

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4621**

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending sections 2, 3, 9, 10, 11, and 12 (MCL 207.772,  
207.773, 207.779, 207.780, 207.781, and 207.782), section 9 as  
amended by 1996 PA 449, section 10 as amended by 2001 PA 158, and  
section 12 as amended by 1994 PA 391; and to repeal acts and  
parts of acts.

**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 ~~Act No. 360 of the Public Acts of 1927, being sections 209.101-~~  
4 ~~to 209.107 of the Michigan Compiled Laws~~ 1927 PA 360,  
5 MCL 209.101 TO 209.107.

6       (b) "Condominium unit" means that portion of a structure  
7 intended for separate ownership, intended for residential use,

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1 and established pursuant to the condominium act, ~~Act No. 59 of~~  
2 ~~the Public Acts of 1978, being sections 559.101 to 559.275 of the~~  
3 ~~Michigan Compiled Laws— 1978 PA 59, MCL 559.101 TO 559.276.~~

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

8 (d) "Local governmental unit" means a QUALIFIED LOCAL GOV-  
9 ERNMENTAL UNIT AS THAT TERM IS DEFINED UNDER SECTION 2 OF THE  
10 OBSOLETE PROPERTY REHABILITATION ACT, 2000 PA 146, MCL 125.2782.  
11 ~~city, township, or village that meets all of the applicable fol-~~  
12 ~~lowing criteria at the time of certification by the Michigan~~  
13 ~~enterprise zone authority under section 14; or a city that meets~~  
14 ~~3 or more of the applicable following criteria and that has the~~  
15 ~~largest population of the cities within a metropolitan statisti-~~  
16 ~~cal area, as designated by the United States bureau of the census~~  
17 ~~at the time of certification by the Michigan enterprise zone~~  
18 ~~authority under section 14;~~

19 (i) ~~For a city, the following:~~

20 (A) ~~Has a population of 10,000 or more according to the most~~  
21 ~~recent federal decennial census.~~

22 (B) ~~Had an average unemployment rate of 8.0% or more during~~  
23 ~~the most recent calendar year for which the data is available~~  
24 ~~from the Michigan employment security commission or had a total~~  
25 ~~millage rate of 84 or more mills levied in the most recent ad-~~  
26 ~~valorem property tax levy.~~

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1       ~~(C) Had a total millage rate of 63.3 mills or more levied in~~  
2 ~~the most recent ad valorem property tax levy or levies a city~~  
3 ~~income tax.~~

4       ~~(D) Has a housing stock of which 60% or more of the units~~  
5 ~~were built before 1960 as reported in the most recent federal~~  
6 ~~decennial census.~~

7       ~~(E) Has had a percentage increase in state equalized valua-~~  
8 ~~tion between 1970 and 1990 below 140%.~~

9       ~~(F) Had a decline in population of more than 5% between 1970~~  
10 ~~and 1990.~~

11       ~~(ii) For a village or township, all of the following:~~

12       ~~(A) Has a population of 5,000 or more according to the most~~  
13 ~~recent federal decennial census.~~

14       ~~(B) Had an average unemployment rate of 17% or more during~~  
15 ~~the most recent calendar year for which the data is available~~  
16 ~~from the Michigan employment security commission.~~

17       ~~(C) Had a total millage rate of 65 mills or more levied in~~  
18 ~~the most recent ad valorem property tax levy.~~

19       ~~(D) Had a decline in population of more than 20% between~~  
20 ~~1970 and 1990.~~

21       (e) "New facility" means a new structure OR A PORTION OF A  
22 NEW STRUCTURE that has as its primary purpose residential housing  
23 consisting of 1 or 2 units, 1 of which is or will be occupied by  
24 an owner as his or her principal residence. New facility  
25 includes a new individual condominium unit, in a structure with 1  
26 or more condominium units, that has as its primary purpose  
27 residential housing and that is or will be occupied by an owner

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1 as his or her principal residence. New facility does not include  
2 apartments.

3 (f) "Neighborhood enterprise zone certificate" or  
4 "certificate" means a certificate issued pursuant to sections 4,  
5 5, and 6.

6 (g) "Owner" means the record title holder of, or the vendee  
7 of the original land contract pertaining to, a new facility or a  
8 rehabilitated facility for which a neighborhood enterprise zone  
9 certificate is applied for or issued.

10 (h) "Rehabilitated facility" means an existing structure OR  
11 A PORTION OF AN EXISTING STRUCTURE with a current true cash value  
12 of ~~of \$60,000.00~~ \$80,000.00 or less per unit that has or will have  
13 as its primary purpose residential housing consisting of 1 to 8  
14 units, the owner of which proposes improvements that if done by a  
15 licensed contractor would cost in excess of \$5,000.00 per  
16 owner-occupied unit or 50% of the true cash value, whichever is  
17 less, or \$7,500.00 per nonowner-occupied unit or 50% of the true  
18 cash value, whichever is less, OR THE OWNER PROPOSES IMPROVEMENTS  
19 THAT WOULD BE DONE BY THE OWNER AND NOT A LICENSED CONTRACTOR AND  
20 THE COST OF THE MATERIALS WOULD BE IN EXCESS OF \$3,000.00 PER  
21 OWNER-OCCUPIED UNIT OR \$4,500.00 PER NONOWNER-OCCUPIED UNIT and  
22 will bring the structure into conformance with minimum local  
23 building code standards for occupancy or improve the livability  
24 of the units while meeting minimum local building code  
25 standards. Rehabilitated facility also includes an individual  
26 condominium unit, in a structure with 1 or more condominium units  
27 that has as its primary purpose residential housing, the owner of

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1 which proposes the above described improvements. Rehabilitated  
2 facility does not include a facility rehabilitated with the pro-  
3 ceeds of an insurance policy for property or casualty loss.

4       Sec. 3. (1) The governing body of a local governmental unit  
5 by resolution may designate 1 or more neighborhood enterprise  
6 zones within that local governmental unit. A neighborhood enter-  
7 prise zone ~~, other than a neighborhood enterprise zone desig-~~  
8 ~~nated pursuant to subsection (2),~~ shall contain not less than 10  
9 platted parcels of land. All the land within a neighborhood  
10 enterprise zone shall also be compact and contiguous.

11       (2) ~~A local governmental unit may designate 1 or more~~  
12 ~~neighborhood enterprise zones limited to new facilities if each~~  
13 ~~new facility in the zone is part of a development of 10 or more~~  
14 ~~units.~~ The total acreage of the neighborhood enterprise zones  
15 designated under this ~~subsection~~ ACT shall not exceed ~~1%~~ 15%  
16 of the total acreage contained within the boundaries of the local  
17 governmental unit.

18       (3) Not less than 60 days before the passage of a resolution  
19 designating a neighborhood enterprise zone or the repeal or  
20 amendment of a resolution under subsection ~~-(6)-~~ (5), the clerk  
21 of the local governmental unit shall give written notice to the  
22 assessor and to the governing body of each taxing unit that  
23 levies ad valorem property taxes in the proposed neighborhood  
24 enterprise zone. Before acting upon the resolution, the govern-  
25 ing body of the local governmental unit shall make a finding that  
26 a proposed neighborhood enterprise zone is consistent with the  
27 master plan of the local governmental unit and the neighborhood

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1 preservation and economic development goals of the local  
2 governmental unit. The governing body before acting upon the  
3 resolution shall also adopt a statement of the local governmental  
4 unit's goals, objectives, and policies relative to the mainte-  
5 nance, preservation, improvement, and development of housing for  
6 all persons regardless of income level living within the proposed  
7 neighborhood enterprise zone. Additionally, before acting upon  
8 the resolution the governing body shall pass a housing inspection  
9 ordinance that at a minimum requires that before the sale of a  
10 unit in a new or rehabilitated facility for which a neighborhood  
11 enterprise zone certificate is in effect, an inspection is made  
12 of the unit to determine compliance with any local construction  
13 or safety codes and that a sale may not be finalized until there  
14 is compliance with those local construction or safety codes. The  
15 governing body shall hold a public hearing not later than 45 days  
16 after the date the notice is sent but before acting upon the  
17 resolution.

18       (4) Upon receipt of a notice under subsection (3), the  
19 assessor shall determine and furnish to the governing body of the  
20 local governmental unit the amount of the true cash value of the  
21 property located within the proposed neighborhood enterprise zone  
22 and any other information considered necessary by the governing  
23 body.

24       ~~-(5) The total amount of acreage included within neighbor-~~  
25 ~~hood enterprise zones other than zones designated under~~  
26 ~~subsection (2) in a local governmental unit that meets all the~~  
27 ~~criteria under section 2(d)(i) or (ii) shall not exceed 10% or~~

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~~1 for a local governmental unit that does not meet all the criteria  
2 under section 2(d)(i) or (ii) shall not exceed 5% of the total  
3 acreage contained within the boundaries of the local governmental  
4 unit or 500 acres within a local governmental unit that estab=  
5 lished an enterprise zone before 1992 under the enterprise zone  
6 act, Act No. 224 of the Public Acts of 1985, being  
7 sections 125.2101 to 125.2122 of the Michigan Compiled Laws.  
8 This limit is increased for a local governmental unit by 1% for  
9 each 1/2% reduction in the ad valorem property tax millage rate  
10 levied for all purposes by the local governmental unit, but not  
11 to exceed a total limit of 25%. Additionally, this limit is  
12 decreased by 1% for each 1/2% increase in the ad valorem property  
13 tax millage rate levied for all purposes by the local governmen=  
14 tal unit, but not decreased to less than the amount of the ini=  
15 tial limit provided for under this subsection. However, a  
16 decrease in the total amount of acreage allowed under this sub=  
17 section does not invalidate a certificate that is issued or in  
18 effect and a facility for which a certificate is issued or in  
19 effect shall continue to be included in the total acreage limita=  
20 tion until the certificate is expired or revoked. The reduction  
21 or increase in the millage rate shall be calculated using the  
22 millage rate levied in the year in which the first neighborhood  
23 enterprise zone is designated by the governing body of the local  
24 governmental unit.~~

~~25 (5) —(6)—~~ A resolution designating a neighborhood enterprise  
26 zone, other than a zone designated under subsection (2), may be  
27 repealed or amended not sooner than 3 years after the date of

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1 adoption or of the most recent amendment of the resolution by the  
2 governing body of the local governmental unit. The repeal or  
3 amendment of the resolution shall take effect 6 months after  
4 adoption. However, an action taken under this subsection does  
5 not invalidate a certificate that is issued or in effect and a  
6 facility for which a certificate is issued or in effect shall  
7 continue to be included in the total acreage limitations under  
8 this section until the certificate is expired or revoked.

9       (6) ~~-(7)-~~ Upon passage, amendment, or repeal of a resolution  
10 under this section, the clerk of the local governmental unit  
11 shall notify the commission of the action taken.

12       Sec. 9. (1) Except as provided in subsection (10), there is  
13 levied on the owner of a new facility or a rehabilitated facility  
14 to which a neighborhood enterprise zone certificate is issued a  
15 specific tax known as the neighborhood enterprise zone tax.

16       (2) A new facility or a rehabilitated facility for which a  
17 neighborhood enterprise zone certificate is in effect, but not  
18 the land on which the facility is located, is exempt from ad  
19 valorem real property taxes ~~levied~~ COLLECTED under the general  
20 property tax act, ~~Act No. 206 of the Public Acts of 1893, being~~  
21 ~~sections 211.1 to 211.157 of the Michigan Compiled Laws~~ 1893  
22 PA 206, MCL 211.1 TO 211.157.

23       (3) The amount of the neighborhood enterprise zone tax on a  
24 new facility is determined each year by multiplying the ~~state~~  
25 ~~equalized valuation~~ TAXABLE VALUE of the facility, not including  
26 the land, by 1 of the following:



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1 (a) For property that would otherwise meet the definition of  
2 a homestead under section 7dd of ~~Act No. 206 of the Public Acts~~  
3 ~~of 1893, being section 211.7dd of the Michigan Compiled Laws~~ THE  
4 GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.7DD, if that prop-  
5 erty was not exempt from ad valorem property taxes under this  
6 act, 1/2 of the average rate of taxation levied in this state in  
7 the immediately preceding calendar year on homestead property and  
8 qualified agricultural property as defined in section 7dd of ~~Act~~  
9 ~~No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT,  
10 1893 PA 206, MCL 211.7DD. However, in 1994 only, the average  
11 rate of taxation shall be the average rate of taxation levied in  
12 1993 upon all property in this state upon which ad valorem taxes  
13 are assessed.

14 (b) For property that is not a homestead under section 7dd  
15 of ~~Act No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY  
16 TAX ACT, 1893 PA 206, MCL 211.7DD, 1/2 of the average rate of  
17 taxation levied upon commercial, industrial, and utility property  
18 upon which ad valorem taxes are assessed as determined for the  
19 immediately preceding calendar year by the state board of asses-  
20 sors under section 13 of ~~Act No. 282 of the Public Acts of 1905,~~  
21 ~~being section 207.13 of the Michigan Compiled Laws~~ 1905 PA 282,  
22 MCL 207.13. However, in 1994 only, the average rate of taxation  
23 shall be the average rate of taxation levied in 1993 upon all  
24 property in this state upon which ad valorem taxes are assessed.

25 (4) The amount of the neighborhood enterprise zone tax on a  
26 rehabilitated facility is determined each year by multiplying the  
27 ~~state equalized valuation~~ TAXABLE VALUE of the rehabilitated

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1 facility, not including the land, for the tax year immediately  
2 preceding the effective date of the neighborhood enterprise zone  
3 certificate by the total mills ~~levied~~ COLLECTED under ~~Act~~  
4 ~~No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT,  
5 1893 PA 206, MCL 211.1 TO 211.157, for the current year by all  
6 taxing units within which the rehabilitated facility is located.

7 (5) The neighborhood enterprise zone tax is an annual tax,  
8 payable at the same times, in the same installments, and to the  
9 same officer or officers as taxes ~~imposed~~ COLLECTED under ~~Act~~  
10 ~~No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT,  
11 1893 PA 206, MCL 211.1 TO 211.157, are payable. Except as other-  
12 wise provided in this section, the officer or officers shall dis-  
13 burse the neighborhood enterprise zone tax received by the offi-  
14 cer or officers each year to the state, cities, townships, vil-  
15 lages, school districts, counties, and authorities at the same  
16 times and in the same proportions as required for the disburse-  
17 ment of taxes collected under ~~Act No. 206 of the Public Acts of~~  
18 ~~1893~~ THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO  
19 211.157. To determine the proportion for the disbursement of  
20 taxes under this subsection and for attribution of taxes under  
21 subsection (7) for taxes collected after June 30, 1994, the  
22 number of mills levied for local school district operating pur-  
23 poses to be used in the calculation shall equal the number of  
24 mills for local school district operating purposes levied in 1993  
25 minus the number of mills levied under the state education tax  
26 act, ~~Act No. 331 of the Public Acts of 1993, being~~  
27 ~~sections 211.901 to 211.906 of the Michigan Compiled Laws~~ 1993

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1 PA 331, MCL 211.901 TO 211.906, for the year for which the  
2 disbursement is calculated.

3 (6) An intermediate school district receiving state aid  
4 under sections 56, 62, and 81 of the state school aid act of  
5 1979, ~~Act No. 94 of the Public Acts of 1979, being sections~~  
6 ~~388.1656, 388.1662, and 388.1681 of the Michigan Compiled Laws~~  
7 1979 PA 94, MCL 388.1656, 388.1662, AND 388.1681, of the amount  
8 that would otherwise be disbursed to or retained by the interme-  
9 diate school district, all or a portion, to be determined on the  
10 basis of the tax rates being utilized to compute the amount of  
11 state aid, shall be paid to the state treasury to the credit of  
12 the state school aid fund established by section 11 of article IX  
13 of the state constitution of 1963. If and for the period that  
14 the state school aid act of 1979, ~~Act No. 94 of the Public Acts~~  
15 ~~of 1979, being sections 388.1601 to 388.1772 of the Michigan~~  
16 ~~Compiled Laws~~ 1979 PA 94, MCL 388.1601 TO 388.1772, is amended  
17 or its successor act is enacted or amended to include a provision  
18 that provides for adjustments in state school aid to account for  
19 the receipt of revenues provided under this act in place of  
20 exempted ad valorem property tax, revenues required to be remit-  
21 ted or returned to the state treasury to the credit of the state  
22 school aid fund shall be distributed instead to the intermediate  
23 school districts. If the sum of any industrial facility tax  
24 levied under ~~Act No. 198 of the Public Acts of 1974, being~~  
25 ~~sections 207.551 to 207.572 of the Michigan Compiled Laws~~ 1974  
26 PA 198, MCL 207.551 TO 207.572, the commercial facilities tax  
27 levied under the commercial redevelopment act, ~~Act No. 255 of~~

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1 ~~the Public Acts of 1978, being sections 207.651 to 207.668 of the~~  
2 ~~Michigan Compiled Laws~~ 1978 PA 255, MCL 207.651 TO 207.668, and  
3 the neighborhood enterprise zone tax paid to the state treasury  
4 to the credit of the state school aid fund that would otherwise  
5 be disbursed to the intermediate school district exceeds the  
6 amount received by the intermediate school district under  
7 sections 56, 62, and 81 of ~~Act No. 94 of the Public Acts of~~  
8 ~~1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979 PA 94, MCL 388.1656,  
9 388.1662, AND 388.1681, the department of treasury shall allocate  
10 to each eligible intermediate school district an amount equal to  
11 the difference between the sum of the industrial facility tax,  
12 the commercial facilities tax, and the neighborhood enterprise  
13 zone tax paid to the state treasury to the credit of the state  
14 school aid fund and the amount the intermediate school district  
15 received under sections 56, 62, and 81 of ~~Act No. 94 of the~~  
16 ~~Public Acts of 1979~~ THE STATE SCHOOL AID ACT OF 1979, 1979  
17 PA 94, MCL 388.1656, 388.1662, AND 388.1681.

18 (7) For neighborhood enterprise zone taxes levied after 1993  
19 for school operating purposes, the amount that would otherwise be  
20 disbursed to a local school district shall be paid instead to the  
21 state treasury and credited to the state school aid fund estab-  
22 lished by section 11 of article IX of the state constitution of  
23 1963.

24 (8) The officer or officers shall send a copy of the amount  
25 of disbursement made to each unit under this section to the com-  
26 mission on a form provided by the commission. The neighborhood  
27 enterprise zone tax is a lien on the real property upon which the

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1 new facility or rehabilitated facility subject to the certificate  
2 is located until paid. The continuance of a certificate is con-  
3 ditional upon the annual payment of the neighborhood enterprise  
4 zone tax and the ad valorem tax on the land COLLECTED under ~~Act~~  
5 ~~No. 206 of the Public Acts of 1893~~ THE GENERAL PROPERTY TAX ACT,  
6 1893 PA 206, MCL 211.1 TO 211.157.

7 (9) If payment of the tax under this act is not made by the  
8 March 1 following the levy of the tax, the tax shall be turned  
9 over to the county treasurer and collected in the same manner as  
10 a delinquent tax under ~~Act No. 206 of the Public Acts of 1893~~  
11 THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO 211.157.

12 (10) A new facility or a rehabilitated facility located in a  
13 renaissance zone under the Michigan renaissance zone act, ~~Act~~  
14 ~~No. 376 of the Public Acts of 1996, being sections 125.2681 to~~  
15 ~~125.2696 of the Michigan Compiled Laws~~ 1996 PA 376, MCL 125.2681  
16 TO 125.2696, is exempt from the neighborhood enterprise zone tax  
17 levied under this act to the extent and for the duration provided  
18 pursuant to ~~Act No. 376 of the Public Acts of 1996~~ THE MICHIGAN  
19 RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696,  
20 except for that portion of the neighborhood enterprise zone tax  
21 attributable to a special assessment or a tax described in sec-  
22 tion 7ff(2) of the general property tax act, ~~Act No. 206 of the~~  
23 ~~Public Acts of 1893, being section 211.7ff of the Michigan~~  
24 ~~Compiled Laws~~ 1893 PA 206, MCL 211.7FF. The neighborhood enter-  
25 prise zone tax calculated under this subsection shall be dis-  
26 bursed proportionately to the local taxing unit or units that  
27 levied the special assessment or the tax described in section

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1 7ff(2) of ~~Act No. 206 of the Public Acts of 1893~~ THE GENERAL  
2 PROPERTY TAX ACT, 1893 PA 206, MCL 211.7FF.

3 Sec. 10. (1) Except as provided in subsections (2) and (3),  
4 the effective date of the neighborhood enterprise zone certifi-  
5 cate is December 31 in the year in which the new facility or  
6 rehabilitated facility is substantially completed and, for a new  
7 facility, occupied by an owner as a principal residence, as evi-  
8 denced by the owner filing with the assessor of the local assess-  
9 ing unit all of the following:

10 (a) For a new facility, a certificate of occupancy.

11 (b) For a rehabilitated facility, a certificate that the  
12 improvements meet minimum local building code standards issued by  
13 the local building inspector or other authorized officer or a  
14 certificate of occupancy if required by local building permits or  
15 building codes.

16 (c) For a rehabilitated facility, documentation proving the  
17 cost requirements of section 2(h) are met.

18 (d) For a new facility, an affidavit executed by an owner  
19 affirming that the new facility is occupied by an owner as a  
20 principal residence.

21 (2) If a new facility is substantially completed in a year  
22 but is not occupied by an owner as a principal residence until  
23 the following year, upon the request of the owner, the effective  
24 date of the neighborhood enterprise zone certificate shall be  
25 December 31 in the year immediately preceding the date of occu-  
26 pancy by the owner as a principal residence.

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1       (3) Upon the request of the owner, the effective date of the  
2 neighborhood enterprise zone certificate for a rehabilitated  
3 facility shall be December 31 in the year immediately preceding  
4 the date on which the rehabilitated facility is substantially  
5 completed.

6       ~~(4) The owner, or any subsequent owner, of a new facility~~  
7 ~~before November 1 of each year the certificate is in force shall~~  
8 ~~submit to the assessor of the local assessing unit an affidavit~~  
9 ~~executed by the owner affirming that the new facility is occupied~~  
10 ~~by the owner as a principal residence.~~

11       Sec. 11. (1) Upon receipt of a request by certified mail to  
12 the commission by the holder of a neighborhood enterprise zone  
13 certificate requesting revocation of the certificate, the commis-  
14 sion by order shall revoke the certificate.

15       (2) The certificate shall expire if the owner fails to com-  
16 plete the filing requirements under section ~~10(1)~~ 10 within 2  
17 years of the date the certificate was issued. The holder of the  
18 certificate may request in writing to the commission a 1-year  
19 automatic extension of the certificate if the owner has proceeded  
20 in good faith with the construction or rehabilitation of the  
21 facility in a manner consistent with the purposes of this act and  
22 the delay in completion or occupancy by an owner is due to cir-  
23 cumstances beyond the control of the holder of the certificate.  
24 Upon request of the local governmental unit, the commission shall  
25 extend the certificate if the new facility has not been  
26 occupied.

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1       (3) The certificate for a new facility is automatically  
2 revoked if the ~~affidavit under section 10(2) is not provided by~~  
3 ~~November 1 of each year the certificate is in effect~~ NEW FACIL-  
4 ITY IS NO LONGER A HOMESTEAD AS THAT TERM IS DEFINED IN  
5 SECTION 7A OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
6 211.7A. However, if the owner or any subsequent owner submits a  
7 certificate before the revocation is effective, the commission,  
8 upon application of the owner, shall rescind the order of  
9 revocation. If the certificate is submitted after revocation of  
10 the certificate, the commission, upon application of the owner,  
11 shall reinstate the certificate for the remaining period of time  
12 for which the original certificate would have been in effect.

13       (4) If the owner of the facility fails to make the annual  
14 payment of the neighborhood enterprise zone tax and the ad  
15 valorem property tax on the land under the general property tax  
16 act, ~~Act No. 206 of the Public Acts of 1893, being sections~~  
17 ~~211.1 to 211.157 of the Michigan Compiled Laws~~ 1893 PA 206, MCL  
18 211.1 TO 211.157, the commission by order shall revoke the  
19 certificate. However, if payment of these taxes is made before  
20 the revocation is effective, the commission, upon application of  
21 the owner, shall rescind the order of revocation. If payment of  
22 these taxes and any subsequent ad valorem property tax due on the  
23 facility is made after revocation of the certificate, the commis-  
24 sion, upon application of the owner, shall reinstate the certifi-  
25 cate for the remaining period of time for which the original cer-  
26 tificate would have been in effect.



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1       (5) If a new facility or a rehabilitated facility ceases to  
2 have as its primary purpose residential housing, the commission  
3 by order shall revoke the certificate for that facility. A new  
4 or rehabilitated facility does not cease to be used for its pri-  
5 mary purpose if it is temporarily damaged or destroyed in whole  
6 or in part.

7       (6) IF THE GOVERNING BODY OF A LOCAL GOVERNMENTAL UNIT  
8 DETERMINES THAT A NEW FACILITY OR A REHABILITATED FACILITY IS NOT  
9 IN COMPLIANCE WITH ANY LOCAL CONSTRUCTION, BUILDING, OR SAFETY  
10 CODES AND NOTIFIES THE COMMISSION BY CERTIFIED MAIL OF THE NON-  
11 COMPLIANCE, THE COMMISSION BY ORDER SHALL REVOKE THE  
12 CERTIFICATE.

13       (7) ~~-(6)-~~ The revocation shall be effective beginning the  
14 December 31 following the date of the order or, if the ~~-owner~~  
15 ~~failed to submit to the assessor the affidavit required under~~  
16 ~~section 10(2)-~~ CERTIFICATE IS AUTOMATICALLY REVOKED UNDER  
17 SUBSECTION (3), the December 31 following the ~~-failure to submit~~  
18 ~~the affidavit-~~ AUTOMATIC REVOCATION. The commission shall send  
19 by certified mail copies of the order of revocation to the holder  
20 of the certificate, to the local governmental unit in which the  
21 facility is located, to the assessor of that local governmental  
22 unit, and to the legislative body of each taxing unit that levies  
23 taxes upon property in the local governmental unit in which the  
24 new facility or rehabilitated facility is located.

25       Sec. 12. (1) Unless earlier revoked as provided in section  
26 11, a neighborhood enterprise zone certificate shall remain in  
27 effect until 12 years from the effective date of the

**HB 4621, As Passed Senate, December 6, 2001**

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18

1 certificate. If the new facility or rehabilitated facility is  
2 sold or transferred to another owner who ~~files an affidavit~~  
3 ~~required by section 10(2)~~ OTHERWISE COMPLIES WITH THIS ACT and,  
4 for a new facility, uses the new facility as a principal resi-  
5 dence, the certificate shall remain in effect.

6 (2) If a rehabilitated facility was sold before ~~the effec-~~  
7 ~~tive date of the amendatory act that added this subsection~~  
8 DECEMBER 29, 1994 and a certificate was in effect for that facil-  
9 ity at the time of the sale, AND the new owner of the rehabili-  
10 tated facility ~~may file the same affidavit as required by sec-~~  
11 ~~tion 10(2) and~~ OTHERWISE COMPLIES WITH THIS ACT, the certificate  
12 shall be reinstated and remain in effect for the remainder of the  
13 original 12-year period unless earlier revoked under section 11.

14 Enacting section 1. Section 17 of the neighborhood enter-  
15 prise zone act, 1992 PA 147, MCL 207.787, is repealed.