

# SENATE BILL No. 808

February 6, 2018, Introduced by Senator ANANICH and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7d (MCL 211.7d), as amended by 2016 PA 78.

## 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

1 section by simultaneously filing a form prescribed by the  
2 department of treasury with both the assessor of the local tax  
3 collecting unit and the department of treasury no later than  
4 October 31. The assessor of the local tax collecting unit in which  
5 the property is located shall approve or disapprove a claim for  
6 exemption under this section within 60 days of the receipt of the  
7 claim for exemption. The assessor shall notify the owner and the  
8 department of treasury in writing of the exemption's approval or  
9 disapproval by December 31 following the initial filing. The  
10 department of treasury may deny an exemption under this section.  
11 The department of treasury may grant an exemption under this  
12 section for 2012 and the 3 immediately preceding years for property  
13 that would have qualified for the exemption under this section if  
14 an owner of that property had timely filed in 2010 the form  
15 required under this subsection. The department of treasury may  
16 grant an exemption under this section, effective December 31, 2011,  
17 for property that would have qualified for the exemption under this  
18 section if an application had been timely filed in 2011. **THE**  
19 **DEPARTMENT OF TREASURY MAY GRANT AN EXEMPTION UNDER THIS SECTION,**  
20 **EFFECTIVE DECEMBER 31, 2014, FOR PROPERTY THAT WOULD HAVE QUALIFIED**  
21 **FOR THE EXEMPTION UNDER THIS SECTION IF AN APPLICATION HAD BEEN**  
22 **TIMELY FILED IN 2014.** If granting the exemption under this section  
23 results in an overpayment of the tax, a rebate, including any  
24 interest paid, shall be made to the taxpayer by the local tax  
25 collecting unit if the local tax collecting unit has possession of  
26 the tax roll or by the county treasurer if the county has  
27 possession of the tax roll within 30 days of the date the exemption

1 is granted. The rebate shall be without interest. If a claim for  
2 exemption under this section is filed by October 31 and is  
3 approved, that exemption shall begin on December 31 of the year in  
4 which the facility is fully and finally completed and the owner of  
5 the property properly submitted a claim for exemption to the  
6 assessor of the local tax collecting unit under this subsection and  
7 shall continue until the property is no longer used for occupancy  
8 or use solely by elderly or disabled families. The owner of  
9 property exempt under this section shall notify the local tax  
10 collecting unit in which the property is located and the department  
11 of treasury of any change in the property that would affect the  
12 exemption under this section.

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

18 (a) For property exempt under this section before January 1,  
19 2009, the amount of taxes paid on that property for the 2008 tax  
20 year, excluding any mills that would have been levied under all of  
21 the following:

22 (i) Section 1211 of the revised school code, 1976 PA 451, MCL  
23 380.1211.

24 (ii) The state education tax act, 1993 PA 331, MCL 211.901 to  
25 211.906.

26 (b) For property not exempt under this section before January  
27 1, 2009 and for new construction to property exempt under this

1 section before January 1, 2009, the local tax collecting unit shall  
2 calculate, on a form prescribed by the department of treasury, a  
3 payment calculated by multiplying the taxable value of the property  
4 in the first year for which the exemption is valid by the number of  
5 mills levied in that year by all taxing units in the local tax  
6 collecting unit, excluding any mills that would have been levied  
7 under all of the following:

8 (i) Section 1211 of the revised school code, 1976 PA 451, MCL  
9 380.1211.

10 (ii) The state education tax act, 1993 PA 331, MCL 211.901 to  
11 211.906.

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

17 (5) The local tax collecting unit shall distribute the amount  
18 received under subsection (4) in the same manner and in the same  
19 proportions as general ad valorem taxes collected under this act,  
20 excluding any distribution that would have been made under section  
21 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and the  
22 state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

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

1 treasury shall prorate the payments made under this section.

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

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

12 (9) As used in this section:

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

14 (b) "Elderly or disabled families" means families consisting  
15 of 2 or more persons if the head of the household, or his or her  
16 spouse, is 62 years of age or over or is a disabled person, and  
17 includes a single person who is 62 years of age or over or is a  
18 disabled person.

19 (c) "Elderly person" means that term as defined in section 202  
20 of title II of the housing act of 1959, Public Law 86-372.

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

27 (e) "Limited dividend housing corporation" means a corporation

1 incorporated or qualified under the laws of this state and chapter  
2 6 of the state housing development authority act of 1966, 1966 PA  
3 346, MCL 125.1481 to 125.1486, or a limited dividend housing  
4 association organized and qualified under chapter 7 of the state  
5 housing development authority act of 1966, 1966 PA 346, MCL  
6 125.1491 to 125.1496, that will rehabilitate and own a housing  
7 facility or project previously qualified, built, or financed under  
8 section 202 of title II of the housing act of 1959, Public Law 86-  
9 372, section 236 of title II of the national housing act, chapter  
10 847, 82 Stat 498, or section 811 of subtitle B of title VIII of the  
11 Cranston-Gonzalez national affordable housing act, Public Law 101-  
12 625.

13 (f) "New construction" means that term as defined in section  
14 34d.

15 (g) "Nonprofit corporation or association" means a nonprofit  
16 corporation or association incorporated under the laws of this  
17 state not otherwise exempt from the collection of taxes under this  
18 act, operating a housing facility or project qualified, built, or  
19 financed under section 202 of title II of the housing act of 1959,  
20 Public Law 86-372, section 236 of title II of the national housing  
21 act, chapter 847, 82 Stat 498, or section 811 of subtitle B of  
22 title VIII of the Cranston-Gonzalez national affordable housing  
23 act, Public Law 101-625.

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

27 (i) "Residential units" includes 1-bedroom units licensed

1 under the adult foster care facility licensing act, 1979 PA 218,  
2 MCL 400.701 to 400.737, for persons who share dining, living, and  
3 bathroom facilities and who have a mental illness, developmental  
4 disability, or a physical disability, as those terms are defined in  
5 the adult foster care facility licensing act, 1979 PA 218, MCL  
6 400.701 to 400.737, or individual self-contained dwellings in an  
7 unlicensed facility. At the time of construction or rehabilitation,  
8 both self-contained dwellings and 1-bedroom units must be financed  
9 either under section 202 of title II of the housing act of 1959,  
10 Public Law 86-372, or under section 811 of subtitle B of title VIII  
11 of the Cranston-Gonzalez national affordable housing act, Public  
12 Law 101-625.