



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 319 (Substitute S-1 as reported)  
Sponsor: Senator Jeremy Moss  
Committee: Economic and Small Business Development

## **CONTENT**

The bill would amend the Neighborhood Enterprise Zone Act to modify the definition of "rehabilitated facility" and to require the State Treasurer to adjust the amounts prescribed in the definition annually, beginning in 2020.

Currently, "rehabilitated facility" means an existing structure or a portion of an existing structure with a current true cash value of \$80,000 or less per unit that has or will have as its primary purpose residential housing, consisting of one to eight units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$5,000 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$7,500 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000 per owner-occupied unit or \$4,500 per nonowner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards.

Under the bill, "rehabilitated facility" would mean, except as otherwise provided, an existing structure or a portion of an existing structure with a current true cash value of \$120,000 or less per unit that has or will have as its primary purpose residential housing, consisting of one to eight units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$10,000 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$15,000 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000 per owner-occupied unit or \$4,500 per nonowner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards.

Beginning in 2020, and each year thereafter, the State Treasurer would have to adjust the dollar amounts described in the above definition by the inflation rate, as that term is defined in the General Property Tax Act.

MCL 207.772 et al.

Legislative Analyst: Drew Krogulecki

## **FISCAL IMPACT**

The bill would have no fiscal impact on the Department of Treasury. Annual adjustments to the qualifications for rehabilitation facilities could be updated within current appropriations.

Date Completed: 6-17-19

Fiscal Analyst: Cory Savino

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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