



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4058 (as passed by the House)
Sponsor: Representative Eric Leutheuser
House Committee: Local Government
Senate Committee: Economic Development and International Investment

Date Completed: 5-3-17

CONTENT

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

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. Certificates are valid for between six and 15 years, as determined by the governing body of the local governmental unit.

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 for which the determination is made.

The bill would delete the requirement that the assessor send the determination notifications to the Michigan Enterprise Zone Authority. (All of the powers, duties, and functions of the Authority were transferred to the Michigan Strategic Fund by Executive Reorganization Order 1999-1.)

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.

Fiscal Analyst: Elizabeth Pratt

SAS\S1718\ss4058sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.