

**SUBSTITUTE FOR
HOUSE BILL NO. 5495**

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending section 12 (MCL 207.782), as amended by 2006 PA 661.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12. (1) Except as otherwise provided in this section,
2 unless earlier revoked as provided in section 11, a neighborhood
3 enterprise zone certificate issued before January 1, 2006 shall
4 remain in effect for 6 to 12 years and a neighborhood enterprise
5 zone certificate issued after December 31, 2005 shall remain in
6 effect for 6 to 15 years from the effective date of the certificate
7 as determined by the governing body of the local governmental unit.
8 The governing body of a local governmental unit that issued a
9 neighborhood enterprise zone certificate for a new facility or a
10 rehabilitated facility before January 1, 2006 may extend the

1 certificate for an additional 3 years if the extension is approved
2 by resolution before the original neighborhood enterprise zone
3 certificate expires or after the original certificate expires if
4 the certificate expired on or after January 1, 2004 and on or
5 before January 3, 2006. If the homestead facility, new facility, or
6 rehabilitated facility is sold or transferred to another owner who
7 otherwise complies with this act and, for a homestead facility or a
8 new facility, uses the homestead facility or the new facility as a
9 principal residence, the certificate shall remain in effect.

10 (2) If a rehabilitated facility was sold before December 29,
11 1994 and a certificate was in effect for that facility at the time
12 of the sale, and the new owner of the rehabilitated facility
13 otherwise complies with this act, the certificate shall be
14 reinstated and remain in effect for the remainder of the original
15 period described in subsection (1), unless earlier revoked under
16 section 11.

17 (3) Except as provided in subsection (4), a change in
18 ownership of a rehabilitated facility constituting all or a portion
19 of a qualified historic building, occurring after the effective
20 date of a neighborhood enterprise zone certificate for that
21 rehabilitated facility, shall not affect the validity of that
22 neighborhood enterprise zone certificate, and the certificate shall
23 remain in effect for the period specified in this section as long
24 as the rehabilitated facility has as its primary purpose
25 residential housing.

26 (4) Unless revoked earlier as provided in section 11, a
27 neighborhood enterprise zone certificate in effect for a

1 rehabilitated facility constituting all or a portion of a qualified
2 historic building shall remain in effect for 11 to 17 years from
3 the effective date of the certificate as determined by the
4 governing body of the local governmental unit. However, if a
5 rehabilitated facility constituting all or a portion of a qualified
6 historic building is not transferred or sold to a person who will
7 own and occupy the rehabilitated facility as his or her principal
8 residence within ~~6~~—12 years of the effective date of the
9 neighborhood enterprise zone certificate, the neighborhood
10 enterprise zone certificate is revoked.