

**SUBSTITUTE FOR
HOUSE BILL NO. 4618**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7d (MCL 211.7d), as amended by 2010 PA 8.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

10 (2) An owner of property may claim an exemption under this
11 section on a form prescribed by the department of treasury. The

1 assessor of the local tax collecting unit in which the property is
2 located shall approve or disapprove a claim for exemption under
3 this section. The assessor shall notify the owner and the
4 department of treasury in writing of the exemption's approval or
5 disapproval. The department of treasury may deny an exemption under
6 this section. **THE DEPARTMENT OF TREASURY MAY GRANT AN EXEMPTION**
7 **UNDER THIS SECTION FOR 2012 AND THE 3 IMMEDIATELY PRECEDING YEARS**
8 **FOR PROPERTY THAT WOULD HAVE QUALIFIED FOR THE EXEMPTION UNDER THIS**
9 **SECTION IF AN OWNER OF THAT PROPERTY HAD TIMELY FILED IN 2010 THE**
10 **FORM REQUIRED UNDER THIS SUBSECTION. IF GRANTING THE EXEMPTION**
11 **UNDER THIS SECTION RESULTS IN AN OVERPAYMENT OF THE TAX, A REBATE,**
12 **INCLUDING ANY INTEREST PAID, SHALL BE MADE TO THE TAXPAYER BY THE**
13 **LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX COLLECTING UNIT HAS**
14 **POSSESSION OF THE TAX ROLL OR BY THE COUNTY TREASURER IF THE COUNTY**
15 **HAS POSSESSION OF THE TAX ROLL WITHIN 30 DAYS OF THE DATE THE**
16 **EXEMPTION IS GRANTED. THE REBATE SHALL BE WITHOUT INTEREST.** An
17 exemption under this section begins on December 31 of the year in
18 which the exemption is approved under this subsection and shall
19 continue until the property is no longer used for occupancy or use
20 solely by elderly or disabled families. The owner of property
21 exempt under this section shall notify the local tax collecting
22 unit in which the property is located and the department of
23 treasury of any change in the property that would affect the
24 exemption under this section.

25 (3) If property for which an exemption is claimed under this
26 section would have been subject to the collection of taxes under
27 this act if an exemption had not been granted under this section,

1 the state treasurer, upon verification, shall make a payment in
2 lieu of taxes, which shall be in the following amount:

3 (a) For property exempt under this section before January 1,
4 2009, the amount of taxes paid on that property for the 2008 tax
5 year, excluding any mills that would have been levied under all of
6 the following:

7 (i) Section 1211 of the revised school code, 1976 PA 451, MCL
8 380.1211.

9 (ii) The state education tax act, 1993 PA 331, MCL 211.901 to
10 211.906.

11 (b) For property not exempt under this section before January
12 1, 2009 and for new construction to property exempt under this
13 section before January 1, 2009, the local tax collecting unit shall
14 calculate, on a form prescribed by the department of treasury, a
15 payment calculated by multiplying the taxable value of the property
16 in the first year for which the exemption is valid by the number of
17 mills levied in that year by all taxing units in the local tax
18 collecting unit, excluding any mills that would have been levied
19 under all of the following:

20 (i) Section 1211 of the revised school code, 1976 PA 451, MCL
21 380.1211.

22 (ii) The state education tax act, 1993 PA 331, MCL 211.901 to
23 211.906.

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

1 transfer.

2 (5) The local tax collecting unit shall distribute the amount
3 received under subsection (4) in the same manner and in the same
4 proportions as general ad valorem taxes collected under this act,
5 excluding any distribution that would have been made under section
6 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and the
7 state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

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

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

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

24 (9) As used in this section:

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

26 (b) "Elderly or disabled families" means families consisting
27 of 2 or more persons if the head of the household, or his or her

1 spouse, is 62 years of age or over or is a disabled person, and
2 includes a single person who is 62 years of age or over or is a
3 disabled person.

4 (c) "Elderly person" means that term as defined in section 202
5 of title II of the housing act of 1959, Public Law 86-372, 12 USC
6 1701q.

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

13 (e) "Limited dividend housing corporation" means a corporation
14 incorporated or qualified under the laws of this state and chapter
15 6 of the state housing development authority act of 1966, 1966 PA
16 346, MCL 125.1481 to 125.1486, or a limited dividend housing
17 association organized and qualified under chapter 7 of the state
18 housing development authority act of 1966, 1966 PA 346, MCL
19 125.1491 to 125.1496, that will rehabilitate and own a housing
20 facility or project previously qualified, built, or financed under
21 section 202 of title II of the housing act of 1959, Public Law 86-
22 372, 12 USC 1701q, section 236 of title II of the national housing
23 act, chapter 847, 82 Stat. 498, 12 USC 1715z-1, or section 811 of
24 subtitle B of title VIII of the Cranston-Gonzalez national
25 affordable housing act, Public Law 101-625, 42 USC 8013.

26 (f) "New construction" means that term as defined in section
27 34d.

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

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

13 (i) "Residential units" includes 1-bedroom units licensed
14 under the adult foster care facility licensing act, 1979 PA 218,
15 MCL 400.701 to 400.737, for persons who share dining, living, and
16 bathroom facilities and who have a mental illness, developmental
17 disability, or a physical disability, as those terms are defined in
18 the adult foster care facility licensing act, 1979 PA 218, MCL
19 400.701 to 400.737, or individual self-contained dwellings in an
20 unlicensed facility. At the time of construction or rehabilitation,
21 both self-contained dwellings and 1-bedroom units must be financed
22 either under section 202 of title II of the housing act of 1959,
23 Public Law 86-372, 12 USC 1701q, or under section 811 of subtitle B
24 of title VIII of the Cranston-Gonzalez national affordable housing
25 act, Public Law 101-625, 42 USC 8013.