

HOUSE BILL No. 6258

June 15, 2010, Introduced by Reps. Bettie Scott, Durhal, Polidori, Liss, Lemmons, Leland and Dean and referred to the Committee on Commerce.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending section 4 (MCL 207.774), as amended by 2009 PA 16.

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
10 application to the assessor for the local governmental unit. Except

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

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

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

16 (b) 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 calendar year 1992 or 1993 and if the building permit is
20 issued for that new facility before December 31, 1995 and after
21 January 1, 1993.

22 (c) 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 July 1997 and if the building permit is issued for that new
26 facility on February 3, 1998.

27 (d) For a new facility or a rehabilitated facility if the area

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

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

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

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

17 (h) 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 July 1993 and the new facility was a model home.

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

26 (j) For a homestead facility.

27 (k) For the construction of a facility if the area in which

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

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

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

15 (n) For the construction of a facility if the area in which
16 the facility is located was designated as a neighborhood enterprise
17 zone by the governing body of the local governmental unit on July
18 1, 2005 and if the building permit was issued for that facility
19 after April 5, 2006 and before May 1, 2007.

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

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

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

27 (c) The general nature and extent of the construction to be

1 undertaken.

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

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

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

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

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

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

27 (7) For a certificate issued as a result of the amendatory act

1 that added subsection (2)(e), both of the following shall apply not
2 withstanding any other provision of this act:

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

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

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

25 (9) If a new facility is completed in a neighborhood
26 enterprise zone approved in October 1996 and a building permit was
27 issued in March 1998 but a neighborhood enterprise zone certificate

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

9 (10) IF A NEW FACILITY IS COMPLETED IN A NEIGHBORHOOD
10 ENTERPRISE ZONE APPROVED IN SEPTEMBER 2002 AND A BUILDING PERMIT
11 WAS ISSUED IN 2004 BUT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE
12 WAS NOT APPLIED FOR BY THE ORIGINAL OWNER OCCUPYING THE FACILITY AS
13 A PRINCIPAL RESIDENCE, A SUBSEQUENT OWNER OCCUPYING THE NEW
14 FACILITY AS A PRINCIPAL RESIDENCE CAN REQUEST AND, NOTWITHSTANDING
15 ANY OTHER PROVISION OF THIS ACT, EFFECTIVE DECEMBER 31 OF THE YEAR
16 PRECEDING THE APPLICATION, BE GRANTED A NEIGHBORHOOD ENTERPRISE
17 ZONE CERTIFICATE FOR THE REMAINDER OF THE TERM, NOT TO EXCEED 15
18 YEARS, THAT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE WOULD HAVE
19 BEEN IN EFFECT FOR THE ORIGINAL OWNER OF THE NEW FACILITY.

20 (11) IF A NEW FACILITY IS COMPLETED IN A NEIGHBORHOOD
21 ENTERPRISE ZONE APPROVED IN SEPTEMBER 2001 AND A BUILDING PERMIT
22 WAS ISSUED IN SEPTEMBER 2005 BUT A NEIGHBORHOOD ENTERPRISE ZONE
23 CERTIFICATE WAS NOT APPLIED FOR BY THE ORIGINAL OWNER OCCUPYING THE
24 FACILITY AS A PRINCIPAL RESIDENCE, A SUBSEQUENT OWNER OCCUPYING THE
25 NEW FACILITY AS A PRINCIPAL RESIDENCE CAN REQUEST AND,
26 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, EFFECTIVE DECEMBER
27 31 OF THE YEAR PRECEDING THE APPLICATION, BE GRANTED A NEIGHBORHOOD

1 ENTERPRISE ZONE CERTIFICATE FOR THE REMAINDER OF THE TERM, NOT TO
2 EXCEED 15 YEARS, THAT A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE
3 WOULD HAVE BEEN IN EFFECT FOR THE ORIGINAL OWNER OF THE NEW
4 FACILITY.