

# HOUSE BILL No. 6272

June 19, 2008, Introduced by Rep. Johnson and referred to the Committee on Commerce.

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

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

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

Commercial property does not include any of the following:

(i) Land.

(ii) Property of a public utility.

(b) "Commercial rehabilitation district" or "district" means an area not less than 3 acres in size of a qualified local governmental unit established as provided in section 3. However, if the commercial rehabilitation district is located in a downtown or business area as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size.

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

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

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

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

(g) "Multifamily residential use" means multifamily housing consisting of 5 or more units.

(h) "Qualified facility" means a building or group of 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, **OR VACANT**  
 3 **PROPERTY THAT WILL BE USED AS COMMERCIAL PROPERTY IF THAT VACANT**  
 4 **PROPERTY HAS BEEN VACANT FOR NOT LESS THAN 15 YEARS AND IS LOCATED**  
 5 **IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AS THAT TERM IS DEFINED IN**  
 6 **SECTION 2 OF THE OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146,**  
 7 **MCL 125.2782.** A qualified facility does not include property that  
 8 is to be used as a professional sports stadium. A qualified  
 9 facility does not include property that is to be used as a casino.  
 10 As used in this subdivision, "casino" means a casino or a parking  
 11 lot, hotel, motel, or retail store owned or operated by a casino,  
 12 an affiliate, or an affiliated company, regulated by this state  
 13 pursuant to the Michigan gaming control and revenue act, the  
 14 Initiated Law of 1996, MCL 432.201 to 432.226.

15 (i) "Qualified local governmental unit" means, **EXCEPT AS**  
 16 **OTHERWISE PROVIDED IN THIS ACT,** a city, village, or township.

17 (j) "Rehabilitation" means ~~changes~~ **1 OF THE FOLLOWING:**

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

1 of buildings, and other physical changes required to restore or  
2 change the obsolete property to an economically efficient  
3 condition. Rehabilitation shall not include improvements  
4 aggregating less than 10% of the true cash value of the property at  
5 commencement of the rehabilitation of the qualified facility.

6 (ii) NEW CONSTRUCTION OF A QUALIFIED FACILITY THAT IS LOCATED  
7 IN A QUALIFIED LOCAL GOVERNMENTAL UNIT AS THAT TERM IS DEFINED IN  
8 SECTION 2 OF THE OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146,  
9 MCL 125.2782.

10 (k) "Taxable value" means the value determined under section  
11 27a of the general property tax act, 1893 PA 206, MCL 211.27a.