

HOUSE BILL NO. 5723

May 14, 2024, Introduced by Rep. Tyrone Carter and referred to the Committee on Economic Development and Small Business.

A bill to amend 1992 PA 147, entitled
"Neighborhood enterprise zone act,"
by amending section 4 (MCL 207.774), as amended by 2021 PA 165.

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

1 governmental unit. The application ~~shall~~**must** be filed in the
2 manner and form prescribed by the commission. The clerk of the
3 local governmental unit shall provide a copy of each homestead
4 facility application to the assessor for the local governmental
5 unit. Except as provided in subsection (2) or as otherwise provided
6 by the local governmental unit by resolution if the application is
7 filed not later than 6 months following the date the building
8 permit is issued, the application ~~shall~~**must** be filed before a
9 building permit is issued for the new construction or
10 rehabilitation of the facility.

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

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

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

27 (c) For the construction of a new facility if the area in
28 which the new facility is located is designated as a neighborhood
29 enterprise zone by the governing body of the local governmental

1 unit in July 1997 and if the building permit is issued for that new
2 facility on February 3, 1998.

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

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

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

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

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

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

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

21 (o) 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 April 2003 and if the building permit was issued for that
25 facility in April 2008 or September 2008.

26 (p) For the construction of a facility if the area in which
27 the facility is located was designated as a neighborhood enterprise
28 zone by the governing body of the local governmental unit in
29 September 2012 and if the building permit was issued for that

1 facility after December 1, 2004 and before December 30, 2004.

2 (q) For the construction of a new facility if the area in
3 which the new facility is located was designated as a neighborhood
4 enterprise zone by the governing body of the local governmental
5 unit in July 1996 and if the building permit was issued for that
6 facility in October 2017.

7 **(r) For the construction of a new facility if the area in**
8 **which the new facility is located was designated as a neighborhood**
9 **enterprise zone by the governing body of the local governmental**
10 **unit in October 1994 and if the building permit was issued for that**
11 **facility in February 2022.**

12 (3) The application ~~shall~~**must** contain or be accompanied by
13 all of the following:

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

16 (b) The dimensions of the parcel on which the homestead
17 facility, new facility, or proposed rehabilitated facility is or is
18 to be located.

19 (c) The general nature and extent of the construction to be
20 undertaken.

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

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

28 (f) Any other information required by the local governmental
29 unit.

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

6 (5) Notwithstanding any other provisions of this act, for any
 7 certificate issued as a result of the enactment of the amendatory
 8 act that added subsection (2)(d) or the amendatory act that added
 9 subsection (2)(e), the effective date of the certificate shall be
 10 January 1, 2001.

11 (6) 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)(j) or the amendatory act that added
 14 subsection (2)(k), the effective date of the certificate shall be
 15 the first day of the tax year following the year the certificate is
 16 approved by the qualified assessing authority.

17 (7) For a certificate issued as a result of the amendatory act
 18 that added subsection (2)(e), both of the following ~~shall apply not~~
 19 ~~withstanding~~ **notwithstanding** any other provision of this act:

20 (a) The effective date of the certificate shall be January 1,
 21 2001 and the taxable value for rehabilitated facilities shall be
 22 set as provided in section 10(3).

23 (b) For certificates issued or reissued after December 31,
 24 2005, the amount of the neighborhood enterprise zone tax on a
 25 rehabilitated facility is determined each year by multiplying the
 26 taxable value of the rehabilitated facility, not including the
 27 land, as of December 31 of the year prior to the start of the
 28 improvement as described in subsection (3) by the total mills
 29 collected under the general property tax act, 1893 PA 206, MCL

1 211.1 to 211.155, for the current year by all taxing units within
2 which the rehabilitated facility is located.

3 (8) For any certificate issued as result of the amendatory act
4 that added subsection (2) (l), notwithstanding any other provision of
5 this act the amount of the neighborhood enterprise zone tax on a
6 rehabilitated facility is determined each year by multiplying the
7 taxable value of the rehabilitated facility, not including the
8 land, as of December 31 of the year prior to the start of the
9 improvement as described in subsection (3) by the total mills
10 collected under the general property tax act, 1893 PA 206, MCL
11 211.1 to 211.155, for the current year by all taxing units within
12 which the rehabilitated facility is located.

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

24 (10) If a new facility is completed in a neighborhood
25 enterprise zone but a neighborhood enterprise zone certificate was
26 not applied for by the original owner, a subsequent owner occupying
27 the new facility as a principal residence can request and,
28 notwithstanding any other provision of this act, effective December
29 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.