

**SUBSTITUTE FOR  
HOUSE BILL NO. 4091**

A bill to amend 2000 PA 146, entitled  
"Obsolete property rehabilitation act,"  
by amending section 8 (MCL 125.2788), as amended by 2008 PA 504.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 8. (1) If the taxable value of the property proposed to  
2 be exempt pursuant to an application under consideration,  
3 considered together with the aggregate taxable value of property  
4 exempt under certificates previously granted and currently in force  
5 under this act or under 1974 PA 198, MCL 207.551 to 207.572,  
6 exceeds 5% of the taxable value of the qualified local governmental  
7 unit, the legislative body of the qualified local governmental unit  
8 shall make a separate finding and shall include a statement in its  
9 resolution approving the application that exceeding that amount  
10 shall not have the effect of substantially impeding the operation  
11 of the qualified local governmental unit or impairing the financial  
12 soundness of an affected taxing unit.

1           (2) The legislative body of the qualified local governmental  
2 unit shall not approve an application for an obsolete property  
3 exemption certificate unless the applicant complies with all of the  
4 following requirements:

5           (a) Except as otherwise provided in subsection (3), the  
6 commencement of the rehabilitation of the facility does not occur  
7 before the establishment of the obsolete property rehabilitation  
8 district.

9           (b) The application relates to a rehabilitation program that  
10 when completed constitutes a rehabilitated facility within the  
11 meaning of this act and that shall be situated within an obsolete  
12 property rehabilitation district established in a qualified local  
13 governmental unit eligible under this act to establish such a  
14 district.

15           (c) Completion of the rehabilitated facility is calculated to,  
16 and will at the time of issuance of the certificate have the  
17 reasonable likelihood to, increase commercial activity, create  
18 employment, retain employment, prevent a loss of employment,  
19 revitalize urban areas, or increase the number of residents in the  
20 community in which the facility is situated.

21           (d) The applicant states, in writing, that the rehabilitation  
22 of the facility would not be undertaken without the applicant's  
23 receipt of the exemption certificate.

24           (e) The applicant is not delinquent in the payment of any  
25 taxes related to the facility.

26           (3) The legislative body of a qualified local governmental  
27 unit may approve an application for an obsolete property exemption

1 certificate if the commencement of the rehabilitation of the  
2 facility occurs before the establishment of the obsolete property  
3 rehabilitation district and if 1 or more of the following are met:

4 (a) All of the following are met:

5 (i) The building permit for the rehabilitation of the facility  
6 was obtained in October 2002.

7 (ii) The obsolete property rehabilitation district was created  
8 in April 2002.

9 (iii) The rehabilitation of the facility included adding  
10 additional stories to the facility.

11 (b) All of the following are met:

12 (i) Emergency or temporary repairs or improvements were made  
13 before the establishment of the obsolete property rehabilitation  
14 district.

15 (ii) The obsolete property rehabilitation district was created  
16 in January 2006.

17 (iii) The facility is located in a city with a population of  
18 more than 20,500 and less than 27,000 and is located in a county  
19 with a population of more than 95,000 and less than 105,000.

20 (c) All of the following are met:

21 (i) Roof repairs or improvements were completed in March 2006  
22 before the establishment of the obsolete property rehabilitation  
23 district.

24 (ii) The obsolete property rehabilitation district was created  
25 in April 2006.

26 (iii) The application was submitted to the qualified local  
27 governmental unit in April 2006.

1           (iv) The facility is located in a city with a population of  
2 more than 10,800 and less than 11,100 and is located in a county  
3 with a population of more than 39,000 and less than 42,000.

4           (4) Notwithstanding any other provisions of this act, for any  
5 certificate issued as a result of the enactment of the amendatory  
6 act that added subsection (3)(a) and (b), the effective date of the  
7 certificate shall be December 31, 2006.

8           (5) Notwithstanding any other provisions of this act, for any  
9 certificate issued as a result of the enactment of the amendatory  
10 act that added subsection (3)(c), the effective date of the  
11 certificate shall be December 31, 2006.

12           (6) BEGINNING JULY 1, 2009, THE LEGISLATIVE BODY OF THE LOCAL  
13 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN OBSOLETE  
14 PROPERTY EXEMPTION CERTIFICATE UNLESS THE APPLICANT STATES, IN  
15 WRITING, THAT THE APPLICANT WILL NOT KNOWINGLY HIRE OR CONTRACT  
16 WITH ANY BUSINESS ENTITY THAT KNOWINGLY HIRES AN INDIVIDUAL WHO IS  
17 NOT AUTHORIZED UNDER FEDERAL LAW TO WORK IN THE UNITED STATES.

18           (7) BEGINNING JULY 1, 2009, THE LEGISLATIVE BODY OF THE LOCAL  
19 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN OBSOLETE  
20 PROPERTY EXEMPTION CERTIFICATE UNLESS THE APPLICANT STATES, IN  
21 WRITING, THAT THE APPLICANT WILL DO ALL OF THE FOLLOWING:

22           (A) MAKE A GOOD FAITH EFFORT TO EMPLOY, IF QUALIFIED, MICHIGAN  
23 RESIDENTS AT THE FACILITY.

24           (B) MAKE A GOOD FAITH EFFORT TO EMPLOY OR CONTRACT WITH  
25 MICHIGAN RESIDENTS AND FIRMS TO CONSTRUCT, REHABILITATE, DEVELOP,  
26 OR RENOVATE THE FACILITY.

27           (C) MAKE A GOOD FAITH EFFORT TO UTILIZE MICHIGAN-BASED

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SUPPLIERS AND VENDORS WHEN PURCHASING GOODS AND SERVICES.

(8) BEGINNING JULY 1, 2009, THE WRITTEN AGREEMENT DESCRIBED IN SUBSECTION (6) SHALL ALSO CONTAIN A REMEDY PROVISION THAT PROVIDES FOR ALL OF, BUT NOT LIMITED TO, THE FOLLOWING:

(A) A REQUIREMENT THAT THE APPLICANT'S OBSOLETE PROPERTY EXEMPTION CERTIFICATE IS REVOKED UNDER THIS ACT IF THE APPLICANT IS DETERMINED TO BE IN VIOLATION OF SUBSECTION (6), AS DETERMINED BY THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENTAL UNIT.

(B) A REQUIREMENT THAT THE APPLICANT MAY BE REQUIRED TO REPAY SOME OR ALL OF THE BENEFITS RECEIVED UNDER THIS ACT IF THE APPLICANT IS DETERMINED TO BE IN VIOLATION OF THE PROVISIONS OF SUBSECTION (6), AS DETERMINED BY THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENTAL UNIT.

(9) NOT LATER THAN FEBRUARY 1 EACH YEAR, THE [APPLICANT] SHALL REPORT TO THE BOARD OF THE MICHIGAN STRATEGIC FUND ON THE ACTIVITIES FOR THE IMMEDIATELY PRECEDING FISCAL YEAR. THE REPORT SHALL CONTAIN ALL OF THE FOLLOWING:

(A) THE NUMBER OF MICHIGAN RESIDENTS EMPLOYED IN NEW JOBS [BY THE APPLICANT] FROM THE RENOVATION, RESTORATION, OR CONSTRUCTION OF A FACILITY FOR WHICH AN OBSOLETE PROPERTY EXEMPTION CERTIFICATE WAS GRANTED IN THE IMMEDIATELY PRECEDING YEAR.

(B) THE NUMBER OF NEW JOBS CREATED [BY THE APPLICANT] FROM THE RENOVATION, RESTORATION, OR CONSTRUCTION OF A FACILITY FOR WHICH AN OBSOLETE PROPERTY EXEMPTION CERTIFICATE WAS GRANTED IN THE IMMEDIATELY PRECEDING YEAR.

(C) THE DETAILS OF THE GOOD FAITH EFFORTS REQUIRED OF THE

1 APPLICANT DESCRIBED IN SUBSECTION (7) (A), (B), AND (C).

2 (10) THE ATTORNEY GENERAL OR APPROPRIATE AGENCY OF THIS STATE  
3 SHALL BE RESPONSIBLE FOR ANY ENFORCEMENT NECESSARY TO ENSURE  
4 COMPLIANCE AFTER THE APPLICANT HAS SIGNED THE AGREEMENT UNDER THE  
5 PROVISIONS DESCRIBED IN SUBSECTIONS (6), (7), AND (8).