

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7kk Eligible nonprofit housing property; tax exemptions; duration; definitions.

Sec. 7kk. (1) Before December 31, 2014, the governing body of a local tax collecting unit may adopt a resolution to exempt from the collection of taxes under this act eligible nonprofit housing property. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the 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.

(3) Beginning December 31, 2014, 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 designee, shall grant or deny the exemption within 60 days of 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.

(4) Subject to subsection (6), for eligible nonprofit housing property that is, when transferred to the charitable nonprofit housing organization, a residential building lot, an exemption under subsection (3) shall continue in effect for the lesser of 5 years or until either of the following occurs:

- (a) The eligible nonprofit housing property is occupied by a low-income person under a lease agreement.
- (b) The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

(5) Subject to subsection (6), for eligible nonprofit housing property that is not a residential building lot, an exemption under subsection (3) shall continue in effect for the lesser of 3 years or until either of the following occurs:

- (a) The eligible nonprofit housing property is occupied by a low-income person under a lease agreement.
- (b) The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

(6) An exemption under subsection (3) shall be reduced by the number of years in which the eligible nonprofit housing property was exempt under subsection (1).

(7) As used in this section:

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

(b) "Eligible nonprofit housing property" means a residential building lot, a single family dwelling, a duplex, or a multiunit 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 person to be used as that low-income 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" means a person with a family income of not more than 80% 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 transfer to the charitable nonprofit housing organization.

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

History: Add. 2006, Act 612, Imd. Eff. Jan. 3, 2007;—Am. 2014, Act 456, Imd. Eff. Jan. 2, 2015.

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