

SENATE BILL NO. 319

May 14, 2019, Introduced by Senator MOSS and referred to the Committee on Economic and Small Business Development.

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, and by adding section 2a.

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

1 intended for separate ownership, intended for residential use, and
 2 established ~~pursuant to~~**under** the condominium act, 1978 PA 59, MCL
 3 559.101 to 559.276. Condominium units within a qualified historic
 4 building may be held under common ownership.

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

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

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

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

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

29 (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
 28 neighborhood enterprise zone certificate is applied for or issued.

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

1 (i) For a facility other than a homestead facility, the
2 commission.

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

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

7 (i) The boundaries of a downtown district as defined in ~~section~~
8 ~~1 of 1975 PA 197, MCL 125.1651.~~ **section 201 of the recodified tax**
9 **increment financing act, 2018 PA 57, MCL 125.4201.**

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

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

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

20 (m) "Rehabilitated facility" means, **except as otherwise**
21 **provided in section 2a**, an existing structure or a portion of an
22 existing structure with a current true cash value of ~~\$80,000.00~~
23 **\$120,000.00** 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~~ **\$10,000.00** per owner-
27 occupied unit or 50% of the true cash value, whichever is less, or
28 ~~\$7,500.00~~ **\$15,000.00** per nonowner-occupied unit or 50% of the true
29 cash value, whichever is less, or the owner proposes improvements

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

17 **Sec. 2a. (1) Beginning in 2020 and each year thereafter, the**
18 **state treasurer shall adjust the dollar amounts described in**
19 **section 2(m) by an amount determined by the state treasurer at the**
20 **end of each calendar year to reflect the cumulative annual**
21 **percentage change in the Consumer Price Index.**

22 **(2) As used in this section, "Consumer Price Index" means the**
23 **most comprehensive index of consumer prices available for this**
24 **state from the Bureau of Labor Statistics of the United States**
25 **Department of Labor.**