



**Senate Fiscal Agency**  
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BILL ANALYSIS



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House Bill 4973 (Substitute S-1 as reported)  
Sponsor: Representative Lyn Bankes  
House Committee: Urban Policy  
Senate Committee: Finance

### **CONTENT**

The bill would amend Public Act 18 of the Extra Session of 1933, which governs municipal housing commissions, to provide that a commission could be a “borrower” for the purposes of issuing bonds or notes under the Act, if empowered to do so by ordinance of the creating governing body. The bill specifies powers of a borrower under the Act, and would prohibit a borrower from issuing bonds that would appreciate or be sold at a discount of more than 10%.

The bill also would allow a housing commission to form or incorporate nonprofit corporations and for-profit corporations, partnerships, and companies. The bill would exempt from State and local taxation property, income, and operations of a housing commission and property of a qualified entity located in the commission’s incorporating unit; and would define “qualified entity” as a nonprofit corporation meeting certain criteria, or a for-profit entity formed by the commission for the purpose of syndicating low income housing tax credits in connection with the redevelopment of a housing project owned by the commission. The governing body of a local unit could adopt an ordinance requiring a commission to pay an annual service fee in lieu of taxes with respect to projects or facilities of the commission or qualified entities; the fee could not exceed 10% of the annual shelter rent obtained from the projects or facilities.

The bill would require one member of a housing commission to be a tenant of public or subsidized housing; delete provisions requiring a commission to consist of nine (rather than five) members in a city with a population of 1 million or more; and repeal sections requiring the creation of a board of tenant affairs for each city, village, or township having a housing commission and one or more housing projects.

MCL 125.651 et al.

Legislative Analyst: S. Margules

### **FISCAL IMPACT**

Local units that required a housing commission to pay an annual service fee in lieu of taxes would be partially reimbursed for tax revenues lost from profit entities. The fiscal impact would depend on the degree to which local units granted powers to the housing commissions and the level of participation by profit entities.

Date Completed: 5-16-96

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.