

# HOUSE BILL No. 5401

November 3, 2005, Introduced by Reps. Caswell, Shaffer and Hildenbrand and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 2 (MCL 207.772), 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) "Local governmental unit" means a qualified local  
5 governmental unit as that term is defined under section 2 of the  
6 obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782, **OR**  
7 **A COUNTY SEAT.**

8 (e) "New facility" means a new structure or a portion of a new  
9 structure that has as its primary purpose residential housing  
10 consisting of 1 or 2 units, 1 of which is or will be occupied by an  
11 owner as his or her principal residence. New facility includes a  
12 model home or a model condominium unit. New facility includes a new  
13 individual condominium unit, in a structure with 1 or more  
14 condominium units, that has as its primary purpose residential  
15 housing and that is or will be occupied by an owner as his or her  
16 principal residence. New facility does not include apartments.

17 (f) "Neighborhood enterprise zone certificate" or  
18 "certificate" means a certificate issued pursuant to sections 4, 5,  
19 and 6.

20 (g) "Owner" means the record title holder of, or the vendee of  
21 the original land contract pertaining to, a new facility or a  
22 rehabilitated facility for which a neighborhood enterprise zone  
23 certificate is applied for or issued.

24 (h) "Qualified historic building" means a property within a  
25 neighborhood enterprise zone that has been designated a historic  
26 resource as defined under section 266 of the income tax act of  
27 1967, 1967 PA 281, MCL 206.266.

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