

# HOUSE BILL No. 6032

May 1, 2008, Introduced by Reps. Byrum, Meekhof, Mayes, Simpson, Lindberg, McDowell, Cheeks, Griffin, Gonzales, Melton, Clemente, Polidori, Vagnozzi, Kathleen Law, Bauer, Johnson, Byrnes, Sak, Coulouris, Corriveau, LeBlanc, Meadows, Dean, Espinoza, Jackson and Pavlov and referred to the Committee on Intergovernmental, Urban and Regional Affairs.

A bill to amend 1992 PA 147, entitled "Neighborhood enterprise zone act," by amending sections 5, 6, 7, 11, and 16 (MCL 207.775, 207.776, 207.777, 207.781, and 207.786), sections 6 and 7 as amended by 2005 PA 338 and section 11 as amended by 2005 PA 339; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 5. Not more than 60 days after receipt by its clerk of an  
2 application under section 4, the governing body of the local  
3 governmental unit by resolution shall approve the application for a  
4 neighborhood enterprise zone certificate. The clerk shall forward  
5 the application to the ~~commission~~**ASSESSOR OF THE LOCAL**

1 **GOVERNMENTAL UNIT.**

2       Sec. 6. Not later than 60 days after receipt of an approved  
3 application for a homestead facility or a rehabilitated facility,  
4 and not later than 30 days, or if an approved application is  
5 received after October 31, not later than 45 days after receipt of  
6 an approved application for a new facility, the ~~commission~~**ASSESSOR**  
7 **OF THE LOCAL GOVERNMENTAL UNIT** shall determine whether the  
8 homestead facility, new facility, or rehabilitated facility  
9 complies with the requirements of this act. If the ~~commission~~  
10 **ASSESSOR** finds compliance, ~~it~~**HE OR SHE** shall issue a neighborhood  
11 enterprise zone certificate to the applicant and send a certified  
12 copy of the certificate to ~~the assessor of the local governmental~~  
13 ~~unit and~~ each affected taxing unit. The assessor shall keep the  
14 certificate filed on record in his or her office. ~~The commission~~  
15 ~~shall maintain a record of all certificates filed.~~ Notice of the  
16 ~~commission's~~**AN ASSESSOR'S** refusal to issue a certificate shall be  
17 sent by certified mail to the same persons.

18       Sec. 7. (1) The ~~commission~~**ASSESSOR OF THE LOCAL GOVERNMENTAL**  
19 **UNIT** shall not issue a neighborhood enterprise zone certificate for  
20 a new facility unless the new facility meets the requirements of  
21 the definition in section 2(g).

22       (2) The ~~commission~~**ASSESSOR OF THE LOCAL GOVERNMENTAL UNIT**  
23 shall not issue a neighborhood enterprise zone certificate for a  
24 rehabilitated facility unless the rehabilitated facility meets the  
25 requirements of the definition in section 2(k).

26       (3) The ~~commission~~**ASSESSOR OF THE LOCAL GOVERNMENTAL UNIT**  
27 shall not issue a neighborhood enterprise zone certificate for a

1 homestead facility unless the homestead facility meets the  
2 requirements of the definition in section 2(e).

3       Sec. 11. (1) Upon receipt of a request by certified mail to  
4 the ~~commission~~**ASSESSOR OF THE LOCAL GOVERNMENTAL UNIT** by the  
5 holder of a neighborhood enterprise zone certificate requesting  
6 revocation of the certificate, the ~~commission~~**ASSESSOR** by order  
7 shall revoke the certificate.

8       (2) The certificate shall expire if the owner fails to  
9 complete the filing requirements under section 10 within 2 years of  
10 the date the certificate was issued. The holder of the certificate  
11 may request in writing to the ~~commission~~**ASSESSOR OF THE LOCAL**  
12 **GOVERNMENTAL UNIT** a 1-year automatic extension of the certificate  
13 if the owner has proceeded in good faith with the construction or  
14 rehabilitation of the facility in a manner consistent with the  
15 purposes of this act and the delay in completion or occupancy by an  
16 owner is due to circumstances beyond the control of the holder of  
17 the certificate. Upon request of the **GOVERNING BODY OF THE** local  
18 governmental unit, the ~~commission~~**ASSESSOR OF THE LOCAL**  
19 **GOVERNMENTAL UNIT** shall extend the certificate if the new facility  
20 has not been occupied.

21       (3) The certificate for a homestead facility or new facility  
22 is automatically revoked if the homestead facility or new facility  
23 is no longer a homestead as that term is defined in section 7a of  
24 the general property tax act, 1893 PA 206, MCL 211.7a. However, if  
25 the owner or any subsequent owner submits a certificate before the  
26 revocation is effective, the ~~commission~~**ASSESSOR OF THE LOCAL**  
27 **GOVERNMENTAL UNIT**, upon application of the owner, shall rescind the

1 order of revocation. If the certificate is submitted after  
2 revocation of the certificate, the ~~commission~~**ASSESSOR OF THE LOCAL**  
3 **GOVERNMENTAL UNIT**, upon application of the owner, shall reinstate  
4 the certificate for the remaining period of time for which the  
5 original certificate would have been in effect.

6 (4) If the owner of the facility fails to make the annual  
7 payment of the neighborhood enterprise zone tax and the ad valorem  
8 property tax on the land under the general property tax act, 1893  
9 PA 206, MCL 211.1 to ~~211.157~~**211.155**, the ~~commission~~**ASSESSOR OF**  
10 **THE LOCAL GOVERNMENTAL UNIT** by order shall revoke the certificate.  
11 However, if payment of these taxes is made before the revocation is  
12 effective, the ~~commission~~**ASSESSOR OF THE LOCAL GOVERNMENTAL UNIT**,  
13 upon application of the owner, shall rescind the order of  
14 revocation. If payment of these taxes and any subsequent ad valorem  
15 property tax due on the facility is made after revocation of the  
16 certificate, the ~~commission~~**ASSESSOR OF THE LOCAL GOVERNMENTAL**  
17 **UNIT**, upon application of the owner, shall reinstate the  
18 certificate for the remaining period of time for which the original  
19 certificate would have been in effect.

20 (5) If a homestead facility, a new facility, or a  
21 rehabilitated facility ceases to have as its primary purpose  
22 residential housing, the ~~commission~~**ASSESSOR OF THE LOCAL**  
23 **GOVERNMENTAL UNIT** by order shall revoke the certificate for that  
24 facility. A new or rehabilitated facility does not cease to be used  
25 for its primary purpose if it is temporarily damaged or destroyed  
26 in whole or in part.

27 (6) If the governing body of a local governmental unit

1 determines that a homestead facility, a new facility, or a  
 2 rehabilitated facility is not in compliance with any local  
 3 construction, building, or safety codes and notifies the ~~commission~~  
 4 **ASSESSOR OF THE LOCAL GOVERNMENTAL UNIT** by certified mail of the  
 5 noncompliance, the ~~commission~~ **ASSESSOR OF THE LOCAL GOVERNMENTAL**  
 6 **UNIT** by order shall revoke the certificate.

7 (7) The revocation shall be effective beginning the December  
 8 31 following the date of the order or, if the certificate is  
 9 automatically revoked under subsection (3), the December 31  
 10 following the automatic revocation. The ~~commission~~ **ASSESSOR OF THE**  
 11 **LOCAL GOVERNMENTAL UNIT** shall send by certified mail copies of the  
 12 order of revocation to the holder of the certificate, ~~to the local~~  
 13 ~~governmental unit in which the facility is located,~~ **AND** to the  
 14 assessor of that local governmental unit, and to the legislative  
 15 body of each taxing unit that levies taxes upon property in the  
 16 local governmental unit in which the new facility or rehabilitated  
 17 facility is located.

18 Sec. 16. (1) ~~The commission may promulgate rules it considers~~  
 19 ~~necessary for the administration of this act pursuant to the~~  
 20 ~~administrative procedures act of 1969, Act No. 306 of the Public~~  
 21 ~~Acts of 1969, being sections 24.201 to 24.328 of the Michigan~~  
 22 ~~Compiled Laws.~~ **NOT LATER THAN MARCH 15 EACH YEAR, THE ASSESSOR OF**  
 23 **EACH LOCAL GOVERNMENTAL UNIT THAT ISSUES A CERTIFICATE UNDER THIS**  
 24 **ACT SHALL FILE WITH THE COMMISSION A REPORT THAT CONTAINS ALL OF**  
 25 **THE FOLLOWING INFORMATION FOR THE IMMEDIATELY PRECEDING CALENDAR**  
 26 **YEAR:**

27 (A) **THE NUMBER OF CERTIFICATES ISSUED.**

1 (B) THE TYPE OF EACH CERTIFICATE ISSUED.

2 (C) THE DATE OF ISSUANCE OF EACH CERTIFICATE.

3 (D) THE NAME AND ADDRESS OF THE HOLDER OF EACH CERTIFICATE.

4 (E) THE LEGAL DESCRIPTION OF THE REAL PROPERTY OF THE  
5 HOMESTEAD FACILITY, NEW FACILITY, OR REHABILITATED FACILITY FOR  
6 WHICH EACH CERTIFICATE WAS ISSUED.

7 (F) THE TAXABLE VALUE FOR EACH HOMESTEAD FACILITY OR NEW  
8 FACILITY FOR WHICH A CERTIFICATE WAS ISSUED.

9 (G) THE FROZEN TAXABLE VALUE FOR EACH REHABILITATED FACILITY  
10 FOR WHICH A CERTIFICATE WAS ISSUED.

11 (H) FOR EACH CERTIFICATE THAT WAS TRANSFERRED, ALL OF THE  
12 FOLLOWING:

13 (i) THE DATE OF EACH TRANSFER.

14 (ii) THE NAME AND ADDRESS OF THE FORMER HOLDER OF THE  
15 CERTIFICATE.

16 (iii) THE NAME AND ADDRESS OF THE CURRENT HOLDER OF THE  
17 CERTIFICATE.

18 (I) FOR EACH CERTIFICATE THAT WAS REVOKED PURSUANT TO SECTION  
19 11, ALL OF THE FOLLOWING:

20 (i) THE REASON FOR THE REVOCATION.

21 (ii) THE DATE OF THE REVOCATION.

22 (iii) THE NAME AND ADDRESS OF THE HOLDER OF CERTIFICATE THAT WAS  
23 REVOKED.

24 (J) THE IMPACT ON NEIGHBORHOOD REVITALIZATION IN THE LOCAL  
25 GOVERNMENTAL UNIT, INCLUDING THE ESTIMATED TAX SAVINGS FOR ALL NEW  
26 AND CURRENT CERTIFICATE HOLDERS.

27 (2) A REPORT REQUIRED BY THIS SECTION SHALL BE PREPARED BY THE

1 LOCAL ASSESSOR ON A FORM PROVIDED BY THE COMMISSION. THE COMMISSION  
2 MAY REQUIRE THAT THE REPORT BE FILED IN AN ELECTRONIC FORMAT  
3 PRESCRIBED BY THE COMMISSION.

4 Enacting section 1. Section 15 of the neighborhood enterprise  
5 zone act, 1992 PA 147, MCL 207.785, is repealed.