

SUBSTITUTE FOR
SENATE BILL NO. 65

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157) by adding section 7jj.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7JJ. (1) THE GOVERNING BODY OF A LOCAL TAX COLLECTING
2 UNIT MAY ADOPT A RESOLUTION TO EXEMPT FROM THE COLLECTION OF TAXES
3 UNDER THIS ACT ELIGIBLE NONPROFIT HOUSING PROPERTY. THE CLERK OF
4 THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY IN WRITING THE ASSESSOR
5 OF THE LOCAL TAX COLLECTING UNIT AND THE LEGISLATIVE BODY OF EACH
6 TAXING UNIT THAT LEVIES AD VALOREM PROPERTY TAXES IN THE LOCAL TAX
7 COLLECTING UNIT. BEFORE ACTING ON THE RESOLUTION, THE GOVERNING
8 BODY OF THE LOCAL TAX COLLECTING UNIT SHALL AFFORD THE ASSESSOR AND
9 A REPRESENTATIVE OF THE AFFECTED TAXING UNITS AN OPPORTUNITY FOR A
10 HEARING.
11 (2) THE EXEMPTION UNDER THIS SECTION IS EFFECTIVE ON THE

Senate Bill No. 65 as amended June 21, 2006

1 DECEMBER 31 IMMEDIATELY SUCCEEDING THE ADOPTION OF THE RESOLUTION
2 BY THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT OR THE
3 ISSUANCE OF A BUILDING PERMIT FOR THE ELIGIBLE NONPROFIT HOUSING
4 PROPERTY, WHICHEVER IS LATER. THE EXEMPTION UNDER THIS SECTION
5 SHALL CONTINUE IN EFFECT FOR 2 YEARS<<, UNTIL THE ELIGIBLE NONPROFIT
HOUSING PROPERTY IS OCCUPIED BY A LOW-INCOME PERSON UNDER A LEASE
AGREEMENT,>> OR UNTIL THERE IS A TRANSFER
6 OF OWNERSHIP OF THE ELIGIBLE NONPROFIT HOUSING PROPERTY, WHICHEVER
7 OCCURS FIRST. A COPY OF THE RESOLUTION SHALL BE FILED WITH THE
8 STATE TAX COMMISSION.

9 (3) AS USED IN THIS SECTION:

10 (A) "CHARITABLE NONPROFIT HOUSING ORGANIZATION" MEANS A
11 CHARITABLE NONPROFIT ORGANIZATION THE PRIMARY PURPOSE OF WHICH IS
12 THE CONSTRUCTION OR RENOVATION OF RESIDENTIAL HOUSING FOR
13 CONVEYANCE TO A LOW-INCOME PERSON.

14 (B) "ELIGIBLE NONPROFIT HOUSING PROPERTY" MEANS A SINGLE
15 FAMILY DWELLING OR DUPLEX OWNED BY A CHARITABLE NONPROFIT HOUSING
16 ORGANIZATION, THE OWNERSHIP OF WHICH THE CHARITABLE NONPROFIT
17 HOUSING ORGANIZATION INTENDS TO TRANSFER TO A LOW-INCOME PERSON
18 AFTER CONSTRUCTION OR RENOVATION OF THE SINGLE FAMILY DWELLING OR
19 DUPLEX IS COMPLETED TO BE USED AS THAT LOW-INCOME PERSON'S
20 PRINCIPAL RESIDENCE.

21 (C) "FAMILY INCOME" AND "STATEWIDE MEDIAN GROSS INCOME" MEAN
22 THOSE TERMS AS DEFINED IN SECTION 11 OF THE STATE HOUSING
23 DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1411.

24 (D) "LOW-INCOME PERSON" MEANS A PERSON WITH A FAMILY INCOME OF
25 NOT MORE THAN <<80%>> OF THE STATEWIDE MEDIAN GROSS INCOME WHO IS
26 ELIGIBLE TO PARTICIPATE IN THE CHARITABLE NONPROFIT HOUSING
27 ORGANIZATION'S PROGRAM BASED ON CRITERIA ESTABLISHED BY THE

1 CHARITABLE NONPROFIT HOUSING ORGANIZATION.

2 (E) "PRINCIPAL RESIDENCE" MEANS PROPERTY EXEMPT AS A PRINCIPAL
3 RESIDENCE UNDER SECTION 7CC.