

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.