

# HOUSE BILL No. 5123

August 22, 2007, Introduced by Reps. Bieda and Rocca and referred to the Committee on  
New Economy and Quality of Life.

A bill to amend 2005 PA 210, entitled  
"Commercial rehabilitation act,"  
by amending sections 2 and 3 (MCL 207.842 and 207.843), section 2  
as amended by 2006 PA 554.

**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 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) "Qualified facility" means a building or group of  
27 contiguous buildings of commercial property that is 15 years old or

1 older or has been allocated for a new markets tax credit under  
2 section 45d of the internal revenue code, 26 USC 45d. A qualified  
3 facility does not include property that is to be used as a  
4 professional sports stadium. A qualified facility does not include  
5 property that is to be used as a casino. As used in this  
6 subdivision, "casino" means a casino or a parking lot, hotel,  
7 motel, or retail store owned or operated by a casino, an affiliate,  
8 or an affiliated company, regulated by this state pursuant to the  
9 Michigan gaming control and revenue act, ~~the Initiated Law of 1996~~  
10 **1996 IL 1**, MCL 432.201 to 432.226.

11 (i) "Qualified local governmental unit" means a city, village,  
12 or township.

13 (j) "Rehabilitation" means changes to a qualified facility  
14 that are required to restore or modify the property, together with  
15 all appurtenances, to an economically efficient condition.  
16 Rehabilitation includes major renovation and modification  
17 including, but not necessarily limited to, the improvement of floor  
18 loads, correction of deficient or excessive height, new or improved  
19 fixed building equipment, including heating, ventilation, and  
20 lighting, reducing multistory facilities to 1 or 2 stories,  
21 improved structural support including foundations, improved roof  
22 structure and cover, floor replacement, improved wall placement,  
23 improved exterior and interior appearance of buildings, and other  
24 physical changes required to restore or change the ~~obsolete~~  
25 property to an economically efficient condition. Rehabilitation  
26 shall not include improvements aggregating less than 10% of the  
27 true cash value of the property at commencement of the

1 rehabilitation of the qualified facility.

2 (k) "Taxable value" means the value determined under section  
3 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

4 Sec. 3. (1) A qualified local governmental unit, by resolution  
5 of its legislative body, may establish 1 or more qualified  
6 rehabilitation districts that may consist of 1 or more parcels or  
7 tracts of land or a portion of a parcel or tract of land, if at the  
8 time the resolution is adopted, the parcel or tract of land or  
9 portion of a parcel or tract of land within the district is a  
10 qualified facility.

11 (2) The legislative body of a qualified local governmental  
12 unit may establish a commercial rehabilitation district on its own  
13 initiative or upon a written request filed by the owner or owners  
14 of property comprising at least 50% of all taxable value of the  
15 property located within a proposed commercial rehabilitation  
16 district. The written request must be filed with the clerk of the  
17 qualified local governmental unit.

18 (3) Before adopting a resolution establishing a commercial  
19 rehabilitation district, the legislative body shall give written  
20 notice by certified mail to the county in which the proposed  
21 district is to be located and the owners of all real property  
22 within the proposed commercial rehabilitation district and shall  
23 afford an opportunity for a hearing on the establishment of the  
24 commercial rehabilitation district at which any of those owners and  
25 any other resident or taxpayer of the qualified local governmental  
26 unit may appear and be heard. The legislative body shall give  
27 public notice of the hearing not less than 10 days or more than 30

1 days before the date of the hearing.

2 (4) The legislative body of the qualified local governmental  
3 unit, in its resolution establishing a commercial rehabilitation  
4 district, shall set forth a finding and determination that the  
5 district meets the requirements set forth in subsection (1) and  
6 shall provide a copy of the resolution by certified mail to the  
7 county in which the district is located.

8 (5) Within 28 days after receiving a copy of the resolution  
9 establishing a commercial rehabilitation district **THAT WAS**  
10 **ESTABLISHED BEFORE OCTOBER 1, 2007**, the county may reject the  
11 establishment of the district by 1 of the following methods:

12 (a) If the county has an elected county executive, by written  
13 notification to the qualified local governmental unit.

14 (b) If the county does not have an elected county executive,  
15 by a resolution of the county board of commissioners provided to  
16 the qualified local governmental unit.