

SUBSTITUTE FOR
HOUSE BILL NO. 5871

A bill to provide for the sale of real and personal property for less than its market value by a local governmental unit to a nonprofit charitable organization under certain circumstances.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "homestead assistance act".

3 Sec. 2. As used in this act:

4 (a) "Local governmental unit" means a county, city, village,
5 township, school district, or other political subdivision of this
6 state, or an agency or instrumentality of a county, city, vil-
7 lage, township, school district, or other political subdivision
8 of this state.

9 (b) "Nonprofit organization" means an organization or
10 corporation that satisfies both of the following conditions:

HB5871, As Passed House, July 1, 1998

Sub. H.B. 5871 (H-3) as amended June 25, 1998

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1 (i) Purchases real property for reasons consistent with its
2 purpose or mission.

3 (ii) Is exempt from taxation under section 501(c)(3) of the
4 internal revenue code of 1986.

5 (c) "Real property" means land and any structure, appurte-
6 nance, or personal property located on the land.

7 Sec. 3. (1) After holding a public hearing on the issue
8 pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to
9 15.275, a local governmental unit may convey its interest in real
10 property for any consideration it considers appropriate, which
11 may be less than its fair market value, to a nonprofit organiza-
12 tion for any of the following purposes as set forth in the con-
13 veyance agreement:

14 (a) Constructing new or rehabilitated housing designed to
15 increase the supply of [senior and] affordable housing within the
16 local gov-
17 ernmental unit.

18 (b) Encouraging economic development within the local gov-
19 ernmental unit.

20 (c) Constructing a facility as that term is defined in 1964
21 PA 183, MCL 830.411 to 830.425, that will benefit the citizens of
22 the local governmental unit.

23 (d) Constructing a project as that term is defined in the
24 economic development corporations act, 1974 PA 338, MCL 125.1601
25 to 125.1636.

26 (2) A conveyance under subsection (1) is a conveyance for a
public purpose.

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1 Sec. 4. This act is in addition to the powers already
2 granted to local governmental units by the laws of this state or
3 a charter adopted under state law.