

Act No. 66
Public Acts of 2012
Approved by the Governor
March 27, 2012
Filed with the Secretary of State
March 27, 2012
EFFECTIVE DATE: March 27, 2012

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Rep. O'Brien

ENROLLED HOUSE BILL No. 4618

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 7d (MCL 211.7d), as amended by 2010 PA 8.

The People of the State of Michigan enact:

Sec. 7d. (1) Housing owned and operated by a nonprofit corporation or association, by a limited dividend housing corporation, or by this state, a political subdivision of this state, or an instrumentality of this state, for occupancy or use solely by elderly or disabled families is exempt from the collection of taxes under this act. For purposes of this section, housing is considered occupied solely by elderly or disabled families even if 1 or more of the units is occupied by service personnel, such as a custodian or nurse.

(2) An owner of property may claim an exemption under this section on a form prescribed by the department of treasury. The assessor of the local tax collecting unit in which the property is located shall approve or disapprove a claim for exemption under this section. The assessor shall notify the owner and the department of treasury in writing of the exemption's approval or disapproval. The department of treasury may deny an exemption under this section. The department of treasury may grant an exemption under this section for 2012 and the 3 immediately preceding years for property that would have qualified for the exemption under this section if an owner of that property had timely filed in 2010 the form required under this subsection. If granting the exemption under this section results in an overpayment of the tax, a rebate, including any interest paid, shall be made to the taxpayer by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll within 30 days of the date the exemption is granted. The rebate shall be without interest. An exemption under this section begins on December 31 of the year in which the exemption is approved under this subsection and shall continue until the property is no longer used for occupancy or use solely by elderly or disabled families. The owner of property exempt under this section shall notify the local tax collecting unit in which the property is located and the department of treasury of any change in the property that would affect the exemption under this section.

(3) If property for which an exemption is claimed under this section would have been subject to the collection of taxes under this act if an exemption had not been granted under this section, the state treasurer, upon verification, shall make a payment in lieu of taxes, which shall be in the following amount:

(a) For property exempt under this section before January 1, 2009, the amount of taxes paid on that property for the 2008 tax year, excluding any mills that would have been levied under all of the following:

(i) Section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

(ii) The state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(b) For property not exempt under this section before January 1, 2009 and for new construction to property exempt under this section before January 1, 2009, the local tax collecting unit shall calculate, on a form prescribed by the department of treasury, a payment calculated by multiplying the taxable value of the property in the first year for which the exemption is valid by the number of mills levied in that year by all taxing units in the local tax collecting unit, excluding any mills that would have been levied under all of the following:

(i) Section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

(ii) The state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(4) All payments under subsection (3) shall be forwarded to the local tax collecting unit by December 15 each year. The department of treasury may require that the local tax collecting units receive payments under this section through electronic funds transfer.

(5) The local tax collecting unit shall distribute the amount received under subsection (4) in the same manner and in the same proportions as general ad valorem taxes collected under this act, excluding any distribution that would have been made under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(6) The state treasurer shall estimate the amount necessary to meet the expense of administering the provisions of this section in each year; and the legislature shall appropriate an amount sufficient to meet that expense in each year. If insufficient funds are appropriated to fully pay all payments, the department of treasury shall prorate the payments made under this section.

(7) Property that is used for occupancy or use solely by elderly or disabled families that is eligible for exemption under this section is not subject to forfeiture, foreclosure, and sale for taxes returned as delinquent under this act for any year in which the property was exempt under this section.

(8) The department of treasury has standing to appeal the assessed value, taxable value, state equalized valuation, exempt status, classification, and all other issues concerning tax liability for property exempt under this section in the Michigan tax tribunal and all courts of this state.

(9) As used in this section:

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

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

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

(d) "Housing" means new or rehabilitated structures with 8 or more residential units in 1 or more of the structures for occupancy and use by elderly or disabled persons, including essential contiguous land and related facilities as well as all personal property of the corporation, association, or limited dividend housing corporation used in connection with the facilities.

(e) "Limited dividend housing corporation" means a corporation incorporated or qualified under the laws of this state and chapter 6 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1481 to 125.1486, or a limited dividend housing association organized and qualified under chapter 7 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1491 to 125.1496, that will rehabilitate and own a housing facility or project previously qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q, section 236 of title II of the national housing act, chapter 847, 82 Stat. 498, 12 USC 1715z-1, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

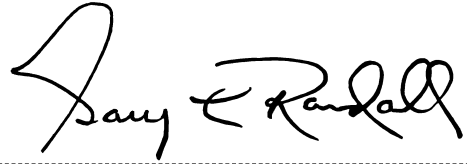
(f) "New construction" means that term as defined in section 34d.

(g) "Nonprofit corporation or association" means a nonprofit corporation or association incorporated under the laws of this state not otherwise exempt from the collection of taxes under this act, operating a housing facility or project qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q, section 236 of title II of the national housing act, chapter 847, 82 Stat. 498, 12 USC 1715z-1, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

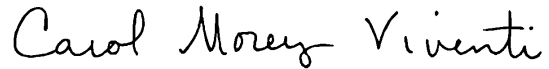
(h) "Person with disabilities" means that term as defined in section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

(i) "Residential units" includes 1-bedroom units licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, for persons who share dining, living, and bathroom facilities and who have a mental illness, developmental disability, or a physical disability, as those terms are defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, or individual self-contained dwellings in an unlicensed facility. At the time of construction or rehabilitation, both self-contained dwellings and 1-bedroom units must be financed either under section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q, or under section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor