

SENATE BILL No. 526

May 24, 2005, Introduced by Senator EMERSON and referred to the Committee on Finance.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending sections 10 and 11 (MCL 207.780 and 207.781), as amended
by 2001 PA 217.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

9 (b) For a rehabilitated facility, a certificate that the

1 improvements meet minimum local building code standards issued by
2 the local building inspector or other authorized officer or a
3 certificate of occupancy if required by local building permits or
4 building codes.

5 (c) For a rehabilitated facility, documentation proving the
6 cost requirements of section ~~2(h)~~ **2(K)** are met.

7 (d) For a **HOMESTEAD FACILITY OR A** new facility, an affidavit
8 executed by an owner affirming that the **HOMESTEAD FACILITY OR** new
9 facility is occupied by an owner as a principal residence.

10 (2) If a new facility is substantially completed in a year but
11 is not occupied by an owner as a principal residence until the
12 following year, upon the request of the owner, the effective date
13 of the neighborhood enterprise zone certificate shall be December
14 31 in the year immediately preceding the date of occupancy by the
15 owner as a principal residence.

16 (3) Upon the request of the owner, the effective date of the
17 neighborhood enterprise zone certificate for a rehabilitated
18 facility shall be December 31 in the year immediately preceding the
19 date on which the rehabilitated facility is substantially
20 completed.

21 Sec. 11. (1) Upon receipt of a request by certified mail to
22 the commission by the holder of a neighborhood enterprise zone
23 certificate requesting revocation of the certificate, the
24 commission by order shall revoke the certificate.

25 (2) The certificate shall expire if the owner fails to
26 complete the filing requirements under section 10 within 2 years of
27 the date the certificate was issued. The holder of the certificate

1 may request in writing to the commission a 1-year automatic
2 extension of the certificate if the owner has proceeded in good
3 faith with the construction or rehabilitation of the facility in a
4 manner consistent with the purposes of this act and the delay in
5 completion or occupancy by an owner is due to circumstances beyond
6 the control of the holder of the certificate. Upon request of the
7 local governmental unit, the commission shall extend the
8 certificate if the new facility has not been occupied.

9 (3) The certificate for a **HOMESTEAD FACILITY OR** new facility
10 is automatically revoked if the **HOMESTEAD FACILITY OR** new facility
11 is no longer a homestead as that term is defined in section 7a of
12 the general property tax act, 1893 PA 206, MCL 211.7a. However, if
13 the owner or any subsequent owner submits a certificate before the
14 revocation is effective, the commission, upon application of the
15 owner, shall rescind the order of revocation. If the certificate is
16 submitted after revocation of the certificate, the commission, upon
17 application of the owner, shall reinstate the certificate for the
18 remaining period of time for which the original certificate would
19 have been in effect.

20 (4) If the owner of the facility fails to make the annual
21 payment of the neighborhood enterprise zone tax and the ad valorem
22 property tax on the land under the general property tax act, 1893
23 PA 206, MCL 211.1 to 211.157, the commission by order shall revoke
24 the certificate. However, if payment of these taxes is made before
25 the revocation is effective, the commission, upon application of
26 the owner, shall rescind the order of revocation. If payment of
27 these taxes and any subsequent ad valorem property tax due on the

1 facility is made after revocation of the certificate, the
2 commission, upon application of the owner, shall reinstate the
3 certificate for the remaining period of time for which the original
4 certificate would have been in effect.

5 (5) If a **HOMESTEAD FACILITY**, A new facility, or a
6 rehabilitated facility ceases to have as its primary purpose
7 residential housing, the commission by order shall revoke the
8 certificate for that facility. A new or rehabilitated facility does
9 not cease to be used for its primary purpose if it is temporarily
10 damaged or destroyed in whole or in part.

11 (6) If the governing body of a local governmental unit
12 determines that a **HOMESTEAD FACILITY**, A new facility, or a
13 rehabilitated facility is not in compliance with any local
14 construction, building, or safety codes and notifies the commission
15 by certified mail of the noncompliance, the commission by order
16 shall revoke the certificate.

17 (7) The revocation shall be effective beginning the December
18 31 following the date of the order or, if the certificate is
19 automatically revoked under subsection (3), the December 31
20 following the automatic revocation. The commission shall send by
21 certified mail copies of the order of revocation to the holder of
22 the certificate, to the local governmental unit in which the
23 facility is located, to the assessor of that local governmental
24 unit, and to the legislative body of each taxing unit that levies
25 taxes upon property in the local governmental unit in which the new
26 facility or rehabilitated facility is located.