# **SENATE BILL No. 146**

# February 5, 2013, Introduced by Senator YOUNG and referred to the Committee on Economic Development.

A bill to amend 1992 PA 147, entitled

"Neighborhood enterprise zone act,"

by amending section 4 (MCL 207.774), as amended by 2010 PA 136.

## 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 proposing to rehabilitate property located in a neighborhood 4 5 enterprise zone may file an application for a neighborhood 6 enterprise zone certificate with the clerk of the local governmental unit. The application shall be filed in the manner and 7 form prescribed by the commission. The clerk of the local 8 9 governmental unit shall provide a copy of each homestead facility 10 application to the assessor for the local governmental unit. Except

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

6 (2) An application may be filed after a building permit is7 issued only if 1 or more of the following apply:

(a) For the rehabilitation of a facility if the area in which 8 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.

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

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

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

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

(e) For a new facility or a rehabilitated facility if the area
in which the new facility or rehabilitated facility is located was
designated as a neighborhood enterprise zone by the governing body
of the local governmental unit in October 1994 and if the building
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 the16 rehabilitated facility is a qualified historic building.

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

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

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(j) For a homestead facility.

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

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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.

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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.

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

(o) For the construction of a new facility if the area in
which the new facility is located is designated as a neighborhood
enterprise zone by the governing body of the local governmental
unit in April 2003 and if the building permit was issued for that
facility in April 2008 or September 2008.

(P) FOR THE CONSTRUCTION OF A FACILITY IF THE AREA IN WHICH
THE FACILITY IS LOCATED WAS DESIGNATED AS A NEIGHBORHOOD ENTERPRISE
ZONE BY THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT IN

SEPTEMBER 2012 AND IF THE BUILDING PERMIT WAS ISSUED FOR THAT
 FACILITY AFTER DECEMBER 1, 2004 AND BEFORE DECEMBER 30, 2004.

3 (3) The application shall contain or be accompanied by all of4 the following:

5 (a) A general description of the homestead facility, new6 facility, or proposed rehabilitated facility.

7 (b) The dimensions of the parcel on which the homestead
8 facility, new facility, or proposed rehabilitated facility is or is
9 to be located.

10 (c) The general nature and extent of the construction to be11 undertaken.

(d) A time schedule for undertaking and completing the rehabilitation of property or the construction of the new facility. (e) A statement by the owner of a homestead facility that the owner is committed to investing a minimum of \$500.00 in the first 3 years that the certificate for a homestead facility is in effect and committed to documenting the minimum investment if required to do so by the assessor of the local governmental unit.

19 (f) Any other information required by the local governmental20 unit.

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

26 (5) Notwithstanding any other provisions of this act, for any27 certificate issued as a result of the enactment of the amendatory

act that added subsection (2)(d) or the amendatory act that added
 subsection (2)(e), the effective date of the certificate shall be
 January 1, 2001.

4 (6) Notwithstanding any other provisions of this act, for any
5 certificate issued as a result of the enactment of the amendatory
6 act that added subsection (2)(j) or the amendatory act that added
7 subsection (2)(k), the effective date of the certificate shall be
8 the first day of the tax year following the year the certificate is
9 approved by the qualified assessing authority.

10 (7) For a certificate issued as a result of the amendatory act 11 that added subsection (2)(e), both of the following shall apply not 12 withstanding any other provision of this act:

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

(b) For certificates issued or reissued after December 31, 16 17 2005, the amount of the neighborhood enterprise zone tax on a rehabilitated facility is determined each year by multiplying the 18 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 improvement as described in subsection (3) by the total mills 21 22 collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, for the current year by all taxing units within 23 24 which the rehabilitated facility is located.

(8) For any certificate issued as result of the amendatory act
that added subsection (2) (l), notwithstanding any other provision of
this act the amount of the neighborhood enterprise zone tax on a

1 rehabilitated facility is determined each year by multiplying the 2 taxable value of the rehabilitated facility, not including the 3 land, as of December 31 of the year prior to the start of the 4 improvement as described in subsection (3) by the total mills 5 collected under the general property tax act, 1893 PA 206, MCL 6 211.1 to 211.155, for the current year by all taxing units within 7 which the rehabilitated facility is located.

(9) If a new facility is completed in a neighborhood 8 9 enterprise zone approved in October 1996 and a building permit was 10 issued in March 1998 but a neighborhood enterprise zone certificate 11 was not applied for by the original owner occupying the facility as 12 a principal residence, a subsequent owner occupying the new 13 facility as a principal residence can request and, notwithstanding 14 any other provision of this act, effective December 31 of the year 15 preceding the application, be granted a neighborhood enterprise 16 zone certificate for the remainder of the term, not to exceed 12 17 years, that a neighborhood enterprise zone certificate would have 18 been in effect for the original owner of the new facility.

19 (10) If a new facility is completed in a neighborhood 20 enterprise zone but a neighborhood enterprise zone certificate was 21 not applied for by the original owner, a subsequent owner occupying the new facility as a principal residence can request and, 22 23 notwithstanding any other provision of this act, effective December 24 31 of the year preceding the application, be granted a neighborhood enterprise zone certificate for the remainder of the term, not to 25 26 exceed 15 years, that a neighborhood enterprise zone certificate 27 would have been in effect for the original owner of the new

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