



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



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4872 (as reported without amendment)
Sponsor: Representative Steve Tobocman
House Committee: Commerce
Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend the Neighborhood Enterprise Zone Act to allow the owner or developer of a facility to apply for a neighborhood enterprise zone certificate after receiving a building permit for a new or rehabilitated facility, if the facility were located in an area designated as a neighborhood enterprise zone by the local governmental unit in October 1994 and if the building permit were issued on or before April 25, 1997. The effective date of the certificate would be January 1, 2001.

Under the Neighborhood Enterprise Zone Act, the owner or developer of a residential housing facility may apply for a neighborhood enterprise zone certificate, which exempts new or rehabilitated housing in a neighborhood enterprise zone from the regular property tax. Instead, the housing is subject to a specific neighborhood enterprise zone tax. The tax rate for new housing is half the amount that would be assessed on the facility if it were not in a neighborhood enterprise zone; for rehabilitated housing, the rate is the same that was imposed before renovations were made. An application for a certificate must be filed before a building permit is issued, although the Act contains several exceptions to this requirement.

MCL 207.774

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would negligibly reduce State School Aid Fund and local unit revenues.

Date Completed: 10-23-03

Fiscal Analyst: David Zin