

HOUSE BILL No. 6174

May 18, 2010, Introduced by Reps. Horn, Mayes, Calley, Stamas, Crawford, Clemente, Griffin, Knollenberg, Bolger, Neumann, Haveman, Wayne Schmidt and Green and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled "Neighborhood enterprise zone act," by amending sections 2 and 10 (MCL 207.772 and 207.780), section 2 as amended by 2010 PA 9 and section 10 as amended by 2005 PA 339.

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.

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

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

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

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

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

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

1 a county seat.

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 **REGARDLESS OF WHETHER THE CONDOMINIUM UNIT IS RENTED OR LEASED OR**
12 **IS AVAILABLE FOR RENT OR LEASE FOR A PERIOD NOT TO EXCEED 5 YEARS.**
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

1 neighborhood enterprise zone certificate is applied for or issued.

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

3 (i) For a facility other than a homestead facility, the
4 commission.

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

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

9 (i) The boundaries of a downtown district as defined in section
10 1 of 1975 PA 197, MCL 125.1651.

11 (ii) The boundaries of a principal shopping district or a
12 business improvement district as defined in section 1 of 1961 PA
13 120, MCL 125.981.

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

17 (l) "Qualified historic building" means a property within a
18 neighborhood enterprise zone that has been designated a historic
19 resource as defined under section 266 of the income tax act of
20 1967, 1967 PA 281, MCL 206.266.

21 (m) "Rehabilitated facility" means an existing structure or a
22 portion of an existing structure with a current true cash value of
23 \$80,000.00 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 per owner-occupied
27 unit or 50% of the true cash value, whichever is less, or \$7,500.00

1 per nonowner-occupied unit or 50% of the true cash value, whichever
2 is less, or the owner proposes improvements that would be done by
3 the owner and not a licensed contractor and the cost of the
4 materials would be in excess of \$3,000.00 per owner-occupied unit
5 or \$4,500.00 per nonowner-occupied unit and will bring the
6 structure into conformance with minimum local building code
7 standards for occupancy or improve the livability of the units
8 while meeting minimum local building code standards. Rehabilitated
9 facility also includes an individual condominium unit, in a
10 structure with 1 or more condominium units that has as its primary
11 purpose residential housing, the owner of which proposes the above
12 described improvements. Rehabilitated facility also includes
13 existing or proposed condominium units in a qualified historic
14 building with 1 or more existing or proposed condominium units.
15 Rehabilitated facility does not include a facility rehabilitated
16 with the proceeds of an insurance policy for property or casualty
17 loss. A qualified historic building may contain multiple
18 rehabilitated facilities.

19 Sec. 10. (1) Except as provided in subsections (2) and (3),
20 the effective date of the neighborhood enterprise zone certificate
21 is December 31 in the year in which the new facility or
22 rehabilitated facility is substantially completed and, for a new
23 facility, occupied by an owner as a principal residence, as
24 evidenced by the owner filing with the assessor of the local
25 assessing unit all of the following:

- 26 (a) For a new facility, a certificate of occupancy.
27 (b) For a rehabilitated facility, a certificate that the

1 improvements meet minimum local building code standards issued by
2 the local building inspector or other authorized officer or a
3 certificate of occupancy if required by local building permits or
4 building codes.

5 (c) For a rehabilitated facility, documentation proving the
6 cost requirements of section 2(k) are met.

7 (d) For a homestead facility or a new facility, an affidavit
8 executed by an owner affirming that the homestead facility or new
9 facility is occupied by an owner as a principal residence.

10 (2) If a new facility is substantially completed in a year but
11 is not occupied by an owner as a principal residence until ~~the~~
12 ~~following~~ **A SUBSEQUENT** year, upon the request of the owner, the
13 effective date of the neighborhood enterprise zone certificate
14 shall be December 31 in the year immediately preceding the date of
15 occupancy by the owner as a principal residence.

16 (3) Upon the request of the owner, the effective date of the
17 neighborhood enterprise zone certificate for a rehabilitated
18 facility shall be December 31 in the year immediately preceding the
19 date on which the rehabilitated facility is substantially
20 completed.