

# HOUSE BILL NO. 5775

May 19, 2020, Introduced by Reps. LaFave and Markkanen and referred to the Committee on Commerce and Tourism.

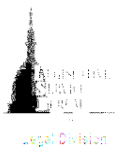
A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 2 (MCL 207.772), as amended by 2020 PA 3.

## **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 under the condominium act, 1978 PA 59, MCL 559.101 to



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559.276. Condominium units within a qualified historic building may be held under common ownership.

(c) "Developer" means a person who is the owner of a new facility at the time of construction or of a rehabilitated facility at the time of rehabilitation for which a neighborhood enterprise zone certificate is applied for or issued.

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

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

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

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

(f) "Local governmental unit" means a ~~qualified local governmental unit as that term is defined under section 2 of the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782, or~~



1 ~~a county seat.~~ **city, village, or township.**

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

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

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

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

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

18 (C) Is located in a qualified downtown revitalization  
 19 district.

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

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

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

28 (i) For a facility other than a homestead facility, the  
 29 commission.



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

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

(i) The boundaries of a downtown district as defined in section 201 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201.

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

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

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

(m) "Rehabilitated facility" means, except as otherwise provided in section 2a, an existing structure or a portion of an existing structure with a current true cash value of \$120,000.00 or less per unit **or, if located in the Upper Peninsula of this state, \$500,000.00 or less per unit** that has or will have as its primary purpose residential housing, consisting of 1 to 8 units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$10,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$15,000.00 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



1 cost of the materials would be in excess of \$3,000.00 per owner-  
2 occupied unit or \$4,500.00 per nonowner-occupied unit and will  
3 bring the structure into conformance with minimum local building  
4 code standards for occupancy or improve the livability of the units  
5 while meeting minimum local building code standards. Rehabilitated  
6 facility also includes an individual condominium unit, in a  
7 structure with 1 or more condominium units that has as its primary  
8 purpose residential housing, the owner of which proposes the above  
9 described improvements. Rehabilitated facility also includes  
10 existing or proposed condominium units in a qualified historic  
11 building with 1 or more existing or proposed condominium units.  
12 Rehabilitated facility does not include a facility rehabilitated  
13 with the proceeds of an insurance policy for property or casualty  
14 loss. A qualified historic building may contain multiple  
15 rehabilitated facilities. **As used in this subdivision, "current**  
16 **true cash value" means the most recent determination of true cash**  
17 **value as determined under section 27 of the general property tax**  
18 **act, 1893 PA 206, MCL 211.27.**

