

SENATE BILL NO. 718

November 03, 2021, Introduced by Senators CHANG, IRWIN, ALEXANDER, BAYER, BULLOCK, GEISS, WOJNO and SANTANA and referred to the Committee on Local Government.

A bill to authorize local units of government to limit rent for individuals with a disability and individuals over a certain age; to exempt certain rental property from ad valorem property taxes, and to impose a specific tax on that property; and to provide for the powers and duties of certain local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "rent limitation and

1 specific tax authorization act".

2 Sec. 2. As used in this act:

3 (a) "General property tax act" means the general property tax
4 act, 1893 PA 206, MCL 211.1 to 211.155.

5 (b) "Individual with a disability" means an individual with a
6 determinable physical or mental characteristic that may result from
7 disease, injury, congenital condition of birth, or functional
8 disorder, that substantially limits 1 or more of the major life
9 activities of that individual.

10 (c) "Local unit" means a local tax collecting unit as that
11 term is used in the general property tax act.

12 (d) "Rent limitation ordinance" means an ordinance adopted
13 under section 3.

14 (e) "Senior citizen" means an individual who is 62 or more
15 years of age.

16 (f) "Specific tax" means a specific tax levied as provided for
17 by ordinance under section 4(2).

18 Sec. 3. A local unit may adopt a rent limitation ordinance to
19 limit the rent paid by senior citizens and individuals with a
20 disability to 50% of their household incomes. The rent limitation
21 ordinance must not apply to a senior citizen who is less than 71
22 years of age if he or she is not an individual with a disability,
23 unless he or she has lived in the rented unit for the preceding 5
24 years.

25 Sec. 4. (1) A local unit with a rent limitation ordinance may
26 adopt an ordinance providing that property subject to the rent
27 limitation ordinance is exempt from ad valorem property taxes.

28 (2) An ordinance that exempts property from ad valorem
29 property taxes as provided under subsection (1) must levy a

1 specific tax each year on the owner of the property exempted. The
2 amount of the specific tax in each year must be the amount of tax
3 that would have been collected on that property under the general
4 property tax act if the property was not exempt under the ordinance
5 adopted under subsection (1), minus an amount, as provided by that
6 ordinance, not exceeding the ad valorem taxes that would otherwise
7 be levied on the property by the local unit adopting the ordinance.

8 (3) The assessor of each local tax collecting unit shall
9 determine annually as of December 31 the value and taxable value of
10 each parcel of property that is exempt from general ad valorem
11 taxes under an ordinance adopted under subsection (1) and shall
12 furnish that information to the legislative body of the local unit.

13 (4) The specific tax described in subsection (2) must be an
14 annual tax payable at the same times, in the same installments, and
15 to the same officer or officers as taxes imposed under the general
16 property tax act.

17 (5) The officer or officers to whom the specific tax described
18 in subsection (2) is payable shall disburse the tax payments
19 received each year to the state and the same municipalities,
20 counties, school districts, and other taxing authorities at the
21 same times and in the same amounts as required by law for the
22 disbursement of taxes collected under the general property tax act.
23 However, the tax payments disbursed to the local unit levying the
24 specific tax must be reduced by the difference between the amount
25 of the ad valorem property tax that would otherwise be levied on
26 the property subject to the rent limitation and the amount of the
27 specific tax.

28 (6) The specific tax levied in accordance with subsection (2)
29 becomes a lien on the property assessed on the same date that a tax

1 would become a lien on real property under the general property tax
2 act. A lien for the specific tax includes any applicable collection
3 fee or interest. A lien under this subsection continues until paid.

4 (7) Any unpaid specific tax and any applicable collection fee
5 or interest must be returned as delinquent to the county treasurer
6 at the same time taxes are returned as delinquent under the general
7 property tax act. Except as otherwise provided in this subsection,
8 property subject to a specific tax returned as delinquent is
9 subject to forfeiture, foreclosure, and sale at the same time and
10 in the same manner as property subject to delinquent taxes under
11 the general property tax act. If a specific tax or any applicable
12 collection fee or interest for a property has not been paid for 2
13 or more years on the date the property is returned as delinquent
14 under this subsection, the property must be forfeited to the county
15 treasurer upon its return and is subject to foreclosure and sale at
16 the same time and in the same manner as other property forfeited
17 under the general property tax act.

18 (8) If the owner fails to pay the specific tax described in
19 subsection (2), the owner shall not be eligible for the exemption
20 provided by an ordinance adopted under subsection (1) for
21 succeeding tax years until the specific tax, together with interest
22 and penalties, is paid.

23 Enacting section 1. This act takes effect 90 days after the
24 date it is enacted into law.