

HOUSE BILL No. 4725

March 31, 2009, Introduced by Reps. Espinoza, Pavlov and Haase 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 2008 PA 284.

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, 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
 12 existing structure for which a certificate will or has been issued
 13 after December 31, 2006 in a city with a population of 750,000 or
 14 more, is located within a subdivision platted pursuant to state law
 15 before January 1, 1968.

16 (f) "Local governmental unit" means ~~a~~ **1 OR MORE OF THE**
 17 **FOLLOWING:**

18 (i) A qualified local governmental unit as that term is defined
 19 under section 2 of the obsolete property rehabilitation act, 2000
 20 PA 146, MCL 125.2782. ~~or a~~

21 (ii) A county seat.

22 (iii) **A TOWNSHIP THAT ADJOINS A CITY WITH A POPULATION OF MORE**
 23 **THAN 30,000 AND LESS THAN 36,000 THAT CONTAINS AN INTERNATIONAL**
 24 **BORDER CROSSING.**

25 (g) "New facility" means 1 or both of the following:

26 (i) A new structure or a portion of a new structure that has as
 27 its primary purpose residential housing consisting of 1 or 2 units,

1 1 of which is or will be occupied by an owner as his or her
2 principal residence. New facility includes a model home or a model
3 condominium unit. New facility includes a new individual
4 condominium unit, in a structure with 1 or more condominium units,
5 that has as its primary purpose residential housing and that is or
6 will be occupied by an owner as his or her principal residence.
7 Except as provided in subparagraph (ii), new facility does not
8 include apartments.

9 (ii) A new structure or a portion of a new structure that meets
10 all of the following:

11 (A) Is rented or leased or is available for rent or lease.

12 (B) Is a mixed use building or located in a mixed use building
13 that contains retail business space on the street level floor.

14 (C) Is located in a qualified downtown revitalization
15 district.

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

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

23 (j) "Qualified assessing authority" means 1 of the following:

24 (i) For a facility other than a homestead facility, the
25 commission.

26 (ii) For a homestead facility, the assessor of the local
27 governmental unit in which the homestead facility is located.

1 (k) "Qualified downtown revitalization district" means an area
2 located within 1 or more of the following:

3 (i) The boundaries of a downtown district as defined in section
4 1 of 1975 PA 197, MCL 125.1651.

5 (ii) The boundaries of a principal shopping district or a
6 business improvement district as defined in section 1 of 1961 PA
7 120, MCL 125.981.

8 (iii) The boundaries of the local governmental unit in an area
9 that is zoned and primarily used for business as determined by the
10 local governmental unit.

11 (l) "Qualified historic building" means a property within a
12 neighborhood enterprise zone that has been designated a historic
13 resource as defined under section 266 of the income tax act of
14 1967, 1967 PA 281, MCL 206.266.

15 (m) "Rehabilitated facility" means an existing structure or a
16 portion of an existing structure with a current true cash value of
17 \$80,000.00 or less per unit that has or will have as its primary
18 purpose residential housing, consisting of 1 to 8 units, the owner
19 of which proposes improvements that if done by a licensed
20 contractor would cost in excess of \$5,000.00 per owner-occupied
21 unit or 50% of the true cash value, whichever is less, or \$7,500.00
22 per nonowner-occupied unit or 50% of the true cash value, whichever
23 is less, or the owner proposes improvements that would be done by
24 the owner and not a licensed contractor and the cost of the
25 materials would be in excess of \$3,000.00 per owner-occupied unit
26 or \$4,500.00 per nonowner-occupied unit and will bring the
27 structure into conformance with minimum local building code

1 standards for occupancy or improve the livability of the units
2 while meeting minimum local building code standards. Rehabilitated
3 facility also includes an individual condominium unit, in a
4 structure with 1 or more condominium units that has as its primary
5 purpose residential housing, the owner of which proposes the above
6 described improvements. Rehabilitated facility also includes
7 existing or proposed condominium units in a qualified historic
8 building with 1 or more existing or proposed condominium units.
9 Rehabilitated facility does not include a facility rehabilitated
10 with the proceeds of an insurance policy for property or casualty
11 loss. A qualified historic building may contain multiple
12 rehabilitated facilities.