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House Bill 4641 (as passed by the House)
Sponsor: Representative Steve Marino
House Committee: Commerce and Tourism
Senate Committee: Economic and Small Business Development

Date Completed: 6-3-21

CONTENT

The bill would amend the Neighborhood Enterprise Zone Act to allow the holder of a certificate issued before March 23, 2020, to request from the qualified assessing authority, at least 180 days after the certificate expired, a 180-day automatic extension of deadlines, in addition to any extensions already exercised by the certificate holder.

Generally, the Act allows a governing body of a local governmental unit to designate one or more neighborhood enterprise zones within that local governmental unit. Developers and owners of residential housing may use the tax incentives in a neighborhood enterprise zone to rehabilitate or develop property within the zone after applying for and receiving a neighborhood enterprise zone certificate.

The Act provides certain circumstances under which a certificate must expire. For example, certificates issued after December 31, 2016, must expire if the owner fails to complete the Act's filing requirements within three years of the date the certificate was issued. The Act allows the holder of a certificate to request in writing to the qualified assessing authority, by written request submitted at any time before the certificate expired or within one year after the certificate expired, a one-year automatic extension of the Act's deadlines if the owner meets certain requirements.

Under the bill, for certificates issued prior to March 23, 2020, the holder of the certificate could request in writing to the qualified assessing authority no later than 180 days after a certificate expired a 180-day automatic extension of the of the Act's deadlines, in addition to any extensions already exercised by the certificate holder.

MCL 207.781

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have a negative fiscal impact on the State and affected local governments. The potential revenue loss would depend on the specific characteristics of the properties granted extensions under the bill. The potential revenue loss would affect local property taxes where the properties are located as well as State property taxes via the State Education Tax. Since school operating mills also would be reduced, costs to the School Aid Fund would increase if the foundation allowance were maintained. If it were assumed that all properties granted an extension would have met the deadlines if not for the COVID-19 public health emergency, there would be no fiscal impact.

Fiscal Analyst: Ryan Bergan

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.