

PROPERTY TAX; NON-PROFIT EXEMPTION



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FISCAL ANALYSIS

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HOUSE BILL 5772 AS INTRODUCED

Sponsor: Rep. Laura M. Toy

House Committee: Tax Policy

COMMITTEE ANALYSIS - 9/13/02

Analyst(s): Jim Stansell

SUMMARY

House Bill 5772 would amend the General Property Tax Act by extending the current exemption available to non-profit organizations that own housing (with eight or more residential units) for elderly and disabled persons to smaller properties that might contain two or more residential units. This expanded exemption would be retroactive to tax years beginning after December 31, 2001.

Under current law, the State provides a full exemption against the property tax, and reimburses local units for lost revenue. Thus, the full impact of broadening the exemption would be borne by the State.

Estimates provided by the Department of Treasury based on properties that are currently eligible suggest that HB5772 would cost approximately \$1 million in FY 2001-02, and \$1.5 million in FY 2002-03. If additional properties fall into this category, the estimates could increase.