

# Legislative Analysis

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## NEZ: ALLOW TAX ABATEMENT FOR LESS THAN 12 YEARS

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5484**  
**Sponsor: Rep. Bill McConico**  
**Committee: Commerce**

**Complete to 3-8-04**

### A SUMMARY OF HOUSE BILL 5484 AS INTRODUCED 2-5-04

The bill would amend the Neighborhood Enterprise Zone Act to allow a local governmental unit to approve a tax abatement under the act for up to 12 years. Currently, an abatement approved under the act is good for 12 years.

The Neighborhood Enterprise Zone Act offers reduced property taxes to residential property owners in certain zones designated by eligible local units of governments (sometimes referred to as core communities). Generally speaking, owners of new construction pay at the rate of one-half of the statewide average property tax rate and owners of rehabilitated housing pay taxes based on the value of the property prior to rehabilitation. Property owners who obtain exemption certificates pay a specific tax in lieu of standard property taxes. A certificate must be approved by the local unit and the State Tax Commission, and it is good for 12 years.

MCL 207.775 and 207.782

Legislative Analyst: Chris Couch

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