210, entitled
"Commercial rehabilitation act,"
by amending section 2 (MCL 207.842).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Commercial property" means land improvements classified
3 by law for general ad valorem tax purposes as real property
4 including real property assessable as personal property pursuant to
5 sections 8(d) and 14(6) of the general property tax act, 1893 PA
6 206, MCL 211.8 and 211.14, the primary purpose and use of which is
7 the operation of a commercial business enterprise **OR MULTIFAMILY**
8 **RESIDENTIAL USE**. Commercial property shall also include facilities
9 related to a commercial business enterprise under the same

1 ownership at that location, including, but not limited to, office,
2 engineering, research and development, warehousing, parts
3 distribution, retail sales, and other commercial activities.

4 Commercial property also includes a building or group of contiguous
5 buildings previously used for industrial purposes that will be
6 converted to the operation of a commercial business enterprise.

7 Commercial property does not include any of the following:

8 (i) Land.

9 (ii) Property of a public utility.

10 (b) "Commercial rehabilitation district" or "district" means
11 an area not less than ~~75~~ 3 acres in size of a qualified local
12 governmental unit established as provided in section 3. **HOWEVER, IF**
13 **THE COMMERCIAL REHABILITATION DISTRICT IS LOCATED IN A DOWNTOWN OR**
14 **BUSINESS AREA AS DETERMINED BY THE LEGISLATIVE BODY OF THE**
15 **QUALIFIED LOCAL GOVERNMENTAL UNIT, THE DISTRICT MAY BE LESS THAN 3**
16 **ACRES IN SIZE.**

17 (c) "Commercial rehabilitation exemption certificate" or
18 "certificate" means the certificate issued under section 6.

19 (d) "Commercial rehabilitation tax" means the specific tax
20 levied under this act.

21 (e) "Commission" means the state tax commission created by
22 1927 PA 360, MCL 209.101 to 209.107.

23 (f) "Department" means the department of treasury.

24 (G) **"MULTIFAMILY RESIDENTIAL USE" MEANS MULTIFAMILY HOUSING**
25 **CONSISTING OF 5 OR MORE UNITS.**

26 (H) ~~(g)~~ "Qualified facility" means a building or group of
27 contiguous buildings of commercial property ~~consisting of~~

House Bill No. 6043 (H-2) as amended June 29, 2006

1 ~~1,000,000 or more square feet of space that is 40% or more vacant~~
2 ~~for 12 or more consecutive months immediately preceding the date of~~
3 ~~application for the certificate and~~ that is 15 years old or older

4 **OR [HAS BEEN ALLOCATED] FOR A NEW MARKETS TAX CREDIT UNDER SECTION 45D**
5 **OF**

6 **THE INTERNAL REVENUE CODE, 26 USC 45D.** A qualified facility does
7 not include property that is to be used as a professional sports
8 stadium. A qualified facility does not include property that is to
9 be used as a casino. As used in this subdivision, "casino" means a
10 casino or a parking lot, hotel, motel, or retail store owned or
11 operated by a casino, an affiliate, or an affiliated company,
12 regulated by this state pursuant to the Michigan gaming control and
13 revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

14 (I) ~~(h)~~ "Qualified local governmental unit" means a city,
15 village, or township.

16 (J) ~~(i)~~ "Rehabilitation" means changes to a qualified
17 facility that are required to restore or modify the property,
18 together with all appurtenances, to an economically efficient
19 condition. Rehabilitation includes major renovation and
20 modification including, but not necessarily limited to, the
21 improvement of floor loads, correction of deficient or excessive
22 height, new or improved fixed building equipment, including
23 heating, ventilation, and lighting, reducing multistory facilities
24 to 1 or 2 stories, improved structural support including
25 foundations, improved roof structure and cover, floor replacement,
26 improved wall placement, improved exterior and interior appearance
27 of buildings, and other physical changes required to restore or
change the obsolete property to an economically efficient

1 condition. Rehabilitation shall not include improvements
2 aggregating less than 10% of the true cash value of the property at
3 commencement of the rehabilitation of the qualified facility.

4 (K) ~~(j)~~ "Taxable value" means the value determined under
5 section 27a of the general property tax act, 1893 PA 206, MCL
6 211.27a.