

SENATE BILL No. 486

June 8, 1989, Introduced by Senator V. SMITH and referred to the Committee on Finance.

A bill to amend section 7d of Act No. 206 of the Public Acts of 1893, entitled as amended
"The general property tax act,"
as amended by Act No. 200 of the Public Acts of 1987, being section 211.7d of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7d of Act No. 206 of the Public Acts of
2 1893, as amended by Act No. 200 of the Public Acts of 1987, being
3 section 211.7d of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 7d. (1) Housing owned and operated by a nonprofit cor-
6 poration or association or by the state, a political subdivision
7 of the state, or an instrumentality of the state, for occupancy
8 or use solely by elderly or handicapped families is exempt from
9 all general property taxation by the state, city, village, or

1 county, or by a public body or agency. For purposes of this
2 section, housing shall be considered occupied solely by elderly
3 or handicapped families even if 1 or more of the units is occu-
4 pied by service personnel, such as a custodian or nurse.

5 (2) As used in this section, "elderly or handicapped
6 families" means families consisting of 2 or more persons if the
7 head of the household, or his or her spouse, is 62 years of age
8 or over or is handicapped, and includes a single person who is 62
9 years of age or over or WHO is handicapped.

10 (3) As used in this section, "handicapped person" means that
11 term as defined in section 202 of the ~~national~~ housing act of
12 1959, ~~as amended~~, 12 U.S.C. 1701q.

13 (4) "Housing" means new or rehabilitated structures with 8
14 or more residential units in 1 or more of the structures for
15 occupancy and use by elderly persons, including essential conti-
16 guous land and related facilities as well as all personal prop-
17 erty of the corporation or association used in connection with
18 the facilities. As used in this subsection, "residential units"
19 include individual self-contained dwellings ~~—~~ or 1-bedroom
20 units in a facility for persons with a mental illness, a develop-
21 mental disability, or a physical handicap as those terms are
22 defined in the adult foster care facility licensing act, Act
23 No. 218 of the Public Acts of 1979, being sections 400.701 to
24 400.737 of the Michigan Compiled Laws, that share dining, living,
25 or bathroom facilities, that is financed at the time of construc-
26 tion or rehabilitation under section 202 of title II of the
27 housing act of 1959, 12 U.S.C. 1701q, and that is licensed as an

1 adult foster care facility under the adult foster care facility
2 licensing act, Act No. 218 of the Public Acts of 1979.

3 (5) "Nonprofit corporation or association" means a nonprofit
4 corporation or association incorporated under the laws of this
5 state not otherwise exempt from general ad valorem real and per-
6 sonal property taxes operating a housing facility or project
7 qualified, built, or financed under section 202 of the ~~national~~
8 housing act of 1959, ~~as amended,~~ 12 U.S.C. 1701q or section 236
9 of TITLE II OF the national housing act, ~~as added by Public Law~~
10 ~~90-448~~ CHAPTER 847, 48 STAT. 1246, 12 U.S.C. 1715z-1.

11 (6) When a tax roll is placed in the hands of a city,
12 county, village, or township treasurer for collection, and there
13 are taxes assessed on that roll against property concerning which
14 exemption is claimed under this section, the treasurer shall pre-
15 pare a statement on a form prescribed by the department of man-
16 agement and budget showing all descriptions for which exemptions
17 have been claimed under this section, the names and addresses of
18 the corporations or associations entitled to the exemptions, the
19 total amount of EXEMPTED taxes, ~~so exempted,~~ and the amount of
20 taxes assessed against the descriptions. The city, county, vil-
21 lage, or township treasurer shall forward the statement to the
22 department of management and budget, upon verification of which
23 the state treasurer shall draw his or her warrant upon the state
24 treasury for the total amount of tax revenues lost by a local
25 taxing unit as a result of the nonprofit housing exemption
26 allowed by this act as shown by the statement. The state

1 treasurer after examination of the statement shall forward the
2 warrants to the city, county, village, or township treasurer.

3 (7) The budget director shall estimate, as near as may be,
4 the amount of money necessary to meet the expense of administer-
5 ing the provisions of this section under this act during each
6 year, and the expense shall be met by a specific appropriation
7 included in the budget.

8 (8) IF PRESENTED WITH EVIDENCE THAT THE ATTORNEY GENERAL,
9 AFTER EXAMINATION, HAS DETERMINED PROVIDES A CAUSE OF ACTION FOR
10 NEGLIGENCE OR FOR ANOTHER BREACH OF DUTY RELATING TO THE FAILURE
11 TO FILE FORMS REQUIRED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET
12 FOR A PROPERTY TAX EXEMPTION UNDER THIS SECTION AGAINST AN AGENT,
13 PROFESSIONAL CONSULTANT, ATTORNEY, OR OTHER PERSON WHO PROVIDED A
14 SERVICE TO A NONPROFIT HOUSING CORPORATION, THE BUDGET DIRECTOR
15 SHALL ENTER INTO AN AGREEMENT WITH THAT NONPROFIT HOUSING CORPO-
16 RATION TO PAY THE PROPERTY TAXES DUE THAT WOULD OTHERWISE HAVE
17 BEEN EXEMPT UNDER THIS SECTION. THE NONPROFIT HOUSING CORPORA-
18 TION SHALL SIGN AN AGREEMENT PREPARED BY THE ATTORNEY GENERAL
19 REQUIRING THAT NONPROFIT HOUSING CORPORATION TO REIMBURSE THE
20 STATE FOR THE AMOUNT OF PROPERTY TAXES PAID BY THE STATE UNDER
21 THIS SUBSECTION ONLY FROM ANY JUDGMENTS RECEIVED FROM AN ACTION
22 FOR NEGLIGENCE OR BREACH OF DUTY AGAINST THE AGENT, PROFESSIONAL
23 CONSULTANT, ATTORNEY, OR OTHER PERSON. THE STATE SHALL NOT COL-
24 LECT THE AMOUNT OF PROPERTY TAXES IT PAID IN ANY OTHER MANNER.