

Act No. 244
Public Acts of 2010
Approved by the Governor
December 14, 2010
Filed with the Secretary of State
December 14, 2010
EFFECTIVE DATE: December 14, 2010

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010**

Introduced by Senators Gilbert, Allen, Jacobs, Cherry, Pappageorge, Richardville, Hardiman, Birkholz, Kahn, Hunter, George, Clarke, Gleason, Switalski and Barcia

ENROLLED SENATE BILL No. 1236

AN ACT to amend 1978 PA 255, entitled "An act to provide for the establishment of commercial redevelopment districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain 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 the state tax commission and certain officers of local governmental units; and to provide remedies and penalties," by amending sections 3 and 4 (MCL 207.653 and 207.654), as amended by 2008 PA 227.

The People of the State of Michigan enact:

Sec. 3. (1) "Commercial facilities tax" means the specific tax levied under this act.

(2) "Commercial facilities exemption certificate" means a certificate issued pursuant to section 8.

(3) "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, whether completed or in the process of construction, the primary purpose and use of which is the operation of a commercial business enterprise and shall include office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Commercial business enterprise also includes a business that owns or operates a transit-oriented development or a transit-oriented facility. Commercial property does not include any of the following:

(a) Land.

(b) Property of a public utility.

(c) Housing, except that portion of a building containing nonhousing commercial activity.

(d) Financial organization. As used in this subdivision, "financial organization" means a bank, industrial bank, trust company, building and loan or savings and loan association, bank holding company as defined in 12 USC 1841, credit union, safety and collateral deposit company, regulated investment company as defined in the internal revenue code, and any other association, joint stock company, or corporation at least 90% of whose assets consist of intangible personal property and at least 90% of whose gross receipts income consists of dividends or interest or other charges resulting from the use of money or credit. The exclusion of financial institutions shall not apply to the otherwise included property of financial institutions which is located in the designated area of a city that is either the largest city in population within the county, as determined by the latest federal census; or is a city that had more than the median percentage for all cities in this state of its residents below the poverty line as determined by the latest federal census. Each city qualified to not be excluded under this subdivision shall designate only 1 commercial area for purposes of this provision, which area may be conterminous with, or included within, a commercial redevelopment district and in which area a majority of the land must be zoned commercially.

Commercial property may be owned or leased. If, in the case of leased property, the lessee is liable for payment of ad valorem property taxes, and furnishes proof of that liability, the lessee is eligible for the exemption. If the lessor is liable for payment of ad valorem property taxes and furnishes proof of that liability, the lessor is eligible for the exemption.

(4) "Commercial redevelopment district" means an area of a local governmental unit established as provided in section 5.

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

(6) "Facility" means a restored facility, a replacement facility, or a new facility.

Sec. 4. (1) "Local governmental unit" means, except as otherwise provided in this subsection, a city, village, or township. For local governmental units designating a commercial redevelopment district after June 30, 2008, local governmental unit means a city or village.

(2) "New facility" means 1 of the following:

(a) Through June 30, 2008, new commercial property other than a replacement facility to be built in a redevelopment district.

(b) Beginning July 1, 2008, new commercial property other than a replacement facility to be built in a redevelopment district that meets all of the following:

(i) Is located on property that is zoned to allow for mixed use that includes high-density residential use.

(ii) Is located in a qualified downtown revitalization district as defined in section 2 of the neighborhood enterprise zone act, 1992 PA 147, MCL 207.772.

(iii) The local governmental unit in which the new facility is to be located does all of the following:

(A) Establishes and implements an expedited local permitting and inspection process in the commercial redevelopment district.

(B) By resolution provides for walkable nonmotorized interconnections, including sidewalks and streetscapes throughout the commercial redevelopment district.

(3) "Obsolete commercial property" means commercial property the condition of which is impaired due to changes in design, construction, technology, or improved production processes, or damage due to fire, natural disaster, or general neglect.

(4) "Replacement" means the complete or partial demolition of obsolete commercial property and the complete or partial reconstruction or installation of new property of similar utility.

(5) "Replacement facility" means 1 of the following:

(a) Through June 30, 2008, commercial property on the same or contiguous land within the district which land is or is to be acquired, constructed, altered, or installed for the purpose of being substituted for obsolete commercial property together with any part of the old altered property that remains for use as commercial property after the replacement.

(b) Beginning July 1, 2008, commercial property on the same or contiguous land within the district which land is or is to be acquired, constructed, altered, or installed for the purpose of being substituted for obsolete commercial property and any part of the old altered property that remains for use as commercial property after the replacement, that meets all of the following:

(i) Is located on property that is zoned to allow for mixed use that includes high-density residential use.

(ii) Is located in a qualified downtown revitalization district as defined in section 2 of the neighborhood enterprise zone act, 1992 PA 147, MCL 207.772.

(iii) The local governmental unit in which the replacement facility is to be located does all of the following:

(A) Establishes and implements an expedited local permitting and inspection process in the commercial redevelopment district.

(B) By resolution provides for walkable nonmotorized interconnections, including sidewalks and streetscapes throughout the commercial redevelopment district.

(6) "Restoration" means changes to obsolete commercial property other than replacement as may be required to restore the property, together with all appurtenances thereto, to an economically efficient condition. Restoration includes major renovation including but not 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 the commercial property to an economically efficient condition. Restoration does not include improvements aggregating less than 10% of the true cash value of the property at commencement of the restoration of the commercial property.


(7) "Restored facility" means a facility that has undergone restoration.

(8) "State equalized valuation" means the valuation determined under 1911 PA 44, MCL 209.1 to 209.8.

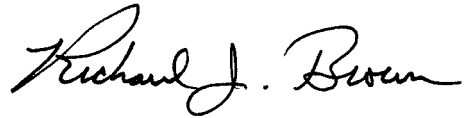
(9) "Transit-oriented development" means infrastructure improvements that are located within 1/2 mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use.

(10) "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

.....
Governor