

HOUSE BILL No. 4632

March 19, 2009, 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 2008 PA 500.

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 or contains a qualified retail food establishment, 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 qualified retail food establishment or a building or group of contiguous buildings of

1 commercial property that is 15 years old or older or has been
2 allocated for a new markets tax credit under section 45d of the
3 internal revenue code, 26 USC 45d, **OR VACANT PROPERTY THAT WILL BE**
4 **USED AS COMMERCIAL PROPERTY IF THAT VACANT PROPERTY HAS BEEN VACANT**
5 **FOR NOT LESS THAN 15 YEARS AND IS LOCATED IN A QUALIFIED LOCAL**
6 **GOVERNMENTAL UNIT AS THAT TERM IS DEFINED IN SECTION 2 OF THE**
7 **OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146, MCL 125.2782.**

8 Qualified facility also includes vacant property located in a city
9 with a population of more than 36,000 and less than 37,000
10 according to the 2000 federal decennial census and from which a
11 previous structure has been demolished and on which commercial
12 property will be newly constructed. A qualified facility does not
13 include property that is to be used as a professional sports
14 stadium. A qualified facility does not include property that is to
15 be used as a casino. As used in this subdivision, "casino" means a
16 casino or a parking lot, hotel, motel, or retail store owned or
17 operated by a casino, an affiliate, or an affiliated company,
18 regulated by this state pursuant to the Michigan gaming control and
19 revenue act, 1996 IL 1, MCL 432.201 to 432.226.

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

22 (j) "Qualified retail food establishment" means property that
23 meets all of the following:

24 (i) The property will be used primarily as a retail
25 supermarket, grocery store, produce market, or delicatessen that
26 offers unprocessed USDA-inspected meat and poultry products or meat
27 products that carry the USDA organic seal, fresh fruits and

1 vegetables, and dairy products for sale to the public.

2 (ii) The property meets 1 of the following:

3 (A) Is located in a qualified local governmental unit that is
4 also located in a qualified local governmental unit as defined in
5 section 2 of the obsolete property rehabilitation act, 2000 PA 146,
6 MCL 125.2782, and is located in an underserved area.

7 (B) Is located in a qualified local governmental unit that is
8 designated as rural as defined by the United States census bureau
9 and is located in an underserved area.

10 (iii) The property was used as residential, commercial, or
11 industrial property as allowed and conducted under the applicable
12 zoning ordinance for the immediately preceding 30 years.

13 (k) "Rehabilitation" means ~~changes~~ **1 OF THE FOLLOWING:**

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

1 construction on vacant property from which a previous structure has
2 been demolished and if the new construction is an economic benefit
3 to the local community as determined by the qualified local
4 governmental unit. Rehabilitation shall not include improvements
5 aggregating less than 10% of the true cash value of the property at
6 commencement of the rehabilitation of the qualified facility.

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

11 (l) "Taxable value" means the value determined under section
12 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

13 (m) "Underserved area" means an area determined by the
14 Michigan department of agriculture that contains a low or moderate
15 income census tract and a below average supermarket density, an
16 area that has a supermarket customer base with more than 50% living
17 in a low income census tract, or an area that has demonstrated
18 significant access limitations due to travel distance.