A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7d (MCL 211.7d), as amended by 2012 PA 66.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

(2) An owner of property may claim an exemption under this
section on BY SIMULTANEOUSLY FILING a form prescribed by the
department of treasury WITH BOTH THE ASSESSOR OF THE LOCAL TAX
COLLECTING UNIT AND THE DEPARTMENT OF TREASURY NO LATER THAN
OCTOBER 31. The assessor of the local tax collecting unit in which
the property is located shall approve or disapprove a claim for
exemption under this section WITHIN 60 DAYS OF THE RECEIPT OF THE
CLAIM FOR EXEMPTION. The assessor shall notify the owner and the
department of treasury in writing of the exemption's approval or
disapproval BY DECEMBER 31 FOLLOWING THE INITIAL FILING. The
department of treasury may deny an exemption under this section.
The department of treasury may grant an exemption under this
section for 2012 and the 3 immediately preceding years for property
that would have qualified for the exemption under this section if
an owner of that property had timely filed in 2010 the form
required under this subsection. THE DEPARTMENT OF TREASURY MAY
GRANT AN EXEMPTION UNDER THIS SECTION, EFFECTIVE DECEMBER 31, 2011,
FOR PROPERTY THAT WOULD HAVE QUALIFIED FOR THE EXEMPTION UNDER THIS
SECTION IF AN APPLICATION HAD BEEN TIMELY FILED IN 2011. If
granting the exemption under this section results in an overpayment
of the tax, a rebate, including any interest paid, shall be made to
the taxpayer by the local tax collecting unit if the local tax
collecting unit has possession of the tax roll or by the county
treasurer if the county has possession of the tax roll within 30
days of the date the exemption is granted. The rebate shall be
without interest. An—IF A CLAIM FOR exemption under this section
begins—is filed BY OCTOBER 31 AND IS APPROVED, THAT EXEMPTION SHALL
BEGIN on December 31 of the year in which the exemption is approved.
FACILITY IS FULLY AND FINALLY COMPLETED AND THE OWNER OF THE PROPERTY PROPERLY SUBMITTED A CLAIM FOR EXEMPTION TO THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT under this subsection and shall continue until the property is no longer used for occupancy or use solely by elderly or disabled families. The owner of property exempt under this section shall notify the local tax collecting unit in which the property is located and the department of treasury of any change in the property that would affect the exemption under this section.

(3) If property for which an exemption is claimed under this section would have been subject to the collection of taxes under this act if an exemption had not been granted under this section, the state treasurer, upon verification, shall make a payment in lieu of taxes, which shall be in the following amount:

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

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

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

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

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

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

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

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

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

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

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

(9) As used in this section:

(a) "Disabled person" means a person with disabilities.
(b) "Elderly or disabled families" means families consisting
of 2 or more persons if the head of the household, or his or her
spouse, is 62 years of age or over or is a disabled person, and
includes a single person who is 62 years of age or over or is a
disabled person.
(c) "Elderly person" means that term as defined in section 202
of title II of the housing act of 1959, Public Law 86-372. 12 USC
1701q.
(d) "Housing" means new or rehabilitated structures with 8 or
more residential units in 1 or more of the structures for occupancy
and use by elderly or disabled persons, including essential
contiguous land and related facilities as well as all personal
property of the corporation, association, or limited dividend
housing corporation used in connection with the facilities.
(e) "Limited dividend housing corporation" means a corporation
incorporated or qualified under the laws of this state and chapter
6 of the state housing development authority act of 1966, 1966 PA
346, MCL 125.1481 to 125.1486, or a limited dividend housing
association organized and qualified under chapter 7 of the state
housing development authority act of 1966, 1966 PA 346, MCL
125.1491 to 125.1496, that will rehabilitate and own a housing
facility or project previously qualified, built, or financed under
section 202 of title II of the housing act of 1959, Public Law 86-
372, 12 USC 1701q, section 236 of title II of the national housing
act, chapter 847, 82 Stat. 498, 12 USC 1715z-1, or section 811
of subtitle B of title VIII of the Cranston-Gonzalez national
affordable housing act, Public Law 101-625. 42 USC 8013.

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

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

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

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

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