

Act No. 118
Public Acts of 2008
Approved by the Governor
April 29, 2008
Filed with the Secretary of State
April 29, 2008
EFFECTIVE DATE: April 29, 2008

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Rep. Mayes

ENROLLED HOUSE BILL No. 5459

AN ACT to amend 2005 PA 210, entitled "An act to provide for the establishment of commercial 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 qualified 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 governmental officials; and to provide penalties," by amending section 2 (MCL 207.842), as amended by 2008 PA 3.

The People of the State of Michigan enact:

Sec. 2. As used in this act:

(a) "Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property shall also include facilities 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.

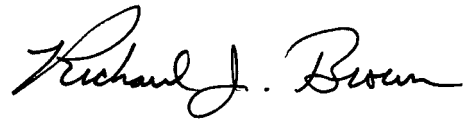
(h) "Qualified facility" means a building or group of contiguous buildings of commercial property that is 15 years old or older or has been allocated for a new markets tax credit under section 45d of the internal revenue code, 26 USC 45d. Qualified facility also includes vacant property located in a city with a population of more than 36,000 and less than 37,000 according to the 2000 federal decennial census and from which a previous structure has been demolished and on which commercial property will be newly constructed. A qualified facility does not include property that is to be used as a professional sports stadium. A qualified facility does not include property that is to be used as a casino. As used in this subdivision, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

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

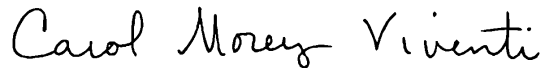
(j) "Rehabilitation" means changes to a qualified facility that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition. Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit. Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the qualified facility.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor