

# SENATE BILL No. 386

June 13, 1991, Introduced by Senator DE GROW and referred to the Committee on Finance.

A bill to amend section 7d of Act No. 206 of the Public Acts of 1893, entitled as amended "The general property tax act," as amended by Act No. 200 of the Public Acts of 1987, being section 211.7d of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7d of Act No. 206 of the Public Acts of  
2 1893, as amended by Act No. 200 of the Public Acts of 1987, being  
3 section 211.7d of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 7d. (1) Housing owned and operated by a nonprofit cor-  
6 poration or association ~~or by the state, a political subdivision~~  
7 ~~of the state, or an instrumentality of the state,~~ for occupancy  
8 or use solely by elderly or handicapped families is exempt from  
9 all general property taxation by the state, city, village, or

1 county, or by a public body or agency. For purposes of this  
2 section, housing ~~shall be~~ IS considered occupied solely by  
3 elderly or handicapped families even if 1 or more of the units is  
4 occupied by service personnel, such as a custodian or nurse.

5 (2) As used in this section: ~~, "elderly"~~

6 (A) "ELDERLY or handicapped families" means families con-  
7 sisting of 2 or more persons if the head of the household, or his  
8 or her spouse, is 62 years of age or over or is handicapped, and  
9 includes a single person who is 62 years of age or over or is  
10 handicapped.

11 ~~(3) As used in this section, "handicapped"~~

12 (B) "HANDICAPPED person" means that term as defined in sec-  
13 tion 202 of the national housing act of 1959, as amended, 12  
14 U.S.C. 1701q.

15 (C) ~~(4)~~ "Housing" means new or rehabilitated structures  
16 with 8 or more residential units in 1 or more of the structures  
17 for occupancy and use by elderly persons, including essential  
18 contiguous land and related facilities as well as all personal  
19 property of the corporation or association used in connection  
20 with the facilities. As used in this subsection, "residential  
21 units" include individual self-contained dwellings, or 1-bedroom  
22 units in a facility for persons with a mental illness, a develop-  
23 mental disability, or a physical handicap as those terms are  
24 defined in the adult foster care facility licensing act, Act  
25 No. 218 of the Public Acts of 1979, being sections 400.701 to  
26 400.737 of the Michigan Compiled Laws, that share dining, living,  
27 or bathroom facilities, that is financed at the time of

1 construction or rehabilitation under section 202 of title II of  
2 the housing act of 1959, PUBLIC LAW 86-372, 12 U.S.C. 1701q, and  
3 that is licensed as an adult foster care facility under the adult  
4 foster care facility licensing act, Act No. 218 of the Public  
5 Acts of 1979.

6 (D) ~~(5)~~ "Nonprofit corporation or association" means a  
7 nonprofit corporation or association ~~incorporated under the laws~~  
8 ~~of this state~~ not otherwise exempt from general ad valorem real  
9 and personal property taxes operating a housing facility or  
10 project qualified, built, or financed under section 202 of TITLE  
11 II OF the ~~national~~ housing act of 1959, ~~as amended,~~ PUBLIC  
12 LAW 86-372, 12 U.S.C. 1701q or section 236 of TITLE II OF the  
13 national housing act ~~as added by Public Law 90-448,~~ CHAPTER  
14 847, 82 STAT. 498, 12 U.S.C. 1715z-1.

15 (E) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.

16 ~~(6) When a tax roll is placed in the hands of a city,~~  
17 ~~county, village, or township treasurer for collection, and there~~  
18 ~~are taxes assessed on that roll against property concerning which~~  
19 ~~exemption is claimed under this section, the treasurer shall pre-~~  
20 ~~pare a statement on a form prescribed by the department of man-~~  
21 ~~agement and budget showing all descriptions for which exemptions~~  
22 ~~have been claimed under this section, the names and addresses of~~  
23 ~~the corporations or associations entitled to the exemptions, the~~  
24 ~~total amount of taxes so exempted, and the amount of taxes~~  
25 ~~assessed against the descriptions. The city, county, village, or~~  
26 ~~township treasurer shall forward the statement to the department~~  
27 ~~of management and budget, upon verification of which the state~~

~~1 treasurer shall draw his or her warrant upon the state treasury  
2 for the total amount of tax revenues lost by a local taxing unit  
3 as a result of the nonprofit housing exemption allowed by this  
4 act as shown by the statement. The state treasurer after exami-  
5 nation of the statement shall forward the warrants to the city,  
6 county, village, or township treasurer.~~

~~7 (7) The budget director shall estimate, as near as may be,  
8 the amount of money necessary to meet the expense of administer-  
9 ing the provisions of this section under this act during each  
10 year, and the expense shall be met by a specific appropriation  
11 included in the budget.~~

12 (3) AN APPLICATION FOR EXEMPTION UNDER THIS SECTION SHALL BE  
13 SUBMITTED TO THE DEPARTMENT ON A FORM PRESCRIBED BY THE  
14 DEPARTMENT. A CERTIFICATE OF ELIGIBILITY FOR EXEMPTION FOR QUAL-  
15 IFIED HOUSING SHALL BE ISSUED BY THE DEPARTMENT. THE EXEMPTION  
16 IS EFFECTIVE DECEMBER 31 OF THE YEAR THE CERTIFICATE IS ISSUED.  
17 A COPY OF THE CERTIFICATE SHALL BE FURNISHED TO THE PROPERTY  
18 OWNER, THE LOCAL ASSESSING OFFICER, THE TAX COLLECTING TREASURER,  
19 AND THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT IN WHICH  
20 THE EXEMPT FACILITY IS LOCATED. THE CERTIFICATE OF ELIGIBILITY  
21 SHALL REMAIN IN EFFECT FOR AS LONG AS THE MORTGAGE IS OUTSTAND-  
22 ING, BUT NOT MORE THAN 50 YEARS. THE CERTIFICATE OF ELIGIBILITY  
23 FOR EXEMPTION MAY BE REVOKED BY THE DEPARTMENT AT ANY TIME THAT  
24 THE FACILITY CEASES TO QUALIFY FOR EXEMPTION UNDER THE PROVISIONS  
25 OF THIS SECTION. THE NOTIFICATION OF REVOCATION SHALL BE SENT TO  
26 THE PROPERTY OWNER, THE LOCAL ASSESSING OFFICER, THE TAX

1 COLLECTING TREASURER, AND THE GOVERNING BODY OF THE LOCAL  
2 GOVERNMENTAL UNIT IN WHICH THE FACILITY IS LOCATED.

3 (4) PROPERTY APPROVED BY THE DEPARTMENT FOR EXEMPTION UNDER  
4 THIS SECTION SHALL BE ASSESSED IN THE SAME MANNER AS OTHER TAX-  
5 ABLE PROPERTY. THE LOCAL ASSESSING OFFICER SHALL FURNISH THE  
6 DEPARTMENT A NOTICE OF AN INCREASE IN ASSESSMENT AND THE DEPART-  
7 MENT MAY APPEAL AN ASSESSMENT IN THE SAME MANNER AS OTHER TAXABLE  
8 PROPERTY.

9 (5) THE AMOUNT OF REVENUE LOST AS A RESULT OF THE EXEMPTION  
10 GRANTED UNDER THIS SECTION SHALL BE DETERMINED USING THE SAME  
11 MILLAGE RATES AT THE SAME TIME AS TAXES LEVIED UPON OTHER PROPER-  
12 TIES LOCATED IN THE SAME LOCAL TAXING UNIT. THE TREASURER OF THE  
13 LOCAL TAXING UNIT SHALL FORWARD A REQUEST FOR REIMBURSEMENT TO  
14 THE DEPARTMENT ON A FORM PRESCRIBED BY THE DEPARTMENT. THE  
15 REQUEST FOR REIMBURSEMENT SHALL NOT INCLUDE FEES, PENALTIES, OR  
16 INTEREST. SPECIAL ASSESSMENTS, EXCEPT THOSE LEVIED ON AN AD  
17 VALOREM BASIS, SHALL NOT BE BILLED TO OR PAID BY THE STATE BUT  
18 RATHER SHALL BE THE RESPONSIBILITY OF THE PROPERTY OWNER OR  
19 OWNERS.

20 (6) THE DEPARTMENT SHALL VERIFY A REQUEST FOR REIMBURSEMENT  
21 SUBMITTED UNDER THIS SECTION. ANNUALLY, THE DEPARTMENT SHALL  
22 PROVIDE A PRO RATA REIMBURSEMENT TO EACH LOCAL TAXING UNIT  
23 REQUESTING REIMBURSEMENT UNDER SUBSECTION (5) FROM AN APPROPRIA-  
24 TION INCLUDED IN THE BUDGET SPECIFICALLY FOR THIS PURPOSE.

25 (7) THE TREASURER OF THE LOCAL TAXING UNIT SHALL DISTRIBUTE  
26 A PAYMENT MADE UNDER THIS SECTION TO EACH LOCAL TAXING UNIT ON A  
27 PRO RATA BASIS.