

# SENATE BILL NO. 442

June 25, 2025, Introduced by Senators VICTORY, SANTANA, CHANG, DAMOOSE and BELLINO and referred to Committee on Housing and Human Services.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7kk (MCL 211.7kk), as amended by 2014 PA 456.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7kk. ~~(1) Before December 31, 2014, the governing body of~~  
2 ~~a local tax collecting unit may adopt a resolution to exempt from~~  
3 ~~the collection of taxes under this act eligible nonprofit housing~~  
4 ~~property. The clerk of the local tax collecting unit shall notify~~  
5 ~~in writing the assessor of the local tax collecting unit and the~~  
6 ~~legislative body of each taxing unit that levies ad valorem~~

~~property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing.~~

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

~~(1) (3) Beginning December 31, 2014, a~~ **A** charitable nonprofit housing organization that owns eligible nonprofit housing property may apply to the state tax commission for an exemption from the collection of taxes under this act on a form prescribed by the department of treasury. The state tax commission, after consultation with the state treasurer or ~~his or her~~ **the state treasurer's** designee, shall grant or deny the exemption within 60 days ~~of~~ **after** receipt of the application for exemption and shall send written notification of its determination to the local tax collecting unit and to the charitable nonprofit housing organization. An exemption under this subsection is effective beginning December 31 in the year in which the state tax commission approves the exemption.

~~(2) (4)~~ Subject to subsection ~~(6)~~, ~~(4)~~, for eligible nonprofit housing property that is, when transferred to the charitable

1 nonprofit housing organization, a residential building lot, an  
 2 exemption under subsection ~~(3) shall continue~~ **(1) continues** in  
 3 effect for the lesser of 5 years or until either of the following  
 4 occurs:

5 (a) The eligible nonprofit housing property is occupied by a  
 6 ~~low-income~~ **an income-eligible** person under a lease agreement.

7 (b) The eligible nonprofit housing property is transferred by  
 8 the charitable nonprofit housing organization.

9 **(3)** ~~(5)~~ Subject to subsection ~~(6)~~, **(4)**, for eligible nonprofit  
 10 housing property that is not a residential building lot, an  
 11 exemption under subsection ~~(3) shall continue~~ **(1) continues** in  
 12 effect for the lesser of 3 years or until either of the following  
 13 occurs:

14 (a) The eligible nonprofit housing property is occupied by a  
 15 ~~low-income~~ **an income-eligible** person under a lease agreement.

16 (b) The eligible nonprofit housing property is transferred by  
 17 the charitable nonprofit housing organization.

18 **(4)** ~~(6)~~ An exemption under subsection ~~(3) shall~~ **(1) must** be  
 19 reduced by the number of years in which the eligible nonprofit  
 20 housing property was exempt under ~~subsection (1)~~. **this section**  
 21 **before December 31, 2014.**

22 **(5)** ~~(7)~~ As used in this section:

23 (a) "Charitable nonprofit housing organization" means a  
 24 charitable nonprofit organization the primary purpose of which is  
 25 the construction or renovation of residential housing for  
 26 conveyance to a ~~low-income~~ **an income-eligible** person.

27 (b) "Eligible nonprofit housing property" means a residential  
 28 building lot, a single family dwelling, a duplex, or a multiunit  
 29 building with not more than 4 individual units, owned by a

charitable nonprofit housing organization, the ownership of which the charitable nonprofit housing organization intends to transfer to a ~~low-income~~ **an income-eligible** person to be used as that ~~low-income~~ **income-eligible** person's principal residence after construction of a single family dwelling, duplex, or multiunit building on the residential building lot is completed or the renovation of the single family dwelling, duplex, or multiunit building is completed.

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

(d) ~~"Low-income person"~~ **"Income-eligible person"** means a person with a family income of not more than ~~80%~~ **120%** of the statewide median gross income who is eligible to participate in the charitable nonprofit housing organization's program based on criteria established by the charitable nonprofit housing organization.

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

(f) "Residential building lot" includes real property on which is located a structure that will be torn down within 1 year ~~of~~ **after** transfer to the charitable nonprofit housing organization.

(g) "Transferred" means a transfer of ownership as defined in section 27a.