

**SUBSTITUTE FOR  
SENATE BILL NO. 976**

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 2 (MCL 207.772), as amended by 2006 PA 661.

**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

Senate Bill No. 976 (S-1) as amended June 27, 2008

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, 1996,  
 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 **[OTHER THAN AN  
 EXISTING STRUCTURE FOR WHICH A CERTIFICATE WILL OR HAS BEEN ISSUED AFTER  
 DECEMBER 31, 2006 IN A CITY WITH A POPULATION OF 750,000 OR MORE, IS  
 LOCATED WITHIN A SUBDIVISION PLATTED PURSUANT TO STATE LAW BEFORE JANUARY  
 1, 1968]**.

12 (f) "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, or  
 15 a county seat.

16 (g) "New facility" means ~~a~~ **1 OR BOTH OF THE FOLLOWING:**

17 **(i)** A new structure or a portion of a new structure that has as  
 18 its primary purpose residential housing consisting of 1 or 2 units,  
 19 1 of which is or will be occupied by an owner as his or her  
 20 principal residence. New facility includes a model home or a model  
 21 condominium unit. New facility includes a new individual  
 22 condominium unit, in a structure with 1 or more condominium units,  
 23 that has as its primary purpose residential housing and that is or  
 24 will be occupied by an owner as his or her principal residence. ~~New~~  
 25 **EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii), NEW** facility does not  
 26 include apartments.

27 **(ii) A NEW STRUCTURE OR A PORTION OF A NEW STRUCTURE THAT MEETS**

1 ALL OF THE FOLLOWING:

2 (A) IS RENTED OR LEASED OR IS AVAILABLE FOR RENT OR LEASE.

3 (B) IS A MIXED USE BUILDING OR LOCATED IN A MIXED USE BUILDING  
4 THAT CONTAINS RETAIL BUSINESS SPACE ON THE STREET LEVEL FLOOR.

5 (C) IS LOCATED IN A QUALIFIED DOWNTOWN REVITALIZATION  
6 DISTRICT.

7 (h) "Neighborhood enterprise zone certificate" or  
8 "certificate" means a certificate issued pursuant to sections 4, 5,  
9 and 6.

10 (i) "Owner" means the record title holder of, or the vendee of  
11 the original land contract pertaining to, a new facility, a  
12 homestead facility, or a rehabilitated facility for which a  
13 neighborhood enterprise zone certificate is applied for or issued.

14 (J) "QUALIFIED DOWNTOWN REVITALIZATION DISTRICT" MEANS AN AREA  
15 LOCATED WITHIN 1 OR MORE OF THE FOLLOWING:

16 (i) THE BOUNDARIES OF A DOWNTOWN DISTRICT AS DEFINED IN SECTION  
17 1 OF 1975 PA 197, MCL 125.1651.

18 (ii) THE BOUNDARIES OF A PRINCIPAL SHOPPING DISTRICT OR A  
19 BUSINESS IMPROVEMENT DISTRICT AS DEFINED IN SECTION 1 OF 1961 PA  
20 120, MCL 125.981.

21 (iii) THE BOUNDARIES OF THE LOCAL GOVERNMENTAL UNIT IN AN AREA  
22 THAT IS ZONED AND PRIMARILY USED FOR BUSINESS AS DETERMINED BY THE  
23 LOCAL GOVERNMENTAL UNIT.

24 (K) ~~(j)~~—"Qualified historic building" means a property within  
25 a 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           (1) ~~(k)~~—"Rehabilitated facility" means an existing structure or  
2 a portion of an existing structure with a current true cash value  
3 of \$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.