



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4058 (as reported without amendment)
Sponsor: Representative Eric Leutheuser
House Committee: Local Government
Senate Committee: Economic Development and International Investment

CONTENT

The bill would amend the Neighborhood Enterprise Zone (NEZ) Act to remove a requirement that an assessor send notice of certain determinations to the Michigan Enterprise Zone Authority.

The Act allows eligible local governmental units to designate neighborhood enterprise zones, subject to certain qualifications and criteria, within which the owner or developer of property may receive a NEZ certificate from the State Tax Commission that exempts a homestead facility or new or rehabilitated facility from property tax and subjects it, instead, to a specific NEZ tax, which varies depending on criteria listed under the Act.

The Act requires the assessor of each local governmental unit where there is located a homestead facility, new facility, or rehabilitated facility for which a NEZ certificate is in effect to determine annually, with respect to each facility, the assessed valuation of the property comprising the facility and the amount of property tax that would have been paid with respect to each facility under the General Property Tax Act if the certificate had not been in effect, as well as the assessed valuation on which the NEZ tax is based for a homestead facility or a rehabilitated facility. The assessor must send annually notification of those determinations to the Michigan Enterprise Zone Authority and the governing body of each taxing unit that levies taxes on property in the local governmental unit where the new facility or rehabilitated facility is located and the holder of the certificate.

The bill would delete the requirement that the assessor send the determination notification to the Michigan Enterprise Zone Authority (whose powers, duties, and functions were transferred to the Michigan Strategic Fund in 1999).

In addition, the bill would repeal Section 14 of the NEZ Act, which required the Michigan Enterprise Zone Authority to publish a list of local governmental units the Authority certified as meeting the criteria for a homestead facility, a new facility, or a rehabilitated facility.

MCL 207.783

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-19-17

Fiscal Analyst: Elizabeth Pratt