

**SUBSTITUTE FOR  
SENATE BILL NO. 227**

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 2 (MCL 207.772), as amended by 2010 PA 9.

**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  
10 facility at the time of construction or of a rehabilitated facility  
11 at the time of rehabilitation for which a neighborhood enterprise

1 zone certificate is applied for or issued.

2 (d) "Facility" means a homestead facility, a new facility, or  
3 a rehabilitated facility.

4 (e) "Homestead facility" means 1 of the following:

5 (i) An existing structure, purchased by or transferred to an  
6 owner after December 31, 1996, that has as its primary purpose  
7 residential housing consisting of 1 or 2 units, 1 of which is  
8 occupied by an owner as his or her principal residence and that is  
9 located within a subdivision platted pursuant to state law before  
10 January 1, 1968. ~~other than an existing structure for which a  
11 certificate will or has been issued after December 31, 2006 in a  
12 city with a population of 750,000 or more, is located within a  
13 subdivision platted pursuant to state law before January 1, 1968.~~

14 (ii) An existing structure that has as its primary purpose  
15 residential housing consisting of 1 or 2 units, 1 of which is  
16 occupied by an owner as his or her principal residence that is  
17 located in a subdivision platted after January 1, 1999 and is  
18 located in a county with a population of more than 400,000 and less  
19 than 500,000 according to the most recent decennial census and is  
20 located in a city with a population of more than 100,000 and less  
21 than 125,000 according to the most recent decennial census.

22 **(iii) AN EXISTING STRUCTURE THAT HAS AS ITS PRIMARY PURPOSE**  
23 **RESIDENTIAL HOUSING, FOR WHICH A CERTIFICATE WILL OR HAS BEEN**  
24 **ISSUED AFTER DECEMBER 31, 2006 IN A CITY WITH A POPULATION OF**  
25 **600,000 OR MORE, THAT IS LOCATED WITHIN A SUBDIVISION PLATTED**  
26 **PURSUANT TO STATE LAW BEFORE JANUARY 1, 1968.**

27 (f) "Local governmental unit" means a qualified local

1 governmental unit as that term is defined under section 2 of the  
2 obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782, or  
3 a county seat.

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

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

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

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

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

20 (C) Is located in a qualified downtown revitalization  
21 district.

22 (h) "Neighborhood enterprise zone certificate" or  
23 "certificate" means a certificate issued pursuant to sections 4, 5,  
24 and 6.

25 (i) "Owner" means the record title holder of, or the vendee of  
26 the original land contract pertaining to, a new facility, a  
27 homestead facility, or a rehabilitated facility for which a

1 neighborhood enterprise zone certificate is applied for or issued.

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

3 (i) For a facility other than a homestead facility, the  
4 commission.

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

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

9 (i) The boundaries of a downtown district as defined in section  
10 1 of 1975 PA 197, MCL 125.1651.

11 (ii) The boundaries of a principal shopping district or a  
12 business improvement district as defined in section 1 of 1961 PA  
13 120, MCL 125.981.

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

17 (l) "Qualified historic building" means a property within a  
18 neighborhood enterprise zone that has been designated a historic  
19 resource as defined under section 266 of the income tax act of  
20 1967, 1967 PA 281, MCL 206.266.

21 (m) "Rehabilitated facility" means an existing structure or a  
22 portion of an existing structure with a current true cash value of  
23 \$80,000.00 or less per unit that has or will have as its primary  
24 purpose residential housing, consisting of 1 to 8 units, the owner  
25 of which proposes improvements that if done by a licensed  
26 contractor would cost in excess of \$5,000.00 per owner-occupied  
27 unit or 50% of the true cash value, whichever is less, or \$7,500.00

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