

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

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.

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.