

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5947**

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending section 4 (MCL 207.774), as amended by 2006 PA 349.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) The owner of a homestead facility or owner or
2 developer or prospective owner or developer of a proposed new
3 facility or an owner or developer or prospective developer
4 proposing to rehabilitate property located in a neighborhood
5 enterprise zone may file an application for a neighborhood
6 enterprise zone certificate with the clerk of the local
7 governmental unit. The application shall be filed in the manner and
8 form prescribed by the commission. The clerk of the local
9 governmental unit shall provide a copy of each homestead facility

1 application to the assessor for the local governmental unit. Except
2 as provided in subsection (2), the application shall be filed
3 before a building permit is issued for the new construction or
4 rehabilitation of the facility.

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

7 (a) For the rehabilitation of a facility if the area in which
8 the facility is located is designated as a neighborhood enterprise
9 zone by the governing body of the local governmental unit in the
10 calendar year 1992 and if the building permit is issued for the
11 rehabilitation before December 31, 1994 and after the date on which
12 the area in which the facility is located was designated as a
13 neighborhood enterprise zone by the governing body of the local
14 governmental unit.

15 (b) For the construction of a new facility if the area in
16 which the new facility is located is designated as a neighborhood
17 enterprise zone by the governing body of the local governmental
18 unit in calendar year 1992 or 1993 and if the building permit is
19 issued for that new facility before December 31, 1995 and after
20 January 1, 1993.

21 (c) 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 July 1997 and if the building permit is issued for that new
25 facility on February 3, 1998.

26 (d) For a new facility or a rehabilitated facility if the area
27 in which the new facility or rehabilitated facility is located was

1 designated as a neighborhood enterprise zone by the governing body
2 of the local governmental unit in July 1996 and if the building
3 permit was issued for that facility on or before July 3, 2001.

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

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

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

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

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

25 (j) For a homestead facility.

26 (k) For the construction of a facility if the area in which
27 the facility is located was designated as a neighborhood enterprise

1 zone by the governing body of the local governmental unit in July
2 2003, and if the building permit was issued for that facility in
3 June 2004.

4 (I) FOR A NEW FACILITY OR A REHABILITATED FACILITY IF THE AREA
5 IN WHICH THE NEW FACILITY OR REHABILITATED FACILITY IS LOCATED WAS
6 DESIGNATED AS A NEIGHBORHOOD ZONE BY THE GOVERNING BODY OF THE
7 LOCAL GOVERNMENTAL UNIT IN FEBRUARY 2004 AND IF THE BUILDING PERMIT
8 FOR THAT FACILITY WAS ISSUED IN AUGUST 2003 OR JANUARY 2005.

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

11 (a) A general description of the homestead facility, new
12 facility, or proposed rehabilitated facility.

13 (b) The dimensions of the parcel on which the homestead
14 facility, new facility, or proposed rehabilitated facility is or is
15 to be located.

16 (c) The general nature and extent of the construction to be
17 undertaken.

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

20 (e) A statement by the owner of a homestead facility that the
21 owner is committed to investing a minimum of \$500.00 in the first 3
22 years that the certificate for a homestead facility is in effect
23 and committed to documenting the minimum investment if required to
24 do so by the assessor of the local governmental unit.

25 (f) Any other information required by the local governmental
26 unit.

27 (4) Notwithstanding any other provisions of this act, for any

1 certificate issued as a result of the enactment of the amendatory
2 act that added subsection (2)(c), the effective date of the
3 certificate shall be the first day of the tax year following the
4 year the certificate is approved by the commission.

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

10 (6) Notwithstanding any other provisions of this act, for any
11 certificate issued as a result of the enactment of the amendatory
12 act that added subsection (2)(j) or the amendatory act that added
13 subsection (2)(k), the effective date of the certificate shall be
14 the first day of the tax year following the year the certificate is
15 approved by the commission.

16 (7) FOR A CERTIFICATE ISSUED AS A RESULT OF THE AMENDATORY ACT
17 THAT ADDED SUBSECTION (2)(E), BOTH OF THE FOLLOWING SHALL APPLY
18 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT:

19 (A) THE EFFECTIVE DATE OF THE CERTIFICATE SHALL BE JANUARY 1,
20 2001 AND THE TAXABLE VALUE FOR REHABILITATED FACILITIES SHALL BE
21 SET AS PROVIDED IN SECTION 10(3).

22 (B) FOR CERTIFICATES ISSUED OR REISSUED AFTER DECEMBER 31,
23 2005, THE AMOUNT OF THE NEIGHBORHOOD ENTERPRISE ZONE TAX ON A
24 REHABILITATED FACILITY IS DETERMINED EACH YEAR BY MULTIPLYING THE
25 TAXABLE VALUE OF THE REHABILITATED FACILITY, NOT INCLUDING THE
26 LAND, AS OF DECEMBER 31 OF THE YEAR PRIOR TO THE START OF THE
27 IMPROVEMENT AS DESCRIBED IN SUBSECTION (3) BY THE TOTAL MILLS

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1 COLLECTED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
2 211.1 TO 211.157, FOR THE CURRENT YEAR BY ALL TAXING UNITS WITHIN
3 WHICH THE REHABILITATED FACILITY IS LOCATED.

4 (8) FOR ANY CERTIFICATE ISSUED AS RESULT OF THE AMENDATORY ACT
5 THAT ADDED SUBSECTION <<(2) (I)>>, NOTWITHSTANDING ANY OTHER PROVISION
6 OF THIS ACT THE AMOUNT OF THE NEIGHBORHOOD ENTERPRISE ZONE TAX ON A
7 REHABILITATED FACILITY IS DETERMINED EACH YEAR BY MULTIPLYING THE
8 TAXABLE VALUE OF THE REHABILITATED FACILITY, NOT INCLUDING THE
9 LAND, AS OF DECEMBER 31 OF THE YEAR PRIOR TO THE START OF THE
10 IMPROVEMENT AS DESCRIBED IN SUBSECTION (3) BY THE TOTAL MILLS
11 COLLECTED UNDER THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL
12 211.1 TO 211.157, FOR THE CURRENT YEAR BY ALL TAXING UNITS
13 WITHIN WHICH THE REHABILITATED FACILITY IS LOCATED.

14 (9) IF A NEW FACILITY IS COMPLETED IN A NEIGHBORHOOD
15 ENTERPRISE ZONE APPROVED IN OCTOBER 1996 AND A BUILDING PERMIT WAS
16 ISSUED IN MARCH 1998 BUT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE
17 WAS NOT APPLIED FOR BY THE ORIGINAL OWNER OCCUPYING THE FACILITY AS
18 A PRINCIPAL RESIDENCE, A SUBSEQUENT OWNER OCCUPYING THE NEW
19 FACILITY AS A PRINCIPAL RESIDENCE CAN REQUEST AND, NOTWITHSTANDING
20 ANY OTHER PROVISION OF THIS ACT, EFFECTIVE DECEMBER 31 OF THE YEAR
21 PRECEDING THE APPLICATION, BE GRANTED A NEIGHBORHOOD ENTERPRISE
22 ZONE CERTIFICATE FOR THE REMAINDER OF THE TERM, NOT TO EXCEED 12
23 YEARS, THAT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE WOULD HAVE
24 BEEN IN EFFECT FOR THE ORIGINAL OWNER OF THE NEW FACILITY.