

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 295

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

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

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

21 (7) BEGINNING JULY 1, 2009, THE LEGISLATIVE BODY OF THE LOCAL  
22 GOVERNMENTAL UNIT SHALL NOT APPROVE AN APPLICATION FOR AN OBSOLETE  
23 PROPERTY EXEMPTION CERTIFICATE UNLESS THE APPLICANT STATES, IN  
24 WRITING, THAT THE APPLICANT WILL MAKE A GOOD FAITH EFFORT TO EMPLOY  
25 OR CONTRACT WITH MICHIGAN RESIDENTS, CONTRACT WITH MICHIGAN FIRMS  
26 TO CONSTRUCT, REHABILITATE, DEVELOP, OR RENOVATE THE FACILITY, AND  
27 UTILIZE MICHIGAN-BASED SUPPLIERS AND VENDORS WHEN PURCHASING GOODS

1 AND SERVICES.

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

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

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

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

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

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

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

1   APPLICANT DESCRIBED IN SUBSECTION (7).

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).

6           Enacting section 1. This amendatory act does not take effect  
7   unless all of the following bills of the 95th Legislature are  
8   enacted into law:

9           (a) House Bill No. 4085.

10          (b) House Bill No. 4086.