

HOUSE BILL No. 4686

May 31, 2017, Introduced by Rep. Chang and referred to the Committee on Local Government.

A bill to authorize local units of government to limit rent for disabled individuals and individuals over a certain age, to exempt property from ad valorem property taxes, and to impose a specific tax; and to provide for the powers and duties of certain local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "rent
2 limitation and specific tax authorization act".

3 Sec. 2. As used in this act:

4 (a) "General property tax act" means the general property tax
5 act, 1893 PA 206, MCL 211.1 to 211.155.

6 (b) "Individual with a disability" means an individual with a
7 determinable physical or mental characteristic, which may result
8 from disease, injury, congenital condition of birth, or functional

1 disorder, that substantially limits 1 or more of the major life
2 activities of that individual.

3 (c) "Local unit" means a local tax collecting unit as that
4 term is used in the general property tax act.

5 (d) "Rent limitation ordinance" means an ordinance adopted
6 under section 3.

7 (e) "Senior citizen" means an individual who is 62 or more
8 years of age.

9 (f) "Specific tax" means a specific tax levied as provided for
10 by ordinance under section 4(2).

11 Sec. 3. A local unit may adopt an ordinance to limit the rent
12 paid by senior citizens and individuals with a disability to 50% of
13 their household incomes. The rent limitation ordinance shall not
14 apply to an individual who is less than 71 years of age and who is
15 not an individual with a disability unless the individual has lived
16 in the dwelling unit for the preceding 5 years.

17 Sec. 4. (1) A local unit with a rent limitation ordinance may
18 adopt an ordinance providing that property subject to the rent
19 limitation ordinance is exempt from ad valorem property taxes.

20 (2) An ordinance that exempts property from ad valorem
21 property taxes as provided under subsection (1) shall levy a
22 specific tax each year upon the owner of property so exempted. The
23 amount of the specific tax in each year is the amount of tax that
24 would have been collected on that parcel under the general property
25 tax act if that parcel was not exempt as provided for by the
26 ordinance under subsection (1) minus an amount determined pursuant
27 to the ordinance but not exceeding the ad valorem taxes that would

1 otherwise be levied on the property by the local unit adopting the
2 ordinance.

3 (3) The assessor of each local tax collecting unit shall
4 determine annually as of December 31 the value and taxable value of
5 each parcel of property that is exempt from general ad valorem
6 taxes as provided for by an ordinance under subsection (1) and
7 shall furnish that information to the legislative body of the local
8 unit.

9 (4) The specific tax is an annual tax payable at the same
10 times, in the same installments, and to the same officer or
11 officers as taxes imposed under the general property tax act are
12 payable.

13 (5) The officer or officers to whom the specific tax is
14 payable shall disburse the tax payments received each year to the
15 state and the same municipalities, counties, school districts, and
16 other taxing authorities at the same times and in the same amounts
17 as required by law for the disbursement of taxes collected under
18 the general property tax act. However, the tax payments disbursed
19 to the local unit levying the specific tax shall be reduced by the
20 difference between the amount of the ad valorem property tax that
21 would otherwise be levied on the property subject to the rent
22 limitation and the amount of the specific tax.

23 (6) The specific tax levied becomes a lien on the property
24 assessed on the same date that a tax becomes a lien on real
25 property under the general property tax act. A lien for the
26 specific tax includes any applicable collection fee or interest. A
27 lien under this subsection continues until paid.

1 (7) Any unpaid specific tax and any applicable collection fee
2 or interest shall be returned as delinquent to the county treasurer
3 at the same time taxes are returned as delinquent under the general
4 property tax act. Except as otherwise provided in this subsection,
5 property subject to a specific tax returned as delinquent is
6 subject to forfeiture, foreclosure, and sale at the same time and
7 in the same manner as property subject to delinquent taxes under
8 the general property tax act. If a specific tax or any applicable
9 collection fee or interest for a property has not been paid for 2
10 or more years on the date the property is returned as delinquent
11 under this subsection, the property shall be forfeited to the
12 county treasurer upon its return and is subject to foreclosure and
13 sale at the same time and in the same manner as other property
14 forfeited under the general property tax act.

15 (8) If the owner fails to pay a specific tax on a property
16 under subsection (2), the owner is not eligible for the exemption
17 provided for by ordinance under subsection (1) for that property
18 for succeeding tax years until the specific tax, together with
19 interest and penalties, is paid.

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