

HOUSE BILL No. 5182

December 10, 2013, Introduced by Reps. Zorn, Robinson, Price, Johnson, O'Brien, Kurtz, Muxlow, Jenkins, Daley, Rendon and Graves and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7kk (MCL 211.7kk), as added by 2006 PA 612.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7kk. (1) ~~The~~ **BEFORE DECEMBER 31, 2013, THE** governing body
2 of a local tax collecting unit may adopt a resolution to exempt
3 from the collection of taxes under this act eligible nonprofit
4 housing property. The clerk of the local tax collecting unit shall
5 notify in writing the assessor of the local tax collecting unit and
6 the legislative body of each taxing unit that levies ad valorem
7 property taxes in the local tax collecting unit. Before acting on
8 the resolution, the governing body of the local tax collecting unit
9 shall afford the assessor and a representative of the affected
10 taxing units an opportunity for a hearing.

1 (2) The exemption under ~~this section~~ **SUBSECTION (1)** is
2 effective on the December 31 immediately succeeding the adoption of
3 the resolution by the governing body of the local tax collecting
4 unit or the issuance of a building permit for the eligible
5 nonprofit housing property, whichever is later. The exemption under
6 this section shall continue in effect for 2 years, until the
7 eligible nonprofit housing property is occupied by a low-income
8 person under a lease agreement, or until there is a transfer of
9 ownership of the eligible nonprofit housing property, whichever
10 occurs first. A copy of the resolution shall be filed with the
11 state tax commission.

12 (3) **BEGINNING DECEMBER 31, 2013, ELIGIBLE NONPROFIT HOUSING**
13 **PROPERTY IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT. THE**
14 **EXEMPTION UNDER THIS SUBSECTION IS EFFECTIVE ON THE DECEMBER 31 IN**
15 **THE YEAR IN WHICH THIS AMENDATORY ACT TAKES EFFECT FOR ELIGIBLE**
16 **NONPROFIT HOUSING PROPERTY OWNED BY THE CHARITABLE NONPROFIT**
17 **HOUSING ORGANIZATION WHEN THIS AMENDATORY ACT TAKES EFFECT OR ON**
18 **DECEMBER 31 IN THE YEAR IN WHICH THE CHARITABLE NONPROFIT HOUSING**
19 **ORGANIZATION ACQUIRES THE ELIGIBLE NONPROFIT HOUSING PROPERTY.**
20 **SUBJECT TO SUBSECTION (4), THE EXEMPTION UNDER THIS SECTION SHALL**
21 **CONTINUE IN EFFECT FOR 5 YEARS, UNTIL THE ELIGIBLE NONPROFIT**
22 **HOUSING PROPERTY IS OCCUPIED BY A LOW-INCOME PERSON UNDER A LEASE**
23 **AGREEMENT OR UNTIL THERE IS A TRANSFER OF OWNERSHIP OF THE ELIGIBLE**
24 **NONPROFIT HOUSING PROPERTY, WHICHEVER OCCURS FIRST.**

25 (4) **THE EXEMPTION UNDER SUBSECTION (3) SHALL BE REDUCED BY THE**
26 **NUMBER OF YEARS IN WHICH THE ELIGIBLE NONPROFIT HOUSING PROPERTY**
27 **WAS EXEMPT UNDER SUBSECTION (1).**

1 (5) ~~(3)~~ As used in this section:

2 (a) "Charitable nonprofit housing organization" means a
3 charitable nonprofit organization the primary purpose of which is
4 the construction or renovation of residential housing for
5 conveyance to a low-income person.

6 (b) "Eligible nonprofit housing property" means **A RESIDENTIAL**
7 **BUILDING LOT**, a single family dwelling, or **A** duplex owned by a
8 charitable nonprofit housing organization, the ownership of which
9 the charitable nonprofit housing organization intends to transfer
10 to a low-income person **TO BE USED AS THAT LOW-INCOME PERSON'S**
11 **PRINCIPAL RESIDENCE** after construction **OF A SINGLE FAMILY DWELLING**
12 **OR DUPLEX ON THE RESIDENTIAL BUILDING LOT IS COMPLETED** or **THE**
13 renovation of the single family dwelling or duplex is completed. ~~to~~
14 ~~be used as that low income person's principal residence.~~

15 (c) "Family income" and "statewide median gross income" mean
16 those terms as defined in section 11 of the state housing
17 development authority act of 1966, 1966 PA 346, MCL 125.1411.

18 (d) "Low-income person" means a person with a family income of
19 not more than 80% of the statewide median gross income who is
20 eligible to participate in the charitable nonprofit housing
21 organization's program based on criteria established by the
22 charitable nonprofit housing organization.

23 (e) "Principal residence" means property exempt as a principal
24 residence under section 7cc.