

HOUSE BILL No. 4539

March 22, 2005, Introduced by Reps. Virgil Smith, McConico, Tobocman, Hunter, Gaffney, Waters, Cheeks, Cushingberry, Leland and Lemmons, III and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending sections 3 and 4 (MCL 207.773 and 207.774), section 3
as amended by 2004 PA 396 and section 4 as amended by 2004 PA 566.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) The governing body of a local governmental unit by
2 resolution may designate 1 or more neighborhood enterprise zones
3 within that local governmental unit. A neighborhood enterprise zone
4 shall contain not less than 10 platted parcels of land. All the
5 land within a neighborhood enterprise zone shall also be compact
6 and contiguous. Contiguity is not broken by a road, right-of-way,
7 or property purchased or taken under condemnation if the purchased
8 or condemned property was a single parcel prior to the sale or
9 condemnation.

1 (2) The total acreage of the neighborhood enterprise zones
2 **CONTAINING ONLY NEW FACILITIES OR REHABILITATED FACILITIES OR ANY**
3 **COMBINATION OF NEW FACILITIES OR REHABILITATED FACILITIES**
4 designated under this act shall not exceed 15% of the total acreage
5 contained within the boundaries of the local governmental unit. **THE**
6 **TOTAL ACREAGE OF THE NEIGHBORHOOD ENTERPRISE ZONES CONTAINING ONLY**
7 **HOMESTEAD FACILITIES DESIGNATED UNDER THIS ACT SHALL NOT EXCEED 15%**
8 **OF THE TOTAL ACREAGE CONTAINED WITHIN THE BOUNDARIES OF THE LOCAL**
9 **GOVERNMENTAL UNIT.**

10 (3) Not less than 60 days before the passage of a resolution
11 designating a neighborhood enterprise zone or the repeal or
12 amendment of a resolution under subsection (5), the clerk of the
13 local governmental unit shall give written notice to the assessor
14 and to the governing body of each taxing unit that levies ad
15 valorem property taxes in the proposed neighborhood enterprise
16 zone. Before acting upon the resolution, the governing body of the
17 local governmental unit shall make a finding that a proposed
18 neighborhood enterprise zone is consistent with the master plan of
19 the local governmental unit and the neighborhood preservation and
20 economic development goals of the local governmental unit. The
21 governing body before acting upon the resolution shall also adopt a
22 statement of the local governmental unit's goals, objectives, and
23 policies relative to the maintenance, preservation, improvement,
24 and development of housing for all persons regardless of income
25 level living within the proposed neighborhood enterprise zone.
26 Additionally, before acting upon the resolution, the governing body
27 of a local governmental unit with a population greater than 20,000

1 shall pass a housing inspection ordinance. A local governmental
2 unit with a population of 20,000 or less may pass a housing
3 inspection ordinance. Before the sale of a unit in a new or
4 rehabilitated facility for which a neighborhood enterprise zone
5 certificate is in effect, an inspection shall be made of the unit
6 to determine compliance with any local construction or safety codes
7 and that a sale may not be finalized until there is compliance with
8 those local construction or safety codes. The governing body shall
9 hold a public hearing not later than 45 days after the date the
10 notice is sent but before acting upon the resolution.

11 (4) Upon receipt of a notice under subsection (3), the
12 assessor shall determine and furnish to the governing body of the
13 local governmental unit the amount of the true cash value of the
14 property located within the proposed neighborhood enterprise zone
15 and any other information considered necessary by the governing
16 body.

17 (5) A resolution designating a neighborhood enterprise zone,
18 other than a zone designated under subsection (2), may be repealed
19 or amended not sooner than 3 years after the date of adoption or of
20 the most recent amendment of the resolution by the governing body
21 of the local governmental unit. The repeal or amendment of the
22 resolution shall take effect 6 months after adoption. However, an
23 action taken under this subsection does not invalidate a
24 certificate that is issued or in effect and a facility for which a
25 certificate is issued or in effect shall continue to be included in
26 the total acreage limitations under this section until the
27 certificate is expired or revoked.

1 (6) Upon passage, amendment, or repeal of a resolution under
2 this section, the clerk of the local governmental unit shall notify
3 the commission of the action taken.

4 Sec. 4. (1) The **OWNER OF A HOMESTEAD FACILITY OR** owner or
5 developer or prospective owner or developer of a proposed new
6 facility or an owner or developer or prospective developer
7 proposing to rehabilitate property located in a neighborhood
8 enterprise zone may file an application for a neighborhood
9 enterprise zone certificate with the clerk of the local
10 governmental unit. The application shall be filed in the manner and
11 form prescribed by the commission. **THE CLERK OF THE LOCAL**
12 **GOVERNMENTAL UNIT SHALL PROVIDE A COPY OF EACH HOMESTEAD FACILITY**
13 **APPLICATION TO THE ASSESSOR FOR THE LOCAL GOVERNMENTAL UNIT.** Except
14 as provided in subsection (2), the application shall be filed
15 before a building permit is issued for the new construction or
16 rehabilitation of the facility.

17 (2) An application may be filed after a building permit is
18 issued only if 1 or more of the following apply:

19 (a) For the rehabilitation of a facility if the area in which
20 the facility is located is designated as a neighborhood enterprise
21 zone by the governing body of the local governmental unit in the
22 calendar year 1992 and if the building permit is issued for the
23 rehabilitation before December 31, 1994 and after the date on which
24 the area in which the facility is located was designated as a
25 neighborhood enterprise zone by the governing body of the local
26 governmental unit.

27 (b) For the construction of a new facility if the area in

1 which the new facility is located is designated as a neighborhood
2 enterprise zone by the governing body of the local governmental
3 unit in calendar year 1992 or 1993 and if the building permit is
4 issued for that new facility before December 31, 1995 and after
5 January 1, 1993.

6 (c) For the construction of a new facility if the area in
7 which the new facility is located is designated as a neighborhood
8 enterprise zone by the governing body of the local governmental
9 unit in July 1997 and if the building permit is issued for that new
10 facility on February 3, 1998.

11 (d) For a new facility or a rehabilitated facility if the area
12 in which the new facility or rehabilitated facility is located was
13 designated as a neighborhood enterprise zone by the governing body
14 of the local governmental unit in July 1996 and if the building
15 permit was issued for that facility on or before July 3, 2001.

16 (e) For a new facility or a rehabilitated facility if the area
17 in which the new facility or rehabilitated facility is located was
18 designated as a neighborhood enterprise zone by the governing body
19 of the local governmental unit in October 1994 and if the building
20 permit was issued for that facility on or before April 25, 1997.

21 (f) For the construction of a new facility if the area in
22 which the new facility is located is designated as a neighborhood
23 enterprise zone by the governing body of the local governmental
24 unit in September 2001 and if the building permit is issued for
25 that new facility on March 3, 2003.

26 (g) For a rehabilitated facility if all or a portion of the
27 rehabilitated facility is a qualified historic building.

1 (h) For the construction of a new facility if the area in
2 which the new facility is located is designated as a neighborhood
3 enterprise zone by the governing body of the local governmental
4 unit in July 1993 and the new facility was a model home.

5 (i) For the construction of a new facility if the area in
6 which the new facility is located is designated as a neighborhood
7 enterprise zone by the governing body of the local governmental
8 unit in August 2004 and if building permits were issued for that
9 facility beginning November 5, 2002 through December 23, 2003.

10 **(J) FOR A HOMESTEAD FACILITY.**

11 (3) The application shall contain or be accompanied by all of
12 the following:

13 (a) A general description of the **HOMESTEAD FACILITY**, new
14 facility, or proposed rehabilitated facility.

15 (b) The dimensions of the parcel on which the **HOMESTEAD**
16 **FACILITY**, new facility, or proposed rehabilitated facility is or is
17 to be located.

18 (c) The general nature and extent of the construction to be
19 undertaken.

20 (d) A time schedule for undertaking and completing the
21 rehabilitation of property or the construction of the new facility.

22 (e) Any other information required by the local governmental
23 unit.

24 (4) Notwithstanding any other provisions of this act, for any
25 certificate issued as a result of the enactment of the amendatory
26 act that added subsection (2)(c), the effective date of the
27 certificate shall be the first day of the tax year following the

1 year the certificate is approved by the commission.

2 (5) Notwithstanding any other provisions of this act, for any
3 certificate issued as a result of the enactment of the amendatory
4 act that added subsection (2)(d) or the amendatory act that added
5 subsection (2)(e), the effective date of the certificate shall be
6 January 1, 2001.

7 (6) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, FOR ANY
8 CERTIFICATE ISSUED AS A RESULT OF THE ENACTMENT OF THE AMENDATORY
9 ACT THAT ADDED SUBSECTION (2)(J), THE EFFECTIVE DATE OF THE
10 CERTIFICATE SHALL BE THE FIRST DAY OF THE TAX YEAR FOLLOWING THE
11 YEAR THE CERTIFICATE IS APPROVED BY THE COMMISSION.