

HOUSE BILL No. 4759

June 15, 2011, Introduced by Reps. Tyler, Wayne Schmidt, Knollenberg, Denby, Geiss and Hughes 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
10 ownership at that location, including, but not limited to, office,

1 engineering, research and development, warehousing, parts
2 distribution, retail sales, and other commercial activities.

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

6 Commercial property does not include any of the following:

7 (i) Land.

8 (ii) Property of a public utility.

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

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

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

20 (e) "Commission" means the state tax commission created by
21 1927 PA 360, MCL 209.101 to 209.107.

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

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

25 (h) "Qualified facility" means a qualified retail food
26 establishment or a building or group of contiguous buildings of
27 commercial property that is 15 years old or older or has been

1 allocated for a new markets tax credit under section ~~45d~~ **45D** of the
 2 internal revenue code, 26 USC ~~45d~~ **45D**. Qualified facility also
 3 includes ~~vacant property located in a city with a population of~~
 4 ~~more than 36,000 and less than 37,000 according to the 2000 federal~~
 5 ~~decennial census and from which a previous structure has been~~
 6 ~~demolished and on which commercial property will be newly~~
 7 ~~constructed~~ **A BUILDING OR A GROUP OF CONTIGUOUS BUILDINGS, A**
 8 **PORTION OF A BUILDING OR GROUP OF CONTIGUOUS BUILDINGS PREVIOUSLY**
 9 **USED FOR COMMERCIAL OR INDUSTRIAL PURPOSES, OBSOLETE INDUSTRIAL**
 10 **PROPERTY, AND VACANT PROPERTY WHICH, WITHIN THE IMMEDIATELY**
 11 **PRECEDING 15 YEARS, WAS COMMERCIAL PROPERTY AS DEFINED IN**
 12 **SUBDIVISION (A).** A qualified facility does not include property
 13 that is to be used as a professional sports stadium. A qualified
 14 facility does not include property that is to be used as a casino.
 15 As used in this subdivision, "casino" means a casino or a parking
 16 lot, hotel, motel, or retail store owned or operated by a casino,
 17 an affiliate, or an affiliated company, regulated by this state
 18 pursuant to the Michigan gaming control and revenue act, 1996 IL 1,
 19 MCL 432.201 to 432.226.

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

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

7 (l) "Taxable value" means the value determined under section
8 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

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