

HOUSE BILL No. 6328

August 9, 2006, Introduced by Reps. Waters, Alma Smith, Tobocman, Polidori, Hood, Kolb, Sak, Hunter, Espinoza, Mayes, Vagnozzi, Zelenko, Clack, Kathleen Law, Cushingberry, Plakas, Accavitti, Condino, Angerer, Bennett, Bieda, Leland, Lemmons, Jr., McDowell, Byrum, Gillard, Murphy, Meisner and Lemmons, III and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending section 3 (MCL 207.773), as amended by 2005 PA 339.

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 10%
8 of the total acreage contained within the boundaries of the local
9 governmental unit or, with the approval of the board of
10 commissioners of the county in which the neighborhood enterprise
11 zone is located if the county does not have an elected or appointed
12 county executive or with the approval of the board of commissioners
13 and the county executive of the county in which the neighborhood
14 enterprise zone is located if the county has an elected or
15 appointed county executive, 15% of the total acreage contained
16 within the boundaries of the local governmental unit.

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

governing body before acting upon the resolution shall also adopt a statement of the local governmental unit's goals, objectives, and policies relative to the maintenance, preservation, improvement, and development of housing for all persons regardless of income level living within the proposed neighborhood enterprise zone.

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

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

(5) A resolution designating a neighborhood enterprise zone, other than a zone designated under subsection (2), may be repealed or amended not sooner than 3 years after the date of adoption or of the most recent amendment of the resolution by the governing body

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

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

11 (7) BEGINNING JANUARY 1, 2007, THE OWNER OR LESSEE OF A
12 FACILITY WHO HAS BEEN FOUND GUILTY OF A CRIMINAL VIOLATION OR FOUND
13 RESPONSIBLE FOR A CIVIL VIOLATION UNDER SECTION 1131 OR 1132 OF THE
14 EMPLOYEE RETIREMENT SECURITY ACT OF 1974, 29 USC 1131 OR 1132, IN
15 THE IMMEDIATELY PRECEDING 10 YEARS FROM THE DATE OF APPLICATION IS
16 NOT ELIGIBLE FOR A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE UNDER
17 THIS ACT.

18 (8) BEGINNING WITH NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATES
19 THAT TAKE EFFECT ON OR AFTER JANUARY 1, 2007, IF THE PERSON TO WHOM
20 THE CERTIFICATE IS ISSUED IS FOUND GUILTY OF A CRIMINAL VIOLATION
21 OR FOUND RESPONSIBLE FOR A CIVIL VIOLATION UNDER SECTION 1131 OR
22 1132 OF THE EMPLOYEE RETIREMENT SECURITY ACT OF 1974, 29 USC 1131
23 OR 1132, ON OR AFTER JANUARY 1, 2007, THEN THAT PERSON IS
24 RESPONSIBLE FOR THE PAYMENT OF A PENALTY DESCRIBED IN THIS
25 SUBSECTION. THE PENALTY IS EQUAL TO THE DIFFERENCE BETWEEN THE
26 INDUSTRIAL FACILITY TAX AND THE GENERAL AD VALOREM TAXES THAT WOULD
27 HAVE BEEN LEVIED IF THE CERTIFICATE HAD NOT BEEN GRANTED FOR EACH

1 YEAR THE CERTIFICATE WAS IN EFFECT.