

SENATE BILL No. 1412

July 1, 2010, Introduced by Senator BROWN and referred to the Committee on Senior Citizens and Veterans Affairs.

A bill to provide for the development and rehabilitation of residential housing; to provide for the creation of senior enterprise zones; to provide for obtaining senior enterprise zone certificates for a period of time and to prescribe the contents of the certificates; to provide for the exemption of certain taxes; to provide for the levy and collection of a specific tax on the owner of certain facilities; and to prescribe the powers and duties of certain officers of the state and local governmental units.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "senior enterprise zone act".

3 Sec. 2. As used in this act:

4 (a) "Commission" means the state tax commission created by

1 1927 PA 360, MCL 209.101 to 209.107.

2 (b) "Condominium unit" means that portion of a structure
3 intended for separate ownership, intended for residential use, and
4 established pursuant to the condominium act, 1978 PA 59, MCL
5 559.101 to 559.276. Condominium units within a qualified historic
6 building may be held under common ownership.

7 (c) "Developer" means a person who is the owner of a new
8 facility at the time of construction or of a rehabilitated facility
9 at the time of rehabilitation for which a neighborhood enterprise
10 zone certificate is applied for or issued.

11 (d) "Facility" means a homestead facility, a new facility, or
12 a rehabilitated facility.

13 (e) "Homestead facility" means 1 of the following:

14 (i) An existing structure, purchased by or transferred to an
15 owner after December 31, 1996, that has as its primary purpose
16 residential housing consisting of 1 or 2 units, 1 of which is
17 occupied by an owner as his or her principal residence and that is
18 located within a subdivision platted pursuant to state law before
19 January 1, 1968 other than an existing structure for which a
20 certificate will or has been issued after December 31, 2006 in a
21 city with a population of 750,000 or more, is located within a
22 subdivision platted pursuant to state law before January 1, 1968.

23 (ii) An existing structure that has as its primary purpose
24 residential housing consisting of 1 or 2 units, 1 of which is
25 occupied by an owner as his or her principal residence that is
26 located in a subdivision platted after January 1, 1999 and is
27 located in a county with a population of more than 400,000 and less

1 than 500,000 according to the most recent decennial census and is
2 located in a city with a population of more than 100,000 and less
3 than 125,000 according to the most recent decennial census.

4 (f) "Local governmental unit" means a qualified local
5 governmental unit as that term is defined under section 2 of the
6 obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782, or
7 a county seat.

8 (g) "New facility" means 1 or both of the following:

9 (i) A new structure or a portion of a new structure that has as
10 its primary purpose residential housing consisting of 1 or 2 units,
11 1 of which is or will be occupied by an owner as his or her
12 principal residence. New facility includes a model home or a model
13 condominium unit. New facility includes a new individual
14 condominium unit, in a structure with 1 or more condominium units,
15 that has as its primary purpose residential housing and that is or
16 will be occupied by an owner as his or her principal residence.
17 Except as provided in subparagraph (ii), new facility does not
18 include apartments.

19 (ii) A new structure or a portion of a new structure that meets
20 all of the following:

21 (A) Is rented or leased or is available for rent or lease.

22 (B) Is a mixed use building or located in a mixed use building
23 that contains retail business space on the street level floor.

24 (C) Is located in a qualified downtown revitalization
25 district.

26 (h) "Owner" means the record title holder of, or the vendee of
27 the original land contract pertaining to, a new facility, a

1 homestead facility, or a rehabilitated facility for which a
2 neighborhood enterprise zone certificate is applied for or issued.

3 (i) "Qualified assessing authority" means 1 of the following:

4 (i) For a facility other than a homestead facility, the
5 commission.

6 (ii) For a homestead facility, the assessor of the local
7 governmental unit in which the homestead facility is located.

8 (j) "Qualified downtown revitalization district" means an area
9 located within 1 or more of the following:

10 (i) The boundaries of a downtown district as defined in section
11 1 of 1975 PA 197, MCL 125.1651.

12 (ii) The boundaries of a principal shopping district or a
13 business improvement district as defined in section 1 of 1961 PA
14 120, MCL 125.981.

15 (iii) The boundaries of the local governmental unit in an area
16 that is zoned and primarily used for business as determined by the
17 local governmental unit.

18 (k) "Qualified historic building" means a property within a
19 neighborhood enterprise zone that has been designated a historic
20 resource as defined under section 266 of the income tax act of
21 1967, 1967 PA 281, MCL 206.266.

22 (l) "Rehabilitated facility" means an existing structure or a
23 portion of an existing structure with a current true cash value of
24 \$80,000.00 or less per unit that has or will have as its primary
25 purpose residential housing, consisting of 1 to 8 units, the owner
26 of which proposes improvements that if done by a licensed
27 contractor would cost in excess of \$5,000.00 per owner-occupied

unit or 50% of the true cash value, whichever is less, or \$7,500.00 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit or \$4,500.00 per nonowner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards. Rehabilitated facility also includes an individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above described improvements. Rehabilitated facility also includes existing or proposed condominium units in a qualified historic building with 1 or more existing or proposed condominium units. Rehabilitated facility does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss. A qualified historic building may contain multiple rehabilitated facilities.

(m) "Senior enterprise zone certificate" or "certificate" means a certificate issued pursuant to sections 4, 5, and 6.

Sec. 3. (1) The governing body of a local governmental unit by resolution may designate 1 or more senior enterprise zones within that local governmental unit. Except as otherwise provided in this subsection, a senior enterprise zone shall contain not fewer than 10 platted parcels of land. A senior enterprise zone located in a qualified downtown revitalization district may contain fewer than

1 10 platted parcels if the platted parcels together contain 10 or
2 more facilities. All the land within a senior enterprise zone shall
3 also be compact and contiguous. Contiguity is not broken by a road,
4 right-of-way, or property purchased or taken under condemnation if
5 the purchased or condemned property was a single parcel prior to
6 the sale or condemnation.

7 (2) The total acreage of the senior enterprise zones
8 containing only new facilities or rehabilitated facilities or any
9 combination of new facilities or rehabilitated facilities
10 designated under this act shall not exceed 15% of the total acreage
11 contained within the boundaries of the local governmental unit. The
12 total acreage of the senior enterprise zones containing only
13 homestead facilities designated under this act shall not exceed 10%
14 of the total acreage contained within the boundaries of the local
15 governmental unit or, with the approval of the board of
16 commissioners of the county in which the senior enterprise zone is
17 located if the county does not have an elected or appointed county
18 executive or with the approval of the board of commissioners and
19 the county executive of the county in which the senior enterprise
20 zone is located if the county has an elected or appointed county
21 executive, 15% of the total acreage contained within the boundaries
22 of the local governmental unit.

23 (3) Not less than 60 days before the passage of a resolution
24 designating a senior enterprise zone or the repeal or amendment of
25 a resolution under subsection (5), the clerk of the local
26 governmental unit shall give written notice to the assessor and to
27 the governing body of each taxing unit that levies ad valorem

1 property taxes in the proposed senior enterprise zone. Before
2 acting upon the resolution, the governing body of the local
3 governmental unit shall make a finding that a proposed senior
4 enterprise zone is consistent with the master plan of the local
5 governmental unit and the neighborhood preservation and economic
6 development goals of the local governmental unit. The governing
7 body before acting upon the resolution shall also adopt a statement
8 of the local governmental unit's goals, objectives, and policies
9 relative to the maintenance, preservation, improvement, and
10 development of housing for all persons regardless of income level
11 living within the proposed senior enterprise zone. In addition, the
12 governing body before acting upon the resolution shall make
13 specific finding on the availability of health care retail
14 resources, lifelong learning opportunities, effect of geographic
15 location, and cultural amenities for seniors who could reside
16 within the proposed senior enterprise zone. Additionally, before
17 acting upon the resolution, the governing body of a local
18 governmental unit with a population greater than 20,000 shall pass
19 a housing inspection ordinance. A local governmental unit with a
20 population of 20,000 or less may pass a housing inspection
21 ordinance. Before the sale of a unit in a new or rehabilitated
22 facility for which a senior enterprise zone certificate is in
23 effect, an inspection shall be made of the unit to determine
24 compliance with any local construction or safety codes and that a
25 sale may not be finalized until there is compliance with those
26 local construction or safety codes. The governing body shall hold a
27 public hearing not later than 45 days after the date the notice is

1 sent but before acting upon the resolution.

2 (4) Upon receipt of a notice under subsection (3), the
3 assessor shall determine and furnish to the governing body of the
4 local governmental unit the amount of the true cash value of the
5 property located within the proposed senior enterprise zone and any
6 other information considered necessary by the governing body.

7 (5) A resolution designating a senior enterprise zone, other
8 than a zone designated under subsection (2), may be repealed or
9 amended not sooner than 3 years after the date of adoption or of
10 the most recent amendment of the resolution by the governing body
11 of the local governmental unit. The repeal or amendment of the
12 resolution shall take effect 6 months after adoption. However, an
13 action taken under this subsection does not invalidate a
14 certificate that is issued or in effect and a facility for which a
15 certificate is issued or in effect shall continue to be included in
16 the total acreage limitations under this section until the
17 certificate is expired or revoked.

18 Sec. 4. (1) The owner of a homestead facility or owner or
19 developer or prospective owner or developer of a proposed new
20 facility or an owner or developer or prospective developer
21 proposing to rehabilitate property located in a senior enterprise
22 zone may file an application for a senior enterprise zone
23 certificate with the clerk of the local governmental unit. The
24 application shall be filed in the manner and form prescribed by the
25 commission. The clerk of the local governmental unit shall provide
26 a copy of each homestead facility application to the assessor for
27 the local governmental unit. Except as otherwise provided by the

1 local governmental unit by resolution if the application is filed
2 not 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) The application shall contain or be accompanied by all of
6 the following:

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

9 (b) The dimensions of the parcel on which the homestead
10 facility, new facility, or proposed rehabilitated facility is or is
11 to be located.

12 (c) The general nature and extent of the construction to be
13 undertaken.

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

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

21 (f) Any other information required by the local governmental
22 unit.

23 Sec. 5. Not more than 60 days after receipt by its clerk of an
24 application under section 4, the governing body of the local
25 governmental unit by resolution shall approve the application for a
26 senior enterprise zone certificate. The clerk shall forward the
27 application to the qualified assessing authority.

1 Sec. 6. Not later than 60 days after receipt of an approved
2 application for a homestead facility or a rehabilitated facility,
3 and not later than 30 days, or if an approved application is
4 received after October 31, not later than 45 days after receipt of
5 an approved application for a new facility, the qualified assessing
6 authority shall determine whether the homestead facility, new
7 facility, or rehabilitated facility complies with the requirements
8 of this act. If the qualified assessing authority finds compliance,
9 the qualified assessing authority shall issue a senior enterprise
10 zone certificate to the applicant and send a certified copy of the
11 certificate to each affected taxing unit. The assessor shall keep
12 the certificate filed on record in his or her office. The qualified
13 assessing authority shall maintain a record of all certificates
14 filed. Notice of the qualified assessing authority's refusal to
15 issue a certificate shall be sent by certified mail to the same
16 persons.

17 Sec. 7. (1) The commission shall not issue a senior enterprise
18 zone certificate for a new facility unless the new facility meets
19 the requirements of the definition in section 2(g).

20 (2) The commission shall not issue a senior enterprise zone
21 certificate for a rehabilitated facility unless the rehabilitated
22 facility meets the requirements of the definition in section 2(k).

23 (3) The assessor of the local governmental unit shall not
24 issue a senior enterprise zone certificate for a homestead facility
25 unless the homestead facility meets the requirements of the
26 definition in section 2(e).

27 Sec. 8. A senior enterprise zone certificate shall be in the

1 form prescribed and provided by the commission and shall include
2 the following:

3 (a) A legal description of the real property on which the new
4 facility is to be located or the legal description of the homestead
5 facility or the rehabilitated property.

6 (b) A statement that unless revoked under this act, the
7 certificate shall remain in effect for the period stated in the
8 certificate.

9 Sec. 9. (1) Except as provided in subsection (14), there is
10 levied on the owner of a homestead facility, a new facility, or a
11 rehabilitated facility to which a senior enterprise zone
12 certificate is issued a specific tax known as the senior enterprise
13 zone tax.

14 (2) A homestead facility, a new facility, or a rehabilitated
15 facility for which a senior enterprise zone certificate is in
16 effect, but not the land on which the facility is located, is
17 exempt from ad valorem real property taxes collected under the
18 general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

19 (3) Except as otherwise provided in this section, the amount
20 of the senior enterprise zone tax on a new facility is determined
21 each year by multiplying the taxable value of the facility, not
22 including the land, by 1 of the following:

23 (a) For property that would otherwise meet the definition of a
24 principal residence under section 7dd of the general property tax
25 act, 1893 PA 206, MCL 211.7dd, if that property was not exempt from
26 ad valorem property taxes under this act, 1/2 of the average rate
27 of taxation levied in this state in the immediately preceding

1 calendar year on a principal residence and qualified agricultural
2 property as defined in section 7dd of the general property tax act,
3 1893 PA 206, MCL 211.7dd.

4 (b) For property that is not a principal residence under
5 section 7dd of the general property tax act, 1893 PA 206, MCL
6 211.7dd, 1/2 of the average rate of taxation levied upon
7 commercial, industrial, and utility property upon which ad valorem
8 taxes are assessed as determined for the immediately preceding
9 calendar year by the state board of assessors under section 13 of
10 1905 PA 282, MCL 207.13.

11 (4) Except as otherwise provided in this section, the amount
12 of the neighborhood enterprise zone tax on a rehabilitated facility
13 is determined each year by multiplying the taxable value of the
14 rehabilitated facility, not including the land, for the tax year
15 immediately preceding the effective date of the senior enterprise
16 zone certificate by the total mills collected under the general
17 property tax act, 1893 PA 206, MCL 211.1 to 211.155, for the
18 current year by all taxing units within which the rehabilitated
19 facility is located.

20 (5) Except as otherwise provided in this section, the amount
21 of the senior enterprise zone tax on a homestead facility is the
22 sum of all the following:

23 (a) One-half the number of mills levied for operating purposes
24 by the local governmental unit in which the senior enterprise zone
25 is located multiplied by the current taxable value of the homestead
26 facility not including the land.

27 (b) One-half the number of mills levied for operating purposes

1 by the county in which the senior enterprise zone is located
2 multiplied by the current taxable value of the homestead facility
3 not including the land.

4 (c) The total number of mills collected under the general
5 property tax act, 1893 PA 206, MCL 211.1 to 211.155, for the
6 current year by all taxing jurisdictions within which the homestead
7 facility is located excluding the number of mills levied for
8 operating purposes by the local governmental unit and county in
9 which the homestead facility is located multiplied by the current
10 taxable value of the homestead facility not including the land.

11 (6) In the year 2 years before the year in which the senior
12 enterprise zone certificate expires for a homestead facility or for
13 a new facility, the senior enterprise zone tax is the sum of all of
14 the following:

15 (a) Five-eighths the number of mills levied for operating
16 purposes by the local governmental unit in which the senior
17 enterprise zone is located multiplied by the current taxable value
18 of the facility not including the land.

19 (b) Five-eighths the number of mills levied for operating
20 purposes by the county in which the senior enterprise zone is
21 located multiplied by the current taxable value of the facility not
22 including the land.

23 (c) The total number of mills collected under the general
24 property tax act, 1893 PA 206, MCL 211.1 to 211.155, for the
25 current year by all taxing jurisdictions within which the facility
26 is located excluding the number of mills levied for operating
27 purposes by the local governmental unit and county in which the

1 facility is located multiplied by the current taxable value of the
2 facility not including the land.

3 (7) In the year before the year in which the senior enterprise
4 zone certificate expires for a homestead facility or for a new
5 facility, the senior enterprise zone tax is the sum of all the
6 following:

7 (a) Three-fourths the number of mills levied for operating
8 purposes by the local governmental unit in which the senior
9 enterprise zone is located multiplied by the current taxable value
10 of the facility not including the land.

11 (b) Three-fourths the number of mills levied for operating
12 purposes by the county in which the senior enterprise zone is
13 located multiplied by the current taxable value of the facility not
14 including the land.

15 (c) The total number of mills collected under the general
16 property tax act, 1893 PA 206, MCL 211.1 to 211.155, for the
17 current year by all taxing jurisdictions within which the facility
18 is located excluding the number of mills levied for operating
19 purposes by the local governmental unit and county in which the
20 facility is located multiplied by the current taxable value of the
21 facility not including the land.

22 (8) In the year in which the senior enterprise zone
23 certificate expires for a homestead facility or for a new facility,
24 the senior enterprise zone tax is the sum of all the following:

25 (a) Seven-eighths the number of mills levied for operating
26 purposes by the local governmental unit in which the senior
27 enterprise zone is located multiplied by the current taxable value

1 of the facility not including the land.

2 (b) Seven-eighths the number of mills levied for operating
3 purposes by the county in which the senior enterprise zone is
4 located multiplied by the current taxable value of the facility not
5 including the land.

6 (c) The total number of mills collected under the general
7 property tax act, 1893 PA 206, MCL 211.1 to 211.155, for the
8 current year by all taxing jurisdictions within which the facility
9 is located excluding the number of mills levied for operating
10 purposes by the local governmental unit and county in which the
11 facility is located multiplied by the current taxable value of the
12 facility not including the land.

13 (9) The senior enterprise zone tax is an annual tax, payable
14 at the same times, in the same installments, and to the same
15 officer or officers as taxes collected under the general property
16 tax act, 1893 PA 206, MCL 211.1 to 211.155, are payable. Except as
17 otherwise provided in this section, the officer or officers shall
18 disburse the senior enterprise zone tax received by the officer or
19 officers each year to the state, cities, townships, villages,
20 school districts, counties, and authorities at the same times and
21 in the same proportions as required for the disbursement of taxes
22 collected under the general property tax act, 1893 PA 206, MCL
23 211.1 to 211.155. To determine the proportion for the disbursement
24 of taxes under this subsection and for attribution of taxes under
25 subsection (11), local tax collection officers shall disburse the
26 proceeds of the senior enterprise zone tax collected on homestead
27 facilities under subsection (5) and on homestead facilities, new

1 facilities, and rehabilitated facilities under subsections (6),
2 (7), and (8) each year to the state, cities, townships, villages,
3 school districts, counties, and authorities in an amount equal to
4 the sum of the proceeds of the senior enterprise zone tax collected
5 on the facility multiplied by a fraction in which the numerator is
6 the number of mills levied by the taxing unit that was used to
7 calculate the specific tax on the facility and the denominator is
8 the total number of mills levied by all the taxing units that was
9 used to calculate the specific tax in which the property is
10 located.

11 (10) An intermediate school district receiving state aid under
12 sections 56, 62, and 81 of the state school aid act of 1979, 1979
13 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the amount that
14 would otherwise be disbursed to or retained by the intermediate
15 school district, all or a portion, to be determined on the basis of
16 the tax rates being utilized to compute the amount of state aid,
17 shall be paid to the state treasury to the credit of the state
18 school aid fund established by section 11 of article IX of the
19 state constitution of 1963. If and for the period that the state
20 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, is
21 amended or its successor act is enacted or amended to include a
22 provision that provides for adjustments in state school aid to
23 account for the receipt of revenues provided under this act in
24 place of exempted ad valorem property tax, revenues required to be
25 remitted or returned to the state treasury to the credit of the
26 state school aid fund shall be distributed instead to the
27 intermediate school districts. If the sum of any industrial

1 facility tax levied under 1974 PA 198, MCL 207.551 to 207.572, the
2 commercial facilities tax levied under the commercial redevelopment
3 act, 1978 PA 255, MCL 207.651 to 207.668, the neighborhood
4 enterprise zone tax levied under the neighborhood enterprise zone
5 act, 1992 PA 147, MCL 207.771 to 207.787, and the senior enterprise
6 zone tax paid to the state treasury to the credit of the state
7 school aid fund that would otherwise be disbursed to the
8 intermediate school district exceeds the amount received by the
9 intermediate school district under sections 56, 62, and 81 of the
10 state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662,
11 and 388.1681, the department of treasury shall allocate to each
12 eligible intermediate school district an amount equal to the
13 difference between the sum of the industrial facility tax, the
14 commercial facilities tax, the neighborhood enterprise zone tax,
15 and the senior enterprise zone tax paid to the state treasury to
16 the credit of the state school aid fund and the amount the
17 intermediate school district received under sections 56, 62, and 81
18 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656,
19 388.1662, and 388.1681.

20 (11) For senior enterprise zone taxes levied for school
21 operating purposes, the amount that would otherwise be disbursed to
22 a local school district shall be paid instead to the state treasury
23 and credited to the state school aid fund established by section 11
24 of article IX of the state constitution of 1963.

25 (12) The officer or officers shall send a copy of the amount
26 of disbursement made to each unit under this section to the
27 commission on a form provided by the commission. The senior

1 enterprise zone tax is a lien on the real property upon which the
2 new facility or rehabilitated facility subject to the certificate
3 is located until paid. The continuance of a certificate is
4 conditional upon the annual payment of the senior enterprise zone
5 tax and the ad valorem tax on the land collected under the general
6 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

7 (13) If payment of the tax under this act is not made by the
8 March 1 following the levy of the tax, the tax shall be turned over
9 to the county treasurer and collected in the same manner as a
10 delinquent tax under the general property tax act, 1893 PA 206, MCL
11 211.1 to 211.155.

12 (14) A homestead facility, a new facility, or a rehabilitated
13 facility located in a renaissance zone under the Michigan
14 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, is
15 exempt from the senior enterprise zone tax levied under this act to
16 the extent and for the duration provided pursuant to the Michigan
17 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except
18 for that portion of the senior enterprise zone tax attributable to
19 a special assessment or a tax described in section 7ff(2) of the
20 general property tax act, 1893 PA 206, MCL 211.7ff. The senior
21 enterprise zone tax calculated under this subsection shall be
22 disbursed proportionately to the local taxing unit or units that
23 levied the special assessment or the tax described in section
24 7ff(2) of the general property tax act, 1893 PA 206, MCL 211.7ff.

25 Sec. 10. (1) Except as provided in subsections (2) and (3),
26 the effective date of the senior enterprise zone certificate is
27 December 31 in the year in which the new facility or rehabilitated

1 facility is substantially completed and, for a new facility,
2 occupied by an owner as a principal residence, as evidenced by the
3 owner filing with the assessor of the local assessing unit all of
4 the following:

5 (a) For a new facility, a certificate of occupancy.

6 (b) For a rehabilitated facility, a certificate that the
7 improvements meet minimum local building code standards issued by
8 the local building inspector or other authorized officer or a
9 certificate of occupancy if required by local building permits or
10 building codes.

11 (c) For a rehabilitated facility, documentation proving the
12 cost requirements of section 2(k) are met.

13 (d) For a homestead facility or a new facility, an affidavit
14 executed by an owner affirming that the homestead facility or new
15 facility is occupied by an owner as a principal residence.

16 (2) If a new facility is substantially completed in a year but
17 is not occupied by an owner as a principal residence until the
18 following year, upon the request of the owner, the effective date
19 of the senior enterprise zone certificate shall be December 31 in
20 the year immediately preceding the date of occupancy by the owner
21 as a principal residence.

22 (3) Upon the request of the owner, the effective date of the
23 senior enterprise zone certificate for a rehabilitated facility
24 shall be December 31 in the year immediately preceding the date on
25 which the rehabilitated facility is substantially completed.

26 Sec. 11. (1) Upon receipt of a request by certified mail to
27 the qualified assessing authority by the holder of a senior

1 enterprise zone certificate requesting revocation of the
2 certificate, the qualified assessing authority by order shall
3 revoke the certificate.

4 (2) The certificate shall expire if the owner fails to
5 complete the filing requirements under section 10 within 2 years of
6 the date the certificate was issued. The holder of the certificate
7 may request in writing to the qualified assessing authority a 1-
8 year automatic extension of the certificate if the owner has
9 proceeded in good faith with the construction or rehabilitation of
10 the facility in a manner consistent with the purposes of this act
11 and the delay in completion or occupancy by an owner is due to
12 circumstances beyond the control of the holder of the certificate.
13 Upon request of the governing body of the local governmental unit,
14 the qualified assessing authority shall extend the certificate if
15 the new facility has not been occupied.

16 (3) The certificate for a homestead facility or new facility
17 is automatically revoked if the homestead facility or new facility
18 is no longer a homestead as that term is defined in section 7a of
19 the general property tax act, 1893 PA 206, MCL 211.7a. However, if
20 the owner or any subsequent owner submits a certificate before the
21 revocation is effective, the qualified assessing authority, upon
22 application of the owner, shall rescind the order of revocation. If
23 the certificate is submitted after revocation of the certificate,
24 the qualified assessing authority, upon application of the owner,
25 shall reinstate the certificate for the remaining period of time
26 for which the original certificate would have been in effect.

27 (4) If the owner of the facility fails to make the annual

1 payment of the senior enterprise zone tax and the ad valorem
2 property tax on the land under the general property tax act, 1893
3 PA 206, MCL 211.1 to 211.155, the qualified assessing authority by
4 order shall revoke the certificate. However, if payment of these
5 taxes is made before the revocation is effective, the qualified
6 assessing authority, upon application of the owner, shall rescind
7 the order of revocation. If payment of these taxes and any
8 subsequent ad valorem property tax due on the facility is made
9 after revocation of the certificate, the qualified assessing
10 authority, upon application of the owner, shall reinstate the
11 certificate for the remaining period of time for which the original
12 certificate would have been in effect.

13 (5) If a homestead facility, a new facility, or a
14 rehabilitated facility ceases to have as its primary purpose
15 residential housing, the qualified assessing authority by order
16 shall revoke the certificate for that facility. A new or
17 rehabilitated facility does not cease to be used for its primary
18 purpose if it is temporarily damaged or destroyed in whole or in
19 part.

20 (6) If the governing body of a local governmental unit
21 determines that a homestead facility, a new facility, or a
22 rehabilitated facility is not in compliance with any local
23 construction, building, or safety codes and notifies the qualified
24 assessing authority by certified mail of the noncompliance, the
25 qualified assessing authority by order shall revoke the
26 certificate.

27 (7) The revocation shall be effective beginning the December

1 31 following the date of the order or, if the certificate is
2 automatically revoked under subsection (3), the December 31
3 following the automatic revocation. The qualified assessing
4 authority shall send by certified mail copies of the order of
5 revocation to the holder of the certificate and to the assessor of
6 that local governmental unit, and to the legislative body of each
7 taxing unit that levies taxes upon property in the local
8 governmental unit in which the new facility or rehabilitated
9 facility is located.

10 Sec. 12. (1) Except as otherwise provided in this section,
11 unless earlier revoked as provided in section 11, a senior
12 enterprise zone certificate shall remain in effect for 6 to 15
13 years from the effective date of the certificate as determined by
14 the governing body of the local governmental unit. If the homestead
15 facility, new facility, or rehabilitated facility is sold or
16 transferred to another owner who otherwise complies with this act
17 and, for a homestead facility or a new facility, uses the homestead
18 facility or the new facility as a principal residence, the
19 certificate shall remain in effect.

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

1 housing.

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

13 Sec. 13. (1) The assessor of each local governmental unit in
14 which is located a homestead facility, a new facility, or a
15 rehabilitated facility for which a senior enterprise zone
16 certificate is in effect shall determine annually, with respect to
17 each homestead facility, new facility, or rehabilitated facility,
18 the assessed valuation of the property comprising the facility
19 having the benefit of a senior enterprise zone certificate and the
20 amount of ad valorem property tax that would have been paid with
21 respect to each homestead facility, new facility, and rehabilitated
22 facility under the general property tax act, 1893 PA 206, MCL 211.1
23 to 211.155, if the certificate had not been in force, and the
24 assessed valuation on which the senior enterprise zone tax is based
25 for a homestead facility or a rehabilitated facility. A holder of a
26 certificate shall furnish to the assessor the information necessary
27 for the determination.

1 (2) After making the determinations under subsection (1), the
2 assessor shall send annually notification of those determinations
3 to the governing body of each taxing unit that levies taxes upon
4 property in the local governmental unit in which the new facility
5 or rehabilitated facility is located and the holder of the
6 certificate for which the determination is made. The notice shall
7 be sent by certified mail not later than October 15 and shall be
8 based upon the valuation as of the immediately preceding December
9 31.

10 Sec. 14. (1) The commission may promulgate rules it considers
11 necessary for the administration of this act pursuant to the
12 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
13 24.328.

14 (2) Not later than June 15 each year, the assessor of each
15 local governmental unit that issues a certificate under this act
16 for a homestead facility shall file with the commission a report
17 that contains all of the following information for the immediately
18 preceding calendar year:

19 (a) The number of certificates issued.

20 (b) The date of issuance of each certificate.

21 (c) The name and address of the holder of each certificate.

22 (d) The legal description of the real property of the
23 homestead facility for which each certificate was issued.

24 (e) The taxable value for each homestead facility for which a
25 certificate was issued.

26 (f) For each certificate that was transferred, all of the
27 following:

1 (i) The date of each transfer.

2 (ii) The name and address of the former holder of the
3 certificate.

4 (iii) The name and address of the current holder of the
5 certificate.

6 (g) For each certificate that was revoked pursuant to section
7 11, all of the following:

8 (i) The reason for the revocation.

9 (ii) The date of the revocation.

10 (iii) The name and address of the holder of each certificate
11 that was revoked.

12 (h) The impact on neighborhood revitalization in the local
13 governmental unit, including the estimated tax savings for all new
14 and current certificate holders.

15 (3) A report required by this section shall be prepared by the
16 local assessor on a form provided by the commission. The commission
17 may require that the report be filed in an electronic format
18 prescribed by the commission.

19 (4) Not later than October 15 each year, the commission shall
20 review and evaluate the information contained in the report
21 described in subsection (2) and submit a report based on that
22 evaluation to each house of the legislature, the chairpersons of
23 the senate and house of representatives standing committees on
24 appropriations, the chairperson of the senate standing committee on
25 finance, and the chairperson of the house of representatives
26 standing committee on tax policy. The report required under this
27 subsection shall also include specific recommendations for any

1 changes considered necessary in this act.