



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 4618 (Substitute H-1 as passed by the House)  
Sponsor: Representative Margaret O'Brien  
House Committee: Tax Policy  
Senate Committee: Finance

Date Completed: 2-22-12

**CONTENT**

**The bill would amend the General Property Tax Act to permit the Department of Treasury to grant for 2012 and the three preceding years an exemption allowed for nonprofit housing for the elderly or disabled, if the property would have qualified for the exemption had a required form been filed.**

The Act allows a tax exemption for housing owned and operated by a nonprofit entity, the State, a local unit, or a limited dividend housing corporation, for occupancy or use solely by elderly or disabled families. The property owner may claim the exemption by filing a form prescribed by the Department of Treasury, and the local assessor must approve or disapprove the claim. The Department also may deny an exemption. If an exemption is granted for property that otherwise would be subject to the property tax, the State must make a payment in lieu of taxes (except for school operating taxes and the State Education Tax) to the local tax collecting unit.

The bill would allow the Department, for 2012 and the three preceding years, to grant an exemption for property that would have qualified for the exemption if an owner of the property had timely filed the required form in 2010. If granting the exemption resulted in an overpayment of the tax, a rebate, including any interest paid, would have to be made to the taxpayer within 30 days after the exemption was granted. The rebate would have to be paid by the local tax collecting unit or by the county treasurer, depending on whether the local unit or the county had possession of the tax roll. The rebate would be without interest.

MCL 211.7d

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would reduce State and local revenue and increase State expenditures by an unknown and likely minimal amount that would depend on the specific characteristics of the affected property. Revenue would be reduced because the property would be exempt from State and local property taxes, while State expenditures would be increased under provisions of the Act requiring the State to make payments in lieu of taxes for exempt property, as well as School Aid Fund expenditures in order to maintain per-pupil funding allowances.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.