

SENATE SUBSITUTE FOR  
HOUSE BILL NO. 4045

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 4 (MCL 207.774), as amended by 2008 PA 284.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4. (1) The owner of a homestead facility or owner or  
2       developer or prospective owner or developer of a proposed new  
3       facility or an owner or developer or prospective developer  
4       proposing to rehabilitate property located in a neighborhood  
5       enterprise zone may file an application for a neighborhood  
6       enterprise zone certificate with the clerk of the local  
7       governmental unit. The application shall be filed in the manner and  
8       form prescribed by the commission. The clerk of the local  
9       governmental unit shall provide a copy of each homestead facility  
10      application to the assessor for the local governmental unit. Except  
11      as provided in subsection (2) or as otherwise provided by the local

1 governmental unit by resolution if the application is filed not  
2 later than 6 months following the date the building permit is  
3 issued, the application shall be filed before a building permit is  
4 issued for the new construction or rehabilitation of the facility.

5 (2) An application may be filed after a building permit is  
6 issued only if 1 or more of the following apply:

7 (a) For the rehabilitation of a facility if the area in which  
8 the facility is located is designated as a neighborhood enterprise  
9 zone by the governing body of the local governmental unit in the  
10 calendar year 1992 and if the building permit is issued for the  
11 rehabilitation before December 31, 1994 and after the date on which  
12 the area in which the facility is located was designated as a  
13 neighborhood enterprise zone by the governing body of the local  
14 governmental unit.

15 (b) For the construction of a new facility if the area in  
16 which the new facility is located is designated as a neighborhood  
17 enterprise zone by the governing body of the local governmental  
18 unit in calendar year 1992 or 1993 and if the building permit is  
19 issued for that new facility before December 31, 1995 and after  
20 January 1, 1993.

21 (c) For the construction of a new facility if the area in  
22 which the new facility is located is designated as a neighborhood  
23 enterprise zone by the governing body of the local governmental  
24 unit in July 1997 and if the building permit is issued for that new  
25 facility on February 3, 1998.

26 (d) For a new facility or a rehabilitated facility if the area  
27 in which the new facility or rehabilitated facility is located was

1 designated as a neighborhood enterprise zone by the governing body  
2 of the local governmental unit in July 1996 and if the building  
3 permit was issued for that facility on or before July 3, 2001.

4 (e) For a new facility or a rehabilitated facility if the area  
5 in which the new facility or rehabilitated facility is located was  
6 designated as a neighborhood enterprise zone by the governing body  
7 of the local governmental unit in October 1994 and if the building  
8 permit was issued for that facility on or before April 25, 1997.

9 (f) For the construction of a new facility if the area in  
10 which the new facility is located is designated as a neighborhood  
11 enterprise zone by the governing body of the local governmental  
12 unit in September 2001 and if the building permit is issued for  
13 that new facility on March 3, 2003.

14 (g) For a rehabilitated facility if all or a portion of the  
15 rehabilitated facility is a qualified historic building.

16 (h) For the construction of a new facility if the area in  
17 which the new facility is located is designated as a neighborhood  
18 enterprise zone by the governing body of the local governmental  
19 unit in July 1993 and the new facility was a model home.

20 (i) For the construction of a new facility if the area in  
21 which the new facility is located is designated as a neighborhood  
22 enterprise zone by the governing body of the local governmental  
23 unit in August 2004 and if building permits were issued for that  
24 facility beginning November 5, 2002 through December 23, 2003.

25 (j) For a homestead facility.

26 (k) For the construction of a facility if the area in which  
27 the facility is located was designated as a neighborhood enterprise

1 zone by the governing body of the local governmental unit in July  
2 2003, and if the building permit was issued for that facility in  
3 June 2004.

4 (l) For a new facility or a rehabilitated facility if the area  
5 in which the new facility or rehabilitated facility is located was  
6 designated as a neighborhood zone by the governing body of the  
7 local governmental unit in February 2004 and if the building permit  
8 for that facility was issued in August 2003 or January 2005.

9 (m) For the construction of a facility if the area in which  
10 the facility is located was designated as a neighborhood enterprise  
11 zone by the governing body of the local governmental unit in June  
12 2007 and if the building permit was issued for that facility after  
13 November 30, 2004 and before November 1, 2006.

14 **(N) FOR THE CONSTRUCTION OF A FACILITY IF THE AREA IN WHICH**  
15 **THE FACILITY IS LOCATED WAS DESIGNATED AS A NEIGHBORHOOD ENTERPRISE**  
16 **ZONE BY THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT ON JULY**  
17 **1, 2005 AND IF THE BUILDING PERMIT WAS ISSUED FOR THAT FACILITY**  
18 **AFTER APRIL 5, 2006 AND BEFORE MAY 1, 2007.**

19 (3) The application shall contain or be accompanied by all of  
20 the following:

21 (a) A general description of the homestead facility, new  
22 facility, or proposed rehabilitated facility.

23 (b) The dimensions of the parcel on which the homestead  
24 facility, new facility, or proposed rehabilitated facility is or is  
25 to be located.

26 (c) The general nature and extent of the construction to be  
27 undertaken.

1 (d) A time schedule for undertaking and completing the  
2 rehabilitation of property or the construction of the new facility.

3 (e) A statement by the owner of a homestead facility that the  
4 owner is committed to investing a minimum of \$500.00 in the first 3  
5 years that the certificate for a homestead facility is in effect  
6 and committed to documenting the minimum investment if required to  
7 do so by the assessor of the local governmental unit.

8 (f) Any other information required by the local governmental  
9 unit.

10 (4) Notwithstanding any other provisions of this act, for any  
11 certificate issued as a result of the enactment of the amendatory  
12 act that added subsection (2)(c), the effective date of the  
13 certificate shall be the first day of the tax year following the  
14 year the certificate is approved by the commission.

15 (5) Notwithstanding any other provisions of this act, for any  
16 certificate issued as a result of the enactment of the amendatory  
17 act that added subsection (2)(d) or the amendatory act that added  
18 subsection (2)(e), the effective date of the certificate shall be  
19 January 1, 2001.

20 (6) Notwithstanding any other provisions of this act, for any  
21 certificate issued as a result of the enactment of the amendatory  
22 act that added subsection (2)(j) or the amendatory act that added  
23 subsection (2)(k), the effective date of the certificate shall be  
24 the first day of the tax year following the year the certificate is  
25 approved by the qualified assessing authority.

26 (7) For a certificate issued as a result of the amendatory act  
27 that added subsection (2)(e), both of the following shall apply not

1 withstanding any other provision of this act:

2 (a) The effective date of the certificate shall be January 1,  
3 2001 and the taxable value for rehabilitated facilities shall be  
4 set as provided in section 10(3).

5 (b) For certificates issued or reissued after December 31,  
6 2005, the amount of the neighborhood enterprise zone tax on a  
7 rehabilitated facility is determined each year by multiplying the  
8 taxable value of the rehabilitated facility, not including the  
9 land, as of December 31 of the year prior to the start of the  
10 improvement as described in subsection (3) by the total mills  
11 collected under the general property tax act, 1893 PA 206, MCL  
12 211.1 to 211.155, for the current year by all taxing units within  
13 which the rehabilitated facility is located.

14 (8) For any certificate issued as result of the amendatory act  
15 that added subsection (2) (l), notwithstanding any other provision of  
16 this act the amount of the neighborhood enterprise zone tax on a  
17 rehabilitated facility is determined each year by multiplying the  
18 taxable value of the rehabilitated facility, not including the  
19 land, as of December 31 of the year prior to the start of the  
20 improvement as described in subsection (3) by the total mills  
21 collected under the general property tax act, 1893 PA 206, MCL  
22 211.1 to 211.155, for the current year by all taxing units within  
23 which the rehabilitated facility is located.

24 (9) If a new facility is completed in a neighborhood  
25 enterprise zone approved in October 1996 and a building permit was  
26 issued in March 1998 but a neighborhood enterprise zone certificate  
27 was not applied for by the original owner occupying the facility as

1 a principal residence, a subsequent owner occupying the new  
2 facility as a principal residence can request and, notwithstanding  
3 any other provision of this act, effective December 31 of the year  
4 preceding the application, be granted a neighborhood enterprise  
5 zone certificate for the remainder of the term, not to exceed 12  
6 years, that a neighborhood enterprise zone certificate would have  
7 been in effect for the original owner of the new facility.