

**SUBSTITUTE FOR  
HOUSE BILL NO. 5550**

A bill to amend 1992 PA 147, entitled  
"Neighborhood enterprise zone act,"  
by amending section 4 (MCL 207.774), as amended by 2008 PA 284.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4. (1) The owner of a homestead facility or owner or  
2       developer or prospective owner or developer of a proposed new  
3       facility or an owner or developer or prospective developer  
4       proposing to rehabilitate property located in a neighborhood  
5       enterprise zone may file an application for a neighborhood  
6       enterprise zone certificate with the clerk of the local  
7       governmental unit. The application shall be filed in the manner and  
8       form prescribed by the commission. The clerk of the local  
9       governmental unit shall provide a copy of each homestead facility

1 application to the assessor for the local governmental unit. Except  
2 as provided in subsection (2) or as otherwise provided by the local  
3 governmental unit by resolution if the application is filed not  
4 later than 6 months following the date the building permit is  
5 issued, the application shall be filed before a building permit is  
6 issued for the new construction or rehabilitation of the facility.

7 (2) An application may be filed after a building permit is  
8 issued only if 1 or more of the following apply:

9 (a) For the rehabilitation of a facility if the area in which  
10 the facility is located is designated as a neighborhood enterprise  
11 zone by the governing body of the local governmental unit in the  
12 calendar year 1992 and if the building permit is issued for the  
13 rehabilitation before December 31, 1994 and after the date on which  
14 the area in which the facility is located was designated as a  
15 neighborhood enterprise zone by the governing body of the local  
16 governmental unit.

17 (b) For the construction of a new facility if the area in  
18 which the new facility is located is designated as a neighborhood  
19 enterprise zone by the governing body of the local governmental  
20 unit in calendar year 1992 or 1993 and if the building permit is  
21 issued for that new facility before December 31, 1995 and after  
22 January 1, 1993.

23 (c) For the construction of a new facility if the area in  
24 which the new facility is located is designated as a neighborhood  
25 enterprise zone by the governing body of the local governmental  
26 unit in July 1997 and if the building permit is issued for that new  
27 facility on February 3, 1998.

1 (d) For a new facility or a rehabilitated facility if the area  
2 in which the new facility or rehabilitated facility is located was  
3 designated as a neighborhood enterprise zone by the governing body  
4 of the local governmental unit in July 1996 and if the building  
5 permit was issued for that facility on or before July 3, 2001.

6 (e) For a new facility or a rehabilitated facility if the area  
7 in which the new facility or rehabilitated facility is located was  
8 designated as a neighborhood enterprise zone by the governing body  
9 of the local governmental unit in October 1994 and if the building  
10 permit was issued for that facility on or before April 25, 1997.

11 (f) For the construction of a new facility if the area in  
12 which the new facility is located is designated as a neighborhood  
13 enterprise zone by the governing body of the local governmental  
14 unit in September 2001 and if the building permit is issued for  
15 that new facility on March 3, 2003.

16 (g) For a rehabilitated facility if all or a portion of the  
17 rehabilitated facility is a qualified historic building.

18 (h) For the construction of a new facility if the area in  
19 which the new facility is located is designated as a neighborhood  
20 enterprise zone by the governing body of the local governmental  
21 unit in July 1993 and the new facility was a model home.

22 (i) For the construction of a new facility if the area in  
23 which the new facility is located is designated as a neighborhood  
24 enterprise zone by the governing body of the local governmental  
25 unit in August 2004 and if building permits were issued for that  
26 facility beginning November 5, 2002 through December 23, 2003.

27 (j) For a homestead facility.

1 (k) For the construction of a facility if the area in which  
2 the facility is located was designated as a neighborhood enterprise  
3 zone by the governing body of the local governmental unit in July  
4 2003, and if the building permit was issued for that facility in  
5 June 2004.

6 (l) For a new facility or a rehabilitated facility if the area  
7 in which the new facility or rehabilitated facility is located was  
8 designated as a neighborhood zone by the governing body of the  
9 local governmental unit in February 2004 and if the building permit  
10 for that facility was issued in August 2003 or January 2005.

11 (m) For the construction of a facility if the area in which  
12 the facility is located was designated as a neighborhood enterprise  
13 zone by the governing body of the local governmental unit in June  
14 2007 and if the building permit was issued for that facility after  
15 November 30, 2004 and before November 1, 2006.

16 **(N) FOR THE CONSTRUCTION OF A NEW FACILITY IF THE AREA IN**  
17 **WHICH THE NEW FACILITY IS LOCATED IS DESIGNATED AS A NEIGHBORHOOD**  
18 **ENTERPRISE ZONE BY THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL**  
19 **UNIT IN JANUARY 2005 AND IF THE BUILDING PERMIT WAS ISSUED FOR THAT**  
20 **FACILITY IN DECEMBER 2004.**

21 (3) The application shall contain or be accompanied by all of  
22 the following:

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

25 (b) The dimensions of the parcel on which the homestead  
26 facility, new facility, or proposed rehabilitated facility is or is  
27 to be located.

1 (c) The general nature and extent of the construction to be  
2 undertaken.

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

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

10 (f) Any other information required by the local governmental  
11 unit.

12 (4) Notwithstanding any other provisions of this act, for any  
13 certificate issued as a result of the enactment of the amendatory  
14 act that added subsection (2)(c), the effective date of the  
15 certificate shall be the first day of the tax year following the  
16 year the certificate is approved by the commission.

17 (5) Notwithstanding any other provisions of this act, for any  
18 certificate issued as a result of the enactment of the amendatory  
19 act that added subsection (2)(d) or the amendatory act that added  
20 subsection (2)(e), the effective date of the certificate shall be  
21 January 1, 2001.

22 (6) Notwithstanding any other provisions of this act, for any  
23 certificate issued as a result of the enactment of the amendatory  
24 act that added subsection (2)(j) or the amendatory act that added  
25 subsection (2)(k), the effective date of the certificate shall be  
26 the first day of the tax year following the year the certificate is  
27 approved by the qualified assessing authority.

1           (7) For a certificate issued as a result of the amendatory act  
2 that added subsection (2)(e), both of the following shall apply not  
3 withstanding any other provision of this act:

4           (a) The effective date of the certificate shall be January 1,  
5 2001 and the taxable value for rehabilitated facilities shall be  
6 set as provided in section 10(3).

7           (b) For certificates issued or reissued after December 31,  
8 2005, the amount of the neighborhood enterprise zone tax on a  
9 rehabilitated facility is determined each year by multiplying the  
10 taxable value of the rehabilitated facility, not including the  
11 land, as of December 31 of the year prior to the start of the  
12 improvement as described in subsection (3) by the total mills  
13 collected under the general property tax act, 1893 PA 206, MCL  
14 211.1 to 211.155, for the current year by all taxing units within  
15 which the rehabilitated facility is located.

16           (8) For any certificate issued as result of the amendatory act  
17 that added subsection (2)(l), notwithstanding any other provision of  
18 this act the amount of the neighborhood enterprise zone tax on a  
19 rehabilitated facility is determined each year by multiplying the  
20 taxable value of the rehabilitated facility, not including the  
21 land, as of December 31 of the year prior to the start of the  
22 improvement as described in subsection (3) by the total mills  
23 collected under the general property tax act, 1893 PA 206, MCL  
24 211.1 to 211.155, for the current year by all taxing units within  
25 which the rehabilitated facility is located.

26           (9) If a new facility is completed in a neighborhood  
27 enterprise zone approved in October 1996 and a building permit was

1 issued in March 1998 but a neighborhood enterprise zone certificate  
2 was not applied for by the original owner occupying the facility as  
3 a principal residence, a subsequent owner occupying the new  
4 facility as a principal residence can request and, notwithstanding  
5 any other provision of this act, effective December 31 of the year  
6 preceding the application, be granted a neighborhood enterprise  
7 zone certificate for the remainder of the term, not to exceed 12  
8 years, that a neighborhood enterprise zone certificate would have  
9 been in effect for the original owner of the new facility.