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Legislative Analyst: Suzanne Lowe

Senate Bill 641 (as reported without amendment)

Sponsor: Senator Mark C. Jansen

Committee: Finance

## CONTENT

The bill would amend Public Act 456 of 2008, which adds Chapter 3B to the State Housing Development Authority Act, to delete an enacting section that tie-bars Public Act 456 to House Bills 5437 and 5438 of the 2007-2008 legislative session. (House Bill 5437 was enacted as Public Act 454 of 2008, which amended the General Property Tax Act to exempt supportive housing property from the tax levied by a local school district for school operating purposes. House Bill 5438 was not enacted.)

Chapter 3B requires the owner of supportive housing property to file a notification of that status with the local assessing officer. The notification first must be submitted to the Michigan State Housing Development Authority (MSHDA) for certification.

MCL 125.1459-125.1459b

## FISCAL IMPACT

The bill would likely have no impact on State or local revenue or expenditures. It would allow definitions and other provisions regarding tax exemptions for supportive housing property to become effective. The tax exemptions allow affected property to be exempt from locally levied mills (usually 18 mills) for school operating purposes. The exemptions are already authorized, but the statutes authorizing them refer to the definitions, which are not effective due to the tie-bars in the enacting section of Public Act 456.

The distribution of granted exemptions could be altered by the bill, if current exemptions have been granted in a manner inconsistent with the definitions and provisions of Public Act 456. That Act appears to attempt to impose a limit on the number of exemptions granted each year. The Act created Section 59a, which places limits on how many parcels may be certified as supportive housing property within a specific county. The limit in subsection 3 refers to a 250-unit limit in subsection 1 of that section, although no such limit exists in subsection 1. As a result, it is unclear if enactment of the bill, which would make Section 59a effective, could limit the aggregate number of units authorized as supportive housing property. If fewer exemptions were granted as the result of the bill, it could increase local property tax revenue and reduce the School Aid Fund expenditures required to meet perpupil funding guarantees.

The bill would have no fiscal impact on MSHDA.

Date Completed: 9-18-09 Fiscal Analyst: Elizabeth Pratt

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