



**CITY OF HILLSDALE
THREE MEADOWS PHASE ONE
NEIGHBORHOOD ENTERPRISE ZONE APPLICATION
INSTRUCTIONS FOR NEW CONSTRUCTION**

IMPORTANT: Applications must be filed before any building permits are issued.

BASIC REQUIREMENTS:

- Your property must be located in the Three Meadows Phase One Neighborhood Enterprise Zone.
- The primary purpose of the property must be residential housing which you will occupy as a principal residence.
- NEZ Certificate applications can be obtained from the Economic Development section of the City's website at www.ci.hillsdale.mi.us or by contacting the City Assessor's office (517) 437-6456.

APPLICATION:

1. Complete Part 1 and Part 2 of the NEZ Certificate application.
2. Attached a copy of the legal description for the property including the property identification number.
3. Attach a description of the general nature and extent of the new construction to be completed.
4. Attach proof of ownership (or intended ownership if it's different from the current owner shown on the City Assessor's records). Proof of ownership is a copy of an executed and properly recorded deed or land contract, or a signed and executed purchase agreement.
5. File one original, and two copies, of the application along with the required attachments at:
City Clerk's office
97 N. Broad St.
Hillsdale, MI 49242.
6. The Clerk will record the filing date. The City Council then has 60 days from the filing date to take action and approve or deny the request.
7. After filing your application with the City Clerk, you can obtain the necessary building permits and start construction.

APPROVAL PROCESS – PRE-CONSTRUCTION:

1. After recording your application, the City Clerk forwards copies to the City Assessor and City Building Inspection Department for review.
2. The City Assessor verifies the legal description, dimensions of the lot, parcel identification number, and proof of ownership or intended ownership.
3. The City Assessor notifies the City Clerk and City Manager of their findings and/or recommendations.
4. City Clerk prepares a resolution approving the application and sends it to the City Manager for placement on the City Council Agenda.
5. After City Council approval, the City Clerk notifies the property owner in writing of the Council's decision and includes information about the rest of the process once construction is completed.
6. The City Clerk sends the original application, along with documentation as required in Part 3 of the application, to the State Tax Commission.

APPROVAL PROCESS – POST-CONSTRUCTION:

1. Once construction is finished and a final inspection is completed, the Building Inspector issues a Certificate of Occupancy.
2. You submit a copy of the Certificate of Occupancy to the City Clerk.
3. You submit a copy of the finalized Building Permit to the City Clerk.
4. City Clerk forwards the documents to the Michigan State Tax Commission in Lansing.
5. The Michigan State Tax Commission reviews your application and determines if your structure complies with the requirements of the law. If your structure and application meet the requirements, the Tax Commission issues a Neighborhood Enterprise Zone Certificate. Copies of the Certificate are sent to the applicant, the Assessor and to each affected taxing unit.

IMPORTANT: It's your responsibility to file a copy of your Certificate of Occupancy with the City Clerk. Delays in filing this document impact the start date of your tax benefits.

TAXES:

1. The exemption applies only to the new structure, not the land.
2. The land value remains on the ad valorem assessment and tax rolls where it is subject to increases or decreases in valuation. The taxes are computed normally for the land value and you continue to receive summer and winter tax bills from the City Treasurer.
3. The taxes for the new structure are determined by multiplying the taxable value of the new structure by ½ the average homestead mills levied in the state in the preceding tax year. This average is set each year by the Michigan Department of Treasury, Bureau of Local Government Services.
4. 50% of the new building value is placed on a special tax roll where the value is subject to increases or decreases in valuation. You continue to receive separate summer and winter tax bills for the structure.
5. During the last three years of the structure exemption, the exemption applies only to the number of mills levied for the County and the City of Hillsdale operating purposes multiplied by the current taxable value.
6. In the tax year, two (2) two years before the certificate expires, the percentage of mills exempted for the County and City of Hillsdale operating mills changes to five-eighths (5/8) multiplied by the current taxable value.
7. In the tax year, one (1) year before the certificate expires, the percentage of mills exempted for the County and City of Hillsdale operating mills changes to three-fourths (3/4) multiplied by the current taxable value.
8. In the tax year that the certificate expires, the percentage of the mills exempted for the County and City of Hillsdale operating mills changes to seven-eighths (7/8) multiplied by the current taxable value.
9. Upon expiration of the Certificate, the structure is appraised at current market value and returned to the ad valorem assessment and tax rolls.

CERTIFICATE HOLDERS' REQUIREMENTS:

1. Before **November 1st** for each year the Certificate is in effect, you or any subsequent owner must file an affidavit affirming that you are the owner of the property and occupy it as your principal residence.
2. The Assessor is required by this law to file certain information annually with the Michigan State Tax Commission. This includes maintaining a current market value of your property. You may be contacted periodically to arrange for inspections to keep our records up-to-date.

REVOICATION:

The Michigan State Tax Commission may revoke Certificates for the following reasons:

1. Upon receipt of a written request from the property owner. This request must be sent by certified mail to the Michigan State Tax Commission, PO Box 30471, Lansing, MI 48909-7971.
2. If you fail to complete the filing requirements within 2 years of the date the Certificate was issued.
3. If you fail to file the annual principal affidavit affirming that you occupy the property as your principal residence before November 1st each year.
4. If you fail to pay your annual Neighborhood Enterprise Zone and ad valorem property taxes.
5. If the structure's primary purpose is not residential housing.
6. If the City determines your property does not comply with any local construction, building or safety codes.

CONTACTS FOR ADDITIONAL INFORMATION:

NEZ Requirements, Zoning:

City Assessor's Office
First Floor, City Hall
97 N. Broad St.
Hillsdale, MI 49242
Phone: 517-437-6456

Application Filing:

City Clerk's Office
First Floor, City Hall
97 N. Broad St.
Hillsdale, MI 49242
Phone: 517-437-6442

Building Permits: (until 12/31/08)

City Assessor's Office
First Floor, City Hall
97 N. Broad St.
Hillsdale, MI 49242
Phone: 517-437-6456

Building Permits:

Hillsdale County Building Inspector
Courthouse Annex
61 McCollum
Hillsdale, MI 49242
Phone: 517-437-4130