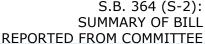
NEIGHBORHOOD ENTERPRISE ZONE; MODIFY REQ.







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Senate Bill 364 (Substitute S-2 as reported) Sponsor: Senator Jeremy Moss Committee: Economic and Small Business Development

CONTENT

The bill would amend the Neighborhood Enterprise Zone Act to do the following:

- -- Modify the definition of "local governmental unit".
- -- Allow a local governmental unit, beginning October 1, 2021, to designate a neighborhood enterprise zone if the local governmental unit determined that the designation encouraged compact development, contained five or more existing residential units per acre at the time of designation, was adjacent to existing development, could utilize existing infrastructure, and had access to municipal water and sewer services on at least one frontage.

MCL 207.772 & 207.773

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill, by allowing more communities to designate neighborhood enterprise zones, could result in a loss of State and local property taxes. The potential loss would depend on the specific characteristics of the property exempted under the bill. The potential revenue loss would affect local property taxes where the neighborhood enterprise zones wee 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.

Date Completed: 6-14-21

Fiscal Analyst: Ryan Bergan