

# HOUSE BILL No. 4538

March 22, 2005, Introduced by Reps. McConico, Tobocman, Hunter, Leland, Waters, Lemmons, Jr., Cushingberry, Gaffney, Virgil Smith, Cheeks and Lemmons, III and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending sections 2 and 8 (MCL 207.772 and 207.778), section 2  
as amended by 2004 PA 396.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. As used in this act:

2       (a) "Commission" means the state tax commission created by  
3       1927 PA 360, MCL 209.101 to 209.107.

4       (b) "Condominium unit" means that portion of a structure  
5       intended for separate ownership, intended for residential use, and  
6       established pursuant to the condominium act, 1978 PA 59, MCL  
7       559.101 to 559.276. Condominium units within a qualified historic  
8       building may be held under common ownership.

9       (c) "Developer" means a person who is the owner of a new

1 facility at the time of construction or of a rehabilitated facility  
2 at the time of rehabilitation for which a neighborhood enterprise  
3 zone certificate is applied for or issued.

4 (D) "FACILITY" MEANS A HOMESTEAD FACILITY, A NEW FACILITY, OR  
5 A REHABILITATED FACILITY.

6 (E) "HOMESTEAD FACILITY" MEANS AN EXISTING STRUCTURE,  
7 PURCHASED BY OR TRANSFERRED TO AN OWNER AFTER DECEMBER 31, 1997,  
8 THAT HAS AS ITS PRIMARY PURPOSE RESIDENTIAL HOUSING CONSISTING OF 1  
9 OR 2 UNITS, 1 OF WHICH IS OCCUPIED BY AN OWNER AS HIS OR HER  
10 PRINCIPAL RESIDENCE AND THAT IS LOCATED WITHIN A SUBDIVISION  
11 PLATTED PURSUANT TO STATE LAW BEFORE JANUARY 1, 1968.

12 (F) ~~-(d)-~~ "Local governmental unit" means a qualified local  
13 governmental unit as that term is defined under section 2 of the  
14 obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782.

15 (G) ~~-(e)-~~ "New facility" means a new structure or a portion of  
16 a new structure that has as its primary purpose residential housing  
17 consisting of 1 or 2 units, 1 of which is or will be occupied by an  
18 owner as his or her principal residence. New facility includes a  
19 model home or a model condominium unit. New facility includes a new  
20 individual condominium unit, in a structure with 1 or more  
21 condominium units, that has as its primary purpose residential  
22 housing and that is or will be occupied by an owner as his or her  
23 principal residence. New facility does not include apartments.

24 (H) ~~-(f)-~~ "Neighborhood enterprise zone certificate" or  
25 "certificate" means a certificate issued pursuant to sections 4, 5,  
26 and 6.

27 (I) ~~-(g)-~~ "Owner" means the record title holder of, or the

1 vendee of the original land contract pertaining to, a new facility,  
2 **A HOMESTEAD FACILITY**, or a rehabilitated facility for which a  
3 neighborhood enterprise zone certificate is applied for or issued.

4 (J) ~~—(h)—~~ "Qualified historic building" means a property  
5 within a neighborhood enterprise zone that has been designated a  
6 historic resource as defined under section 266 of the income tax  
7 act of 1967, 1967 PA 281, MCL 206.266.

8 (K) ~~—(i)—~~ "Rehabilitated facility" means an existing structure  
9 or a portion of an existing structure with a current true cash  
10 value of \$80,000.00 or less per unit that has or will have as its  
11 primary purpose residential housing, consisting of 1 to 8 units,  
12 the owner of which proposes improvements that if done by a licensed  
13 contractor would cost in excess of \$5,000.00 per owner-occupied  
14 unit or 50% of the true cash value, whichever is less, or \$7,500.00  
15 per nonowner-occupied unit or 50% of the true cash value, whichever  
16 is less, or the owner proposes improvements that would be done by  
17 the owner and not a licensed contractor and the cost of the  
18 materials would be in excess of \$3,000.00 per owner-occupied unit  
19 or \$4,500.00 per nonowner-occupied unit and will bring the  
20 structure into conformance with minimum local building code  
21 standards for occupancy or improve the livability of the units  
22 while meeting minimum local building code standards. Rehabilitated  
23 facility also includes an individual condominium unit, in a  
24 structure with 1 or more condominium units that has as its primary  
25 purpose residential housing, the owner of which proposes the above  
26 described improvements. Rehabilitated facility also includes  
27 existing or proposed condominium units in a qualified historic

1 building with 1 or more existing or proposed condominium units.  
2 Rehabilitated facility does not include a facility rehabilitated  
3 with the proceeds of an insurance policy for property or casualty  
4 loss. A qualified historic building may contain multiple  
5 rehabilitated facilities.

6 Sec. 8. A neighborhood enterprise zone certificate shall be in  
7 the form prescribed and provided by the commission and shall  
8 include the following:

9 (a) A legal description of the real property on which the new  
10 facility is to be located or the legal description of the **HOMESTEAD**  
11 **FACILITY OR THE** rehabilitated property.

12 (b) A statement that unless revoked under this act, the  
13 certificate shall remain in effect for the period stated in the  
14 certificate.