



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 1060 (Substitute S-1)
Sponsor: Senator Dale W. Zorn
Committee: Local Government

Date Completed: 10-20-16

CONTENT

The bill would amend the Michigan Zoning Enabling Act to do the following:

- **Allow an owner of residential property that was used for a nonconforming residential rental use or structure to make improvements or additions, if the property were in a municipality meeting specific criteria.**
- **Specify that this would not authorize an increase in the structure's maximum legal or licensed occupancy, or an increase in the size of the structure unless it complied with existing zoning regulations or the owner obtained a variance.**
- **Require the local unit of government to use the standards applicable to conforming residential rental structures or uses in evaluating a variance application.**
- **Prohibit the local unit from revoking or altering a license, certificate, or approval for a residential rental structure or use, or reducing the maximum occupancy, because a residential rental structure or use was nonconforming.**

Specifically, if a residential property used for a nonconforming residential rental use or a nonconforming residential rental structure were located in a municipality where a university with 45,000 or more students is located and where at least 30% of the residential rental properties are nonconforming, the owner of the property or structure could do the following:

- Make any improvements or additions to the nonconforming residential rental use or nonconforming residential rental structure.
- Complete, resume, restore, reconstruct, remodel, reconfigure, extend, or enlarge the nonconforming residential rental use or nonconforming residential rental structure.

That provision, however, would not authorize any of the following:

- An increase in the maximum legal or licensed occupancy of a residential rental structure.
- An increase in the footprint or height of a residential rental structure, unless the increase complied with the existing zoning regulations applicable to the location or the owner obtained a variance authorizing the increase.

(East Lansing is the only Michigan municipality that meets the bill's university and nonconforming properties criteria.)

In evaluating an application for a variance for a nonconforming residential rental structure or nonconforming residential rental use, the local unit of government would have to use the same standards as those that applied to conforming residential rental structures or conforming residential rental uses.

The local unit could not, because a residential rental structure or residential rental use was nonconforming, revoke or alter a residential rental license, rental certificate, or approval for, or reduce the existing maximum legal or licensed occupancy of, the structure or use.

The bill would take effect 90 days after its enactment.

MCL 125.3208

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

To the extent that the bill resulted in increased taxable value from improvements to nonconforming residential rental property that would not otherwise be possible, the bill would increase State revenue to the School Aid Fund from the State Education Tax by a minimal amount and increase local property tax revenue in the City of East Lansing by an unknown amount that could be locally significant.

Fiscal Analyst: Elizabeth Pratt