

SUBSTITUTE FOR  
SENATE BILL NO. 1491

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7d (MCL 211.7d), as amended by 1998 PA 469.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7d. (1) Housing owned and operated by a nonprofit  
2 corporation or association, **BY A LIMITED DIVIDEND HOUSING**  
3 **CORPORATION**, or by this state, a political subdivision of this  
4 state, or an instrumentality of this state, for occupancy or use  
5 solely by elderly or disabled families is exempt from the  
6 collection of taxes under this act. For purposes of this section,  
7 housing is considered occupied solely by elderly or disabled  
8 families even if 1 or more of the units is occupied by service  
9 personnel, such as a custodian or nurse.

10       (2) **AN OWNER OF PROPERTY MAY CLAIM AN EXEMPTION UNDER THIS**

1 SECTION ON A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. THE  
2 DEPARTMENT OF TREASURY, IN CONSULTATION WITH THE MICHIGAN STATE  
3 HOUSING DEVELOPMENT AUTHORITY, SHALL APPROVE OR DISAPPROVE A CLAIM  
4 FOR EXEMPTION UNDER THIS SECTION. THE DEPARTMENT OF TREASURY SHALL  
5 NOTIFY IN WRITING THE OWNER AND THE ASSESSOR OF THE LOCAL TAX  
6 COLLECTING UNIT IN WHICH THE PROPERTY IS LOCATED OF THE EXEMPTION'S  
7 APPROVAL OR DISAPPROVAL. AN EXEMPTION UNDER THIS SECTION BEGINS ON  
8 DECEMBER 31 OF THE YEAR IN WHICH THE EXEMPTION IS APPROVED UNDER  
9 THIS SUBSECTION AND, SUBJECT TO SUBSECTION (3), SHALL CONTINUE  
10 UNTIL THE PROPERTY IS NO LONGER USED FOR OCCUPANCY OR USE SOLELY BY  
11 ELDERLY OR DISABLED FAMILIES.

12 (3) IF A CLAIM FOR EXEMPTION IS APPROVED UNDER SUBSECTION (2),  
13 AN OWNER OF THE PROPERTY SHALL ANNUALLY SUBMIT TO THE DEPARTMENT OF  
14 TREASURY AND TO THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT IN  
15 WHICH THE PROPERTY IS LOCATED AN AFFIDAVIT CONFIRMING ELIGIBILITY  
16 FOR THE EXEMPTION UNDER THIS SECTION. IF AN AFFIDAVIT CONFIRMING  
17 ELIGIBILITY FOR AN EXEMPTION UNDER THIS SECTION IS NOT SUBMITTED AS  
18 REQUIRED UNDER THIS SUBSECTION, THE PROPERTY'S EXEMPTION IS REVOKED  
19 AND THE PROPERTY SHALL BE ASSESSED AND SHALL BE SUBJECT TO THE  
20 COLLECTION OF TAXES AS PROVIDED IN THIS ACT. AN AFFIDAVIT UNDER  
21 THIS SUBSECTION SHALL BE SUBMITTED NOT LATER THAN DECEMBER 31. THE  
22 AFFIDAVIT UNDER THIS SECTION SHALL BE IN A FORM PRESCRIBED BY THE  
23 DEPARTMENT OF TREASURY.

24 (4) ~~(2)~~—If a local tax collecting unit has a tax roll for  
25 collection, and the tax roll contains taxes assessed against  
26 property for which an exemption is claimed under this section, the  
27 appropriate collecting officer shall prepare a statement on a form

1 prescribed by the department of ~~management and budget~~ **TREASURY**  
2 describing the property for which an exemption is claimed under  
3 this section, the names and addresses of the corporation, ~~or~~  
4 association, **OR LIMITED DIVIDEND HOUSING CORPORATION** entitled to  
5 the exemption, the total amount of taxes exempted, and the amount  
6 of taxes assessed against the property. The local tax collecting  
7 unit shall forward the statement to the department of ~~management~~  
8 ~~and budget~~ **TREASURY**. Upon verification of the statement, the state  
9 treasurer shall draw his or her warrant upon the state treasury for  
10 the total amount of tax revenues lost by the local tax collecting  
11 unit as a result of the exemption under this section as shown by  
12 the statement. After examining the statement, the state treasurer  
13 shall forward the warrants to the treasurer of the local tax  
14 collecting unit.

15 (5) ~~(3) The director of the department of management and~~  
16 ~~budget~~ **STATE TREASURER** shall estimate the amount necessary to meet  
17 the expense of administering the provisions of this section in each  
18 year, and the legislature shall appropriate an amount sufficient to  
19 meet that expense in each year.

20 (6) **PROPERTY THAT IS USED FOR OCCUPANCY OR USE SOLELY BY**  
21 **ELDERLY OR DISABLED FAMILIES THAT IS ELIGIBLE FOR EXEMPTION UNDER**  
22 **THIS SECTION IS NOT SUBJECT TO FORFEITURE, FORECLOSURE, AND SALE**  
23 **FOR TAXES RETURNED AS DELINQUENT UNDER THIS ACT FOR ANY YEAR IN**  
24 **WHICH THE PROPERTY WAS EXEMPT UNDER THIS SECTION.**

25 (7) **AN OWNER OF PROPERTY EXEMPT UNDER THIS SECTION BEFORE THE**  
26 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION**  
27 **SHALL SUBMIT A CLAIM FOR EXEMPTION UNDER SUBSECTION (2) AND ANY**

1    **SUBSEQUENT AFFIDAVITS CONFIRMING ELIGIBILITY UNDER SUBSECTION (3)**  
2    **IN ORDER TO CONTINUE TO CLAIM THE EXEMPTION UNDER THIS SECTION.**

3           **(8) ~~(4)~~—As used in this section:**

4           (a) "Disabled person" means a person with disabilities.

5           (b) "Elderly or disabled families" means families consisting  
6 of 2 or more persons if the head of the household, or his or her  
7 spouse, is 62 years of age or over or is a disabled person, and  
8 includes a single person who is 62 years of age or over or is a  
9 disabled person.

10          (c) "Elderly person" means that term as defined in section 202  
11 of title II of the housing act of 1959, Public Law 86-372, 12  
12 ~~U.S.C.—USC~~ 1701q.

13          (d) "Housing" means new or rehabilitated structures with 8 or  
14 more residential units in 1 or more of the structures for occupancy  
15 and use by elderly or disabled persons, including essential  
16 contiguous land and related facilities as well as all personal  
17 property of the corporation, ~~or~~ association, **OR LIMITED DIVIDEND**  
18 **HOUSING CORPORATION** used in connection with the facilities.

19          **(E) "LIMITED DIVIDEND HOUSING CORPORATION" MEANS A CORPORATION**  
20 **INCORPORATED OR QUALIFIED UNDER THE LAWS OF THIS STATE AND CHAPTER**  
21 **6 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA**  
22 **346, MCL 125.1481 TO 125.1486, OR A LIMITED DIVIDEND HOUSING**  
23 **ASSOCIATION ORGANIZED AND QUALIFIED UNDER CHAPTER 7 OF THE STATE**  
24 **HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL**  
25 **125.1491 TO 125.1496, THAT WILL REHABILITATE AND OWN A HOUSING**  
26 **FACILITY OR PROJECT PREVIOUSLY QUALIFIED, BUILT, OR FINANCED UNDER**  
27 **SECTION 202 OF TITLE II OF THE HOUSING ACT OF 1959, PUBLIC LAW 86-**

1 372, 12 USC 1701Q, SECTION 236 OF TITLE II OF THE NATIONAL HOUSING  
2 ACT, CHAPTER 847, 82 STAT. 498, 12 USC 1715Z-1, OR SECTION 811 OF  
3 SUBTITLE B OF TITLE VIII OF THE CRANSTON-GONZALEZ NATIONAL  
4 AFFORDABLE HOUSING ACT, PUBLIC LAW 101-625, 42 USC 8013.

5 (F) ~~(e)~~—"Nonprofit corporation or association" means a  
6 nonprofit corporation or association incorporated under the laws of  
7 this state not otherwise exempt from the collection of taxes under  
8 this act, operating a housing facility or project qualified, built,  
9 or financed under section 202 of title II of the housing act of  
10 1959, Public Law 86-372, 12 U.S.C.—**USC** 1701q, section 236 of title  
11 II of the national housing act, chapter 847, 82 Stat. 498, 12  
12 U.S.C.—**USC** 1715z-1, or section 811 of subtitle B of title VIII of  
13 the Cranston-Gonzalez national affordable housing act, Public Law  
14 101-625, 42 U.S.C.—**USC** 8013.

15 (G) ~~(f)~~—"Person with disabilities" means that term as defined  
16 in section 811 of subtitle B of title VIII of the Cranston-Gonzalez  
17 national affordable housing act, Public Law 101-625, 42 U.S.C.—**USC**  
18 8013.

19 (H) ~~(g)~~—"Residential units" includes 1-bedroom units licensed  
20 under the adult foster care facility licensing act, 1979 PA 218,  
21 MCL 400.701 to 400.737, for persons who share dining, living, and  
22 bathroom facilities and who have a mental illness, developmental  
23 disability, or a physical ~~handicap~~—**DISABILITY**, as those terms are  
24 defined in the adult foster care facility licensing act, 1979 PA  
25 218, MCL 400.701 to 400.737, or individual self-contained dwellings  
26 in an unlicensed facility. At the time of construction or  
27 rehabilitation, both self-contained dwellings and 1-bedroom units

1 must be financed ~~under~~ either **UNDER** section 202 of title II of the  
2 housing act of 1959, Public Law 86-372, 12 ~~U.S.C.~~ **USC** 1701q, or  
3 under section 811 of subtitle B of title VIII of the Cranston-  
4 Gonzalez national affordable housing act, Public Law 101-625, 42  
5 ~~U.S.C.~~ **USC** 8013.

6       Enacting section 1. It is the intent of the legislature that  
7 this amendatory act confirm that the department of treasury, which  
8 is responsible for payment to local tax collecting units for the  
9 amount of taxes that would have been assessed against property but  
10 for the exemption under section 7d of the general property tax act,  
11 1893 PA 206, MCL 211.7d, has standing to appeal that property's  
12 assessed value, taxable value, state equalized valuation, exempt  
13 status, classification, and all other issues concerning tax  
14 liability of that property in the Michigan tax tribunal and all  
15 courts of this state.