

HOUSE BILL No. 5137

September 7, 2005, Introduced by Reps. Bieda, Alma Smith, Clemente and Condino and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending sections 12 and 13 (MCL 207.782 and 207.783), section
12 as amended by 2004 PA 396.

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, 2005** shall
4 remain in effect for 6 to 12 years **AND A NEIGHBORHOOD ENTERPRISE**
5 **ZONE CERTIFICATE ISSUED AFTER DECEMBER 31, 2004 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**

1 REHABILITATED FACILITY BEFORE JANUARY 1, 2005 MAY EXTEND THE
2 CERTIFICATE FOR AN ADDITIONAL 3 YEARS IF THE EXTENSION IS APPROVED
3 BY RESOLUTION BEFORE THE ORIGINAL NEIGHBORHOOD ENTERPRISE ZONE
4 CERTIFICATE EXPIRES. If the HOMESTEAD FACILITY, new facility, or
5 rehabilitated facility is sold or transferred to another owner who
6 otherwise complies with this act and, for a HOMESTEAD FACILITY OR A
7 new facility, uses the HOMESTEAD FACILITY OR THE new facility as a
8 principal residence, the certificate shall remain in effect.

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

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

25 (4) Unless revoked earlier as provided in section 11, a
26 neighborhood enterprise zone certificate in effect for a
27 rehabilitated facility constituting all or a portion of a qualified

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

10 Sec. 13. (1) The assessor of each local governmental unit in
11 which is located a **HOMESTEAD FACILITY**, A new facility, or a
12 rehabilitated facility for which a neighborhood enterprise zone
13 certificate is in effect shall determine annually, with respect to
14 each **HOMESTEAD FACILITY**, new facility, or rehabilitated facility,
15 the assessed valuation of the property comprising the facility
16 having the benefit of a neighborhood enterprise zone certificate
17 and the amount of ad valorem property tax that would have been paid
18 with respect to each **HOMESTEAD FACILITY**, new facility, and
19 rehabilitated facility under the general property tax act, ~~Act No.~~
20 ~~206 of the Public Acts of 1893, being sections 211.1 to 211.157 of~~
21 ~~the Michigan Compiled Laws~~ **1893 PA 206, MCL 211.1 TO 211.157**, if
22 the certificate had not been in force, and the assessed valuation
23 on which the neighborhood enterprise zone tax is based for a
24 **HOMESTEAD FACILITY OR A** rehabilitated facility. A holder of a
25 certificate shall furnish to the assessor the information necessary
26 for the determination.

27 (2) After making the determinations under subsection (1), the

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