

SUBSTITUTE FOR  
HOUSE BILL NO. 5871

A bill to provide for the sale of real and personal property for less than its market value by a local governmental unit to a nonprofit charitable organization under certain circumstances.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act shall be known and may be cited as the  
2 "homestead assistance act".

3       Sec. 2. As used in this act:

4       (a) "Local governmental unit" means a county, city, village,  
5 township, school district, or other political subdivision of this  
6 state, or an agency or instrumentality of a county, city, vil-  
7 lage, township, school district, or other political subdivision  
8 of this state.

9       (b) "Nonprofit organization" means an organization or  
10 corporation that satisfies both of the following conditions:

**HB5871, As Passed House, July 1, 1998**

Sub. H.B. 5871 (H-3) as amended June 25, 1998

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1       (i) Purchases real property for reasons consistent with its  
2 purpose or mission.

3       (ii) Is exempt from taxation under section 501(c)(3) of the  
4 internal revenue code of 1986.

5       (c) "Real property" means land and any structure, appurte-  
6 nance, or personal property located on the land.

7       Sec. 3. (1) After holding a public hearing on the issue  
8 pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to  
9 15.275, a local governmental unit may convey its interest in real  
10 property for any consideration it considers appropriate, which  
11 may be less than its fair market value, to a nonprofit organiza-  
12 tion for any of the following purposes as set forth in the con-  
13 veyance agreement:

14       (a) Constructing new or rehabilitated housing designed to  
15 increase the supply of [senior and] affordable housing within the  
16 local gov-  
17 ernmental unit.

18       (b) Encouraging economic development within the local gov-  
19 ernmental unit.

20       (c) Constructing a facility as that term is defined in 1964  
21 PA 183, MCL 830.411 to 830.425, that will benefit the citizens of  
22 the local governmental unit.

23       (d) Constructing a project as that term is defined in the  
24 economic development corporations act, 1974 PA 338, MCL 125.1601  
25 to 125.1636.

26       (2) A conveyance under subsection (1) is a conveyance for a  
public purpose.

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1       Sec. 4. This act is in addition to the powers already  
2 granted to local governmental units by the laws of this state or  
3 a charter adopted under state law.