



Telephone: (517) 373-5383 Fax: (517) 373-1986 TDD: (517) 373-0543

House Bill 5495 (Substitute H-2 as reported without amendment)

Sponsor: Representative Joan Bauer

House Committee: Intergovernmental and Regional Affairs

Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Neighborhood Enterprise Zone Act to require a qualified historic building to be transferred or sold to a homeowner-occupant within 12 years, rather than six years, after a neighborhood enterprise zone (NEZ) certificate takes effect.

As a rule, if a NEZ certificate is issued for a rehabilitated facility that consists entirely or partly of a qualified historic building, the certificate remains in effect for 11 to 17 years from its effective date, as determined by the governing body of the local unit. The NEZ certificate will be revoked, however, if the rehabilitated facility is not transferred or sold to a person who will own and occupy it as his or her principal residence within six years of the effective date of the certificate.

Under the bill, the facility would have to be transferred or sold to an owner-occupant within 12 years after the effective date of the NEZ certificate.

MCL 207.782 Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would reduce both State and local property tax revenue, and increase State expenditures, by an unknown amount. The magnitude of any impact would depend on the specific characteristics of the property affected by the bill. School Aid Fund expenditures would increase in order to maintain per-pupil funding guarantees. According to estimates from the Michigan Department of Treasury, neighborhood enterprise zones are expected to reduce State and local property tax revenue by approximately \$19.5 million during FY 2009-10.

Date Completed: 3-11-10 Fiscal Analyst: David Zin