



# CITY OF BATTLE CREEK

## NEIGHBORHOOD ENTERPRISE ZONE TAX ABATEMENTS INSTRUCTIONS FOR FILING AN APPLICATION FOR NEW CONSTRUCTION

**IMPORTANT: Applications must be filed before any building permits are issued for new construction.**

### **BASIC REQUIREMENTS:**

1. Your property must be located in a Neighborhood Enterprise Zones designated for "new facilities." This can be checked in the Assessor's Office by calling (269) 966-3369 or visiting at 10 N. Division St., Room 104, City Hall, Battle Creek, MI.
2. The primary purpose of your property must be residential housing consisting of 1 or 2 units, one of which you will occupy as your principal residence.
3. A "new facility" also includes a new individual condominium unit, in a structure with one or more condominium units, which you will occupy as your principal residence.
4. Applications must be filed before any building permits are issued for new construction.

### **APPLICATION:**

1. Applications can be obtained from the Forms section of the Assessor's web site at [www.ci.battle-creek.mi.us/assessing](http://www.ci.battle-creek.mi.us/assessing) or by contacting one of the following offices:

City Clerk	10 N. Division, Room 117, City Hall, Battle Creek, MI 49014
City Assessor	10 N. Division, Room 104, City Hall, Battle Creek, MI 49014

2. Complete the application by filling in the portions designated for "Applicant." Be sure to clearly describe your project on line 17 of the application.
3. Attached a detailed breakdown of your project cost.
4. Attach proof of ownership or intended ownership if it's different from the current owner shown on the City Assessor's records. Proof is a copy of an executed deed, land contract, or sales agreement.
5. File your application and a \$25 filing fee with the City Clerk, 10 N. Division St., Room 117, City Hall, Battle Creek, MI 49014.

6. If the application is complete, the Clerk records the filing date and starts the approval process. The City has 60 days for the City Commission to take action to approve or deny the request.
7. After filing your application with the City Clerk, you are ready to get the necessary building permits and start construction.

### **APPROVAL PROCESS:**

1. After recording your application, the City Clerk forwards copies to the Assessor and Building Inspector for review.
2. The Assessor attaches the legal description, dimensions of the lot and the parcel identification number and checks for proof of ownership or intended ownership.
3. The Building Inspector reviews the project description and the detailed breakdown of your project costs.
4. The Assessor and Building Inspector notify the City Clerk of their findings and/or recommendations.
5. The City Clerk prepares a resolution approving the application and sends it to the City Manager for placement on the City Commission's Consent Agenda.
6. After City Commission approval, the Clerk sends you a letter and a referral card with instructions to arrange for inspections and submit the final permit report and a Certificate of Occupancy.
7. Upon completion of construction and final inspection, the Building Inspector issues a Certificate of Occupancy.
8. You submit a copy of the Certificate of Occupancy to the City Clerk.

**HELPFUL TIP:** 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.

9. You submit an affidavit to the City Clerk affirming you are occupying the new facility as your principal residence.
10. City Clerk forwards the application with a certified copy of the resolution and all supporting documents to the Michigan State Tax Commission in Lansing.
11. 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.

**TAXES:**

1. A specific tax is levied on the new facility in a similar manner as for ad valorem taxes.
2. The land value remains on the ad valorem assessment and tax rolls where it is subject to increases or decreases in valuation.
3. 50% of the new building value is placed on a special tax roll where the value is subject to increases or decreases in valuation.
4. The taxes are computed normally for the land value and you continue to receive summer and winter tax bills from the City Treasurer.
5. The taxes are computed separately for the new building value by multiplying this value by ½ of the average statewide tax rate. The State Board of Assessors determines this rate each year. You receive separate summer and winter tax bills for the obsolete building.
6. Unless revoked, the new facility receives reduced taxes for the 12 years the certificate is in effect.

**TAX SAVINGS EXAMPLE - for a homestead property**Taxes without Neighborhood Enterprise Zone Certificate

Taxable Value	Times	Tax Rate	Equals	Tax Estimate
\$50,000	X	.040	=	\$2,000

Taxes with a Neighborhood Enterprise Zone Certificate

Taxable Value	Times	Tax Rate	Equals	Tax Estimate
\$50,000	X	.017	=	\$850

Tax savings for one year

Taxes without Neighborhood Enterprise Zone Certificate	\$2,000
Taxes with Neighborhood Enterprise Zone Certificate	\$850
<b>ESTIMATED TAX SAVINGS</b>	<b>\$1,150</b>

7. Upon expiration of the certificate, your property is appraised at current market value and returned to the ad valorem assessment and tax rolls.

**CERTIFICATE HOLDERS' REQUIREMENTS:**

1. Each year the certificate is in effect, you or any subsequent owner must file an affidavit before November 1<sup>st</sup>. This affidavit affirms 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.

**REVOCACTION:**

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

1. Upon receipt of a written request from you. 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 affidavit affirming that you occupy the property as your principal residence before November 1<sup>st</sup> 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:**

**Requirements:**

City Assessor's Office  
Room 104, City Hall  
10 N. Division St.  
Battle Creek, MI 49014  
Phone: 269-966-3369  
Fax: 269-966-0618

**Application Filing & Fee:**

City Clerk's Office  
Room 117, City Hall  
10 N. Division St.  
Battle Creek, MI 49014  
Phone: 269-966-3348  
Fax: 269-966-3555

**Building Permits:**

Building Inspection Office  
Room 111, City Hall  
10 N. Division St.  
Battle Creek, MI 49014  
Phone: 269-966-3382  
Fax: 269-966-3654

**Final Inspection & Certification**

Code Compliance Office  
3<sup>rd</sup> Floor, City Hall  
10 N. Division St.  
Battle Creek, MI 49014  
Phone: 269-966-3387  
Fax: 269-966-3555