

HOUSE BILL No. 4259

February 14, 2013, Introduced by Reps. Durhal, Talabi, Darany, Tlaib, Nathan, Singh, Robinson, Banks, Clemente, Stanley, Brown, Kandrevas, Stallworth, Walsh, Lori, Rendon, McBroom and Schmidt and referred to the Committee on Tax Policy.

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

1 shall not have the effect of substantially impeding the operation
2 of the qualified local governmental unit or impairing the financial
3 soundness of an affected taxing unit.

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

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

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

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

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

27 (e) The applicant is not delinquent in the payment of any

1 taxes related to the facility.

2 (3) The legislative body of a qualified local governmental
3 unit may approve an application for an obsolete property exemption
4 certificate if the commencement of the rehabilitation of the
5 facility occurs before the establishment of the obsolete property
6 rehabilitation district and if 1 or more of the following are met:

7 (a) All of the following are met:

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

10 (ii) The obsolete property rehabilitation district was created
11 in April 2002.

12 (iii) The rehabilitation of the facility included adding
13 additional stories to the facility.

14 (b) All of the following are met:

15 (i) Emergency or temporary repairs or improvements were made
16 before the establishment of the obsolete property rehabilitation
17 district.

18 (ii) The obsolete property rehabilitation district was created
19 in January 2006.

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

23 (c) All of the following are met:

24 (i) Roof repairs or improvements were completed in March 2006
25 before the establishment of the obsolete property rehabilitation
26 district.

27 (ii) The obsolete property rehabilitation district was created

1 in April 2006.

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

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

7 (D) ALL OF THE FOLLOWING ARE MET:

8 (i) ROOF REPAIRS OR IMPROVEMENTS BEGAN BEFORE THE ESTABLISHMENT
9 OF THE OBSOLETE PROPERTY REHABILITATION DISTRICT.

10 (ii) THE APPLICATION FOR THE FACILITY WAS SUBMITTED TO THE
11 QUALIFIED LOCAL GOVERNMENTAL UNIT IN JANUARY 2010.

12 (iii) THE QUALIFIED LOCAL GOVERNMENTAL UNIT ESTABLISHED THE
13 DISTRICT IN JUNE 2010 AND APPROVED THE CERTIFICATE IN OCTOBER 2010.

14 (iv) THE FACILITY IS LOCATED IN A CITY WITH A POPULATION OF
15 MORE THAN 600,000 AND IS LOCATED IN A COUNTY WITH A POPULATION OF
16 MORE THAN 1,800,000, ACCORDING TO THE MOST RECENT DECENNIAL CENSUS.

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

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

25 (6) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, FOR ANY
26 CERTIFICATE ISSUED AS A RESULT OF THE ENACTMENT OF THE AMENDATORY
27 ACT THAT ADDED SUBSECTION (3)(D), THE EFFECTIVE DATE OF THE

1 CERTIFICATE SHALL BE DECEMBER 31, 2010.