

HOUSE BILL No. 6245

June 9, 2010, Introduced by Reps. Clemente and Griffin and referred to the Committee on New Economy and Quality of Life.

A bill to amend 1966 PA 346, entitled
"State housing development authority act of 1966,"
by amending section 15a (MCL 125.1415a), as amended by 1994 PA 363,
and by adding section 18.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 15a. (1) If a housing project owned by a nonprofit
2 housing corporation, consumer housing cooperative, limited dividend
3 housing corporation, mobile home park corporation, or mobile home
4 park association is financed with a federally-aided or authority-
5 aided mortgage or advance or grant from the authority, then, except
6 as provided in this section, the housing project is exempt from all
7 ad valorem property taxes imposed by this state or by any political
8 subdivision, public body, or taxing district in which the project
9 is located **AND, WITH THE CONSENT OF THE LAND BANK FAST TRACK**

1 AUTHORITY THAT SOLD OR OTHERWISE CONVEYED THE PROPERTY UNDER THE
2 LAND BANK FAST TRACK ACT, 2003 PA 258, MCL 124.751 TO 124.774, FROM
3 ANY ELIGIBLE TAX REVERTED PROPERTY SPECIFIC TAX IMPOSED UNDER THE
4 TAX REVERTED CLEAN TITLE ACT, 2003 PA 260, MCL 211.1021 TO
5 211.1026. The owner of a housing project eligible for the exemption
6 shall file with the local assessing officer a notification of the
7 exemption, which shall be in an affidavit form as provided by the
8 authority. The completed affidavit form first shall be submitted to
9 the authority for certification by the authority that the project
10 is eligible for the exemption. The owner then shall file the
11 certified notification of the exemption with the local assessing
12 officer before November 1 of the year preceding the tax year in
13 which the exemption is to begin.

14 (2) The owner of a housing project exempt from taxation under
15 this section shall pay to the municipality in which the project is
16 located an annual service charge for public services in lieu of all
17 taxes. Subject to subsection (6), the amount to be paid as a
18 service charge in lieu of taxes shall be for new construction
19 projects the greater of, and for rehabilitation projects the lesser
20 of, the tax on the property on which the project is located for the
21 tax year before the date when construction or rehabilitation of the
22 project was commenced or 10% of the annual shelter rents obtained
23 from the project. A municipality, by ordinance, may establish or
24 change, by any amount it chooses, the service charge to be paid in
25 lieu of taxes by all or any class of housing projects exempt from
26 taxation under this act. However, the service charge shall not
27 exceed the taxes that would be paid but for this act.

1 (3) The exemption from taxation granted by this section shall
2 remain in effect for as long as the federally-aided or authority-
3 aided mortgage or advance or grant from the authority is
4 outstanding, but not more than 50 years. The municipality may
5 establish by ordinance a different period of time for the exemption
6 to remain in effect.

7 (4) Except as otherwise provided in this subsection, any
8 payments for public services received by a municipality in lieu of
9 taxes under this section shall be distributed by the municipality
10 to the several units levying the general property tax in the same
11 proportion as prevailed with the general property tax in the
12 previous calendar year. For payments in lieu of taxes collected
13 after June 30, 1994, the distribution to the several units shall be
14 made as if the number of mills levied for local school district
15 operating purposes were equal to the number of mills levied for
16 those purposes in 1993 minus the number of mills levied under the
17 state education tax act, ~~Act No. 331 of the Public Acts of 1993,~~
18 ~~being sections 211.901 to 211.906 of the Michigan Compiled Laws~~
19 **1993 PA 331, MCL 211.901 TO 211.906**, for the year for which the
20 distribution is calculated. For tax years after 1993, the amount of
21 payments in lieu of taxes to be distributed to a local school
22 district for operating purposes under this subsection shall not be
23 distributed to the local school district but instead shall be paid
24 to the state treasury and credited to the state school aid fund
25 established by section 11 of article IX of the state constitution
26 of 1963.

27 (5) Notwithstanding subsection (1), a municipality may provide

1 by ordinance that the tax exemption established in subsection (1)
2 shall not apply to all or any class of housing projects within its
3 boundaries to which subsection (1) applies. If the municipality
4 makes that provision, the tax exemption established in subsection
5 (1) shall not apply to the class of housing projects designated in
6 the ordinance. If the ordinance so provides, the ordinance shall be
7 effective with respect to housing projects for which an exemption
8 has already been granted on December 31 of the year in which the
9 ordinance is adopted, but not before. A municipality that has
10 adopted an ordinance described in this subsection may repeal that
11 ordinance, and the repeal shall become effective on the date
12 designated in the repealing ordinance.

13 (6) Notwithstanding subsection (2), the service charge to be
14 paid each year in lieu of taxes for that part of a housing project
15 that is tax exempt under subsection (1) and that is occupied by
16 other than low income persons or families shall be equal to the
17 full amount of the taxes that would be paid on that portion of the
18 project if the project were not tax exempt. The benefits of any tax
19 exemption granted under this section shall be allocated by the
20 owner of the housing project exclusively to low income persons or
21 families in the form of reduced housing charges.

22 (7) For purposes of this section only, "low income persons and
23 families" means, with respect to any housing project that is tax
24 exempt, persons and families eligible to move into that project.
25 For purposes of this subsection, the authority may promulgate rules
26 to redefine low income persons or families for each municipality on
27 the basis of conditions existing in that municipality.

1 (8) This state shall not reimburse any unit of government for
2 a tax exemption granted to any housing project under this section.

3 SEC. 18. (1) A RECORD OR PORTION OF A RECORD, MATERIAL,
4 INFORMATION, OR OTHER DATA RECEIVED, PREPARED, USED, OR RETAINED BY
5 THE AUTHORITY IN CONNECTION WITH AN APPLICATION TO THE AUTHORITY
6 FOR FINANCIAL ASSISTANCE FOR A HOUSING PROJECT OR RELATED HOUSING
7 OR SOCIAL, RECREATIONAL, COMMERCIAL, AND COMMUNAL FACILITIES
8 NECESSARY TO SERVE AND IMPROVE A RESIDENTIAL AREA IN WHICH
9 AUTHORITY-AIDED OR FEDERALLY-AIDED HOUSING IS LOCATED OR IS PLANNED
10 TO BE LOCATED, THAT RELATES TO TRADE SECRETS, COMMERCIAL,
11 FINANCIAL, OR PROPRIETARY INFORMATION SUBMITTED BY THE APPLICANT,
12 AND WHICH IS REQUESTED IN WRITING BY THE APPLICANT AND ACKNOWLEDGED
13 IN WRITING BY THE EXECUTIVE DIRECTOR OF THE AUTHORITY TO BE
14 CONFIDENTIAL, IS NOT SUBJECT TO THE FREEDOM OF INFORMATION ACT,
15 1976 PA 442, MCL 15.231 TO 15.246.

16 (2) A RECORD OR PORTION OF A RECORD, MATERIAL, INFORMATION, OR
17 OTHER DATA RECEIVED, PREPARED, USED, OR RETAINED BY THE AUTHORITY
18 IN CONNECTION WITH TRADE SECRETS, COMMERCIAL, FINANCIAL, OR
19 PROPRIETARY INFORMATION REQUESTED BY THE AUTHORITY AND SUBMITTED BY
20 A PRIVATE ORGANIZATION FOR THE PURPOSE OF DEVELOPING PUBLIC POLICY,
21 WHICH IS REQUESTED IN WRITING BY THE SUBMITTER AND ACKNOWLEDGED IN
22 WRITING BY THE AUTHORITY EXECUTIVE DIRECTOR TO BE CONFIDENTIAL, IS
23 NOT SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
24 15.231 TO 15.246.

25 (3) AS USED IN THIS SECTION, "TRADE SECRETS, COMMERCIAL,
26 FINANCIAL, OR PROPRIETARY INFORMATION" MEANS INFORMATION THAT HAS
27 NOT BEEN PUBLICLY DISSEMINATED OR THAT IS UNAVAILABLE FROM OTHER

1 SOURCES, THE RELEASE OF WHICH MIGHT CAUSE THE APPLICANT SIGNIFICANT
2 COMPETITIVE HARM.