

# Legislative Analysis

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## ALLOW RENOVATIONS & ADDITIONS TO QUALIFY FOR TAX ABATEMENT

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**House Bill 5483**  
**Sponsor: Rep. Joseph Rivet**  
**Committee: Commerce**

**Complete to 3-8-04**

### A SUMMARY OF HOUSE BILL 5483 AS INTRODUCED 2-5-04

The bill would amend the Obsolete Property Rehabilitation Act to include within the definition of “rehabilitation” the adding of additional space or the adding of additional stories to a commercial property.

Under the Obsolete Property Rehabilitation Act, an owner of commercial property, including residential property, can obtain a property tax abatement if the property is undergoing rehabilitation. Abatements are available for blighted, functionally obsolete, and contaminated properties in certain eligible communities (known as “core communities”). Generally speaking, the property owner pays a specific tax in lieu of property taxes, with the tax based on the value of property prior to rehabilitation.

Currently, the term “rehabilitation” refers to changes required to restore or modify property to an economically efficient condition, and the act lists a number of major renovations and modifications that are specifically included within the definition. House Bill 5483 would include the adding of additional space or the adding of additional stories within the definition’s list of renovations and modifications.

The bill also would make a technical change in the definition of “commercial property”.

MCL 125.2782

### FISCAL IMPACT:

The bill would have no state or local fiscal impact.

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