

STATE TAX COMMISSION

POLICY STATEMENT

OBSOLETE PROPERTY REHABILITATION ACT (OPRA)

At a meeting of the State Tax Commission held on March 22, 2006, the State Tax Commission established the following policies.

#1:

As provided by Public Act 146 of 2000, Section 4(3), the clerk of the qualified local unit will request the assessor to determine the taxable value of property that was owned by a qualified local governmental unit on the effective date of this act, and subsequently conveyed to a private owner. This determination shall be made prior to the hearing on the application for an obsolete property rehabilitation exemption certificate held pursuant to subsection (2).

Effective immediately, all Obsolete Property Rehabilitation applications submitted to the State Tax Commission are required to indicate the prior years actual taxable value, rather than a zero (\$0) taxable value based on previous local governmental ownership. An OPRA exemption will not be issued or frozen at a zero taxable value.

#2:

As provided by Public Act 146 of 2000, Section 8(2), the legislative body of the qualified local governmental unit shall not approve an application for an obsolete property exemption certificate unless the applicant complies with all of the following requirements:

In part:

(a), the commencement of the rehabilitation of the facility does not occur before the establishment of the obsolete property rehabilitation district.

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

Subsections (a) and (b) were addressed by the State Tax Commission and effective immediately, obsolete property rehabilitation applicants may begin their projects after the establishment of the obsolete district by the local governmental unit and still meet the statement requirement of Section 8(2)(d).