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BILL ANALYSIS

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Senate Bill 784 (Substitute S-1 as reported)  
Sponsor: Senator Jason E. Allen  
Committee: Finance

### **CONTENT**

The bill would amend the General Property Tax Act to exempt the real and personal property of a Federally-qualified health center from the collection of taxes under the Act beginning December 31, 2004. The bill would be retroactive and effective for taxes levied in December 2004 and thereafter.

"Federally-qualified health center" would mean that term as defined in Section 1396d(l)(2)(B) of the Social Security Act. (That section defines "Federally-qualified health center" as an entity that meets one of the following criteria:

- Is receiving a grant under Section 254b of Title 42 of the U.S. Code (which provides for grants to health centers serving medically underserved populations).
- Is receiving funding from such a grant under a contract with the recipient of such a grant and meets the requirements to receive a grant under Section 254b.
- Based on the recommendation of the Health Resources and Services Administration within the Public Health Service, is determined by the Secretary of Health and Human Services to meet the requirements for receiving such a grant, including requirements of the Secretary that an entity may not be owned, controlled, or operated by another entity.
- Was treated by the Secretary for purposes of Part B of Subchapter XVIII of the Social Security Act (Medicare) as a comprehensive Federally funded health center as of January 1, 1990.

The term includes an outpatient health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act or by an urban Indian organization receiving funds under Title V of the Indian Health Care Improvement Act (health services for urban Indians) for the provision of primary health services.)

Proposed MCL 211.7jj

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

The bill would have little to no impact on State or local government. Approximately 135 Michigan facilities meet the definition of a Federally-qualified health center and most, if not all, are exempt under existing property tax provisions.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 4-11-06

Fiscal Analyst: David Zin