

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4986

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 4 (MCL 207.774), as amended by 2009 PA 16.

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

1 governmental unit shall provide a copy of each homestead facility  
2 application to the assessor for the local governmental unit. Except  
3 as provided in subsection (2) or as otherwise provided by the local  
4 governmental unit by resolution if the application is filed not  
5 later than 6 months following the date the building permit is  
6 issued, the application shall be filed before a building permit is  
7 issued for the new construction or rehabilitation of the facility.

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

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

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

24 (c) For the construction of a new facility if the area in  
25 which the new facility is located is designated as a neighborhood  
26 enterprise zone by the governing body of the local governmental  
27 unit in July 1997 and if the building permit is issued for that new

1 facility on February 3, 1998.

2 (d) For a new facility or a rehabilitated facility if the area  
3 in which the new facility or rehabilitated facility is located was  
4 designated as a neighborhood enterprise zone by the governing body  
5 of the local governmental unit in July 1996 and if the building  
6 permit was issued for that facility on or before July 3, 2001.

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

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

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

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

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

1 (j) For a homestead facility.

2 (k) For the construction of a facility if the area in which  
3 the facility is located was designated as a neighborhood enterprise  
4 zone by the governing body of the local governmental unit in July  
5 2003, and if the building permit was issued for that facility in  
6 June 2004.

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

12 (m) For the construction of a facility if the area in which  
13 the facility is located was designated as a neighborhood enterprise  
14 zone by the governing body of the local governmental unit in June  
15 2007 and if the building permit was issued for that facility after  
16 November 30, 2004 and before November 1, 2006.

17 (n) For the construction of a facility if the area in which  
18 the facility is located was designated as a neighborhood enterprise  
19 zone by the governing body of the local governmental unit on July  
20 1, 2005 and if the building permit was issued for that facility  
21 after April 5, 2006 and before May 1, 2007.

22 (O) FOR THE CONSTRUCTION OF A NEW FACILITY IF THE AREA IN  
23 WHICH THE NEW FACILITY IS LOCATED IS DESIGNATED AS A NEIGHBORHOOD  
24 ENTERPRISE ZONE BY THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL  
25 UNIT IN APRIL 2003 AND IF THE BUILDING PERMIT WAS ISSUED FOR THAT  
26 FACILITY IN APRIL 2008 OR SEPTEMBER 2008.

27 (3) The application shall contain or be accompanied by all of

1 the following:

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

4 (b) The dimensions of the parcel on which the homestead  
5 facility, new facility, or proposed rehabilitated facility is or is  
6 to be located.

7 (c) The general nature and extent of the construction to be  
8 undertaken.

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

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

16 (f) Any other information required by the local governmental  
17 unit.

18 (4) Notwithstanding any other provisions of this act, for any  
19 certificate issued as a result of the enactment of the amendatory  
20 act that added subsection (2)(c), the effective date of the  
21 certificate shall be the first day of the tax year following the  
22 year the certificate is approved by the commission.

23 (5) Notwithstanding any other provisions of this act, for any  
24 certificate issued as a result of the enactment of the amendatory  
25 act that added subsection (2)(d) or the amendatory act that added  
26 subsection (2)(e), the effective date of the certificate shall be  
27 January 1, 2001.

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

7           (7) For a certificate issued as a result of the amendatory act  
8 that added subsection (2)(e), both of the following shall apply not  
9 withstanding any other provision of this act:

10           (a) The effective date of the certificate shall be January 1,  
11 2001 and the taxable value for rehabilitated facilities shall be  
12 set as provided in section 10(3).

13           (b) For certificates issued or reissued after December 31,  
14 2005, the amount of the neighborhood enterprise zone tax on a  
15 rehabilitated facility is determined each year by multiplying the  
16 taxable value of the rehabilitated facility, not including the  
17 land, as of December 31 of the year prior to the start of the  
18 improvement as described in subsection (3) by the total mills  
19 collected under the general property tax act, 1893 PA 206, MCL  
20 211.1 to 211.155, for the current year by all taxing units within  
21 which the rehabilitated facility is located.

22           (8) For any certificate issued as result of the amendatory act  
23 that added subsection (2)(l), notwithstanding any other provision of  
24 this act the amount of the neighborhood enterprise zone tax on a  
25 rehabilitated facility is determined each year by multiplying the  
26 taxable value of the rehabilitated facility, not including the  
27 land, as of December 31 of the year prior to the start of the

1 improvement as described in subsection (3) by the total mills  
2 collected under the general property tax act, 1893 PA 206, MCL  
3 211.1 to 211.155, for the current year by all taxing units within  
4 which the rehabilitated facility is located.

5 (9) If a new facility is completed in a neighborhood  
6 enterprise zone approved in October 1996 and a building permit was  
7 issued in March 1998 but a neighborhood enterprise zone certificate  
8 was not applied for by the original owner occupying the facility as  
9 a principal residence, a subsequent owner occupying the new  
10 facility as a principal residence can request and, notwithstanding  
11 any other provision of this act, effective December 31 of the year  
12 preceding the application, be granted a neighborhood enterprise  
13 zone certificate for the remainder of the term, not to exceed 12  
14 years, that a neighborhood enterprise zone certificate would have  
15 been in effect for the original owner of the new facility.

16 (10) IF A NEW FACILITY IS COMPLETED IN A NEIGHBORHOOD  
17 ENTERPRISE ZONE BUT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE WAS  
18 NOT APPLIED FOR BY THE ORIGINAL OWNER, A SUBSEQUENT OWNER OCCUPYING  
19 THE NEW FACILITY AS A PRINCIPAL RESIDENCE CAN REQUEST AND,  
20 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, EFFECTIVE DECEMBER  
21 31 OF THE YEAR PRECEDING THE APPLICATION, BE GRANTED A NEIGHBORHOOD  
22 ENTERPRISE ZONE CERTIFICATE FOR THE REMAINDER OF THE TERM, NOT TO  
23 EXCEED 15 YEARS, THAT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE  
24 WOULD HAVE BEEN IN EFFECT FOR THE ORIGINAL OWNER OF THE NEW  
25 FACILITY.