



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5567 (Substitute H-1 as reported without amendment)

Sponsor: Representative Woodrow Stanley

House Committee: Urban Policy

Senate Committee: Local, Urban and State Affairs

CONTENT

The bill would amend the Neighborhood Enterprise Zone Act to include in the definition of "homestead facility" structures in neighborhoods platted in 1999 or later, under certain circumstances.

The Act allows eligible local units of government to designate neighborhood enterprise zones (NEZs), in which a homestead facility, new facility, or rehabilitated facility is subject to a specific NEZ tax instead of ad valorem property taxes.

The Act defines "homestead facility" as an existing structure, purchased by or transferred to an owner after December 31, 1996, that has as its primary purpose residential housing consisting of one or two units, one of which is occupied by an owner as his or her principal residence and that is located within a subdivision platted pursuant to State law before January 1, 1968 (other than an existing structure for which a certificate will be or has been issued after December 31, 2006, in Detroit).

Under the bill, the term also would include an existing structure that has as its primary purpose residential housing consisting of one or two units, one of which is occupied by an owner as his or her principal residence that is located in a subdivision platted after January 1, 1999, and is located in a county with a population of at least 400,000 but less than 500,000 (i.e., Genesee County) and in a city with a population of more than 100,000 and less than 125,000 (i.e., Flint) according to the most recent decennial census.

MCL 207.772

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no effect on State revenue or expenditure but would reduce local unit revenue but an unknown amount, by expanding the properties eligible for an exemption certificate as a "homestead facility". The provisions of the bill would only affect property within the City of Flint. The actual amount of the reduction would depend upon the number of certificates granted and the specific characteristics of the properties affected by the bill.

Date Completed: 1-26-10

Fiscal Analyst: David Zin