

SUBSTITUTE FOR
SENATE BILL NO. 975

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-EXCEPT AS OTHERWISE PROVIDED~~
4 **IN THIS SUBSECTION, A** neighborhood enterprise zone shall contain
5 not less than 10 platted parcels of land. **A NEIGHBORHOOD ENTERPRISE**
6 **ZONE LOCATED IN A QUALIFIED DOWNTOWN REVITALIZATION DISTRICT MAY**
7 **CONTAIN LESS THAN 10 PLATTED PARCELS IF THE PLATTED PARCELS**
8 **TOGETHER CONTAIN 10 OR MORE FACILITIES.** All the land within a
9 neighborhood enterprise zone shall also be compact and contiguous.
10 Contiguity is not broken by a road, right-of-way, or property
11 purchased or taken under condemnation if the purchased or condemned
12 property was a single parcel prior to the sale or 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

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

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

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

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25 other than a zone designated under subsection (2), may be repealed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

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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.]~~

(6) A RESOLUTION DESIGNATING A NEIGHBORHOOD ENTERPRISE ZONE IN AN
OBSOLETE PROPERTY REHABILITATION DISTRICT THAT WAS CREATED BY A LOCAL
UNIT OF GOVERNMENT ON JUNE 6, 2003, AND FOR WHICH THE STATE TAX
COMMISSION ISSUED OBSOLETE PROPERTY REHABILITATION CERTIFICATES ON AUGUST
26, 2003, AND SEPTEMBER 24, 2003 WILL CAUSE ANY PREVIOUS CERTIFICATE TO
EXPIRE ON THE DECEMBER 30 IMMEDIATELY PRECEDING THE DECEMBER 31 ON WHICH
THE FIRST NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE IS EFFECTIVE. THE
TAXABLE VALUE OF THE PARCEL SHALL BE CALCULATED USING THE VALUE OF THE
PARCEL BEFORE THE BUILDING PERMIT WAS ISSUED. THIS SUBDIVISION
AUTHORIZES AN AMENDED OBSOLETE PROPERTY REHABILITATION CERTIFICATE
APPROVED BY THE STATE TAX COMMISSION FOR THE PORTION OF THE PARCEL
CONTAINED IN THE ORIGINAL CERTIFICATE FOR WHICH AN APPLICATION FOR A
NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE WAS NOT SUBMITTED.]