

Act No. 585
Public Acts of 2008
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**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Senator Jansen

ENROLLED SENATE BILL No. 1491

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 7d (MCL 211.7d), as amended by 1998 PA 469.

The People of the State of Michigan enact:

Sec. 7d. (1) Housing owned and operated by a nonprofit corporation or association, by a limited dividend housing corporation, or by this state, a political subdivision of this state, or an instrumentality of this state, for occupancy or use solely by elderly or disabled families is exempt from the collection of taxes under this act. For purposes of this section, housing is considered occupied solely by elderly or disabled families even if 1 or more of the units is occupied by service personnel, such as a custodian or nurse.

(2) An owner of property may claim an exemption under this section on a form prescribed by the department of treasury. The assessor of the local tax collecting unit in which the property is located shall approve or disapprove a claim for exemption under this section. The assessor shall notify the owner in writing of the exemption's approval or disapproval. An exemption under this section begins on December 31 of the year in which the exemption is approved under this subsection and, subject to subsection (3), shall continue until the property is no longer used for occupancy or use solely by elderly or disabled families.

(3) If a claim for exemption is approved under subsection (2), an owner of the property shall annually submit to the department of treasury and to the assessor of the local tax collecting unit in which the property is located an affidavit confirming eligibility for the exemption under this section. If an affidavit confirming eligibility for an exemption under this section is not submitted as required under this subsection, the property's exemption is revoked for that tax year and the property shall be assessed and shall be subject to the collection of taxes as provided in this act. An affidavit under this subsection shall be submitted not later than May 1. The affidavit under this section shall be in a form prescribed by the department of treasury.

(4) If property for which an exemption is claimed under this section would have been subject to the collection of taxes under this act if an exemption had not been granted under this section, the appropriate collecting officer shall prepare a statement for payment in lieu of taxes on a form prescribed by the department of treasury. The statement for payment in lieu of taxes shall include all of the following:

(a) A description of the property exempt under this section.

(b) The name and address of the corporation, association, or limited dividend housing corporation that owns the property exempt under this section.

(c) The base valuation of the property for determination of the payment in lieu of taxes. The base valuation of the property shall be determined as follows:

(i) For property exempt under this section prior to the effective date of the amendatory act that added this subdivision, the property's taxable value on the assessment roll in the 2008 tax year.

(ii) For property not exempt under this section prior to the effective date of the amendatory act that added this subdivision, the taxable value of the property on the assessment roll in the year in which a claim for exemption is made under this section or, for new construction, the property's taxable value on the assessment roll in the year in which construction is completed and a certificate of occupancy, or similar document, is issued.

(d) The total amount of payment in lieu of taxes, calculated by multiplying the base valuation determined under subdivision (c) by the number of mills levied by all taxing units in the local tax collecting unit, excluding any mills that would have been levied under all of the following:

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

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

(5) The local tax collecting unit shall forward the statement to the department of treasury not later than December 1 of each tax year. Upon verification of the statement, the state treasurer shall draw his or her warrant upon the state treasury for the amount described in subsection (4)(c). After examining the statement, the state treasurer shall forward the warrants to the treasurer of the local tax collecting unit not later than 60 days after receipt of the statement.

(6) The local tax collecting unit shall distribute the amount received under subsection (5) in the same manner and in the same proportions as general ad valorem taxes collected under this act.

(7) The state treasurer shall estimate the amount necessary to meet the expense of administering the provisions of this section in each year, and the legislature shall appropriate an amount sufficient to meet that expense in each year.

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

(9) An owner of property exempt under this section before the effective date of the amendatory act that added this subsection shall submit a claim for exemption under subsection (2) and any subsequent affidavits confirming eligibility under subsection (3) in order to continue to claim the exemption under this section.

(10) As used in this section:

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

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

(c) "Elderly person" means that term as defined in section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q.

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

(e) "Limited dividend housing corporation" means a corporation incorporated or qualified under the laws of this state and chapter 6 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1481 to 125.1486, or a limited dividend housing association organized and qualified under chapter 7 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1491 to 125.1496, that will rehabilitate and own a housing facility or project previously qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q, section 236 of title II of the national housing act, chapter 847, 82 Stat. 498, 12 USC 1715z-1, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

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

(g) "Nonprofit corporation or association" means a nonprofit corporation or association incorporated under the laws of this state not otherwise exempt from the collection of taxes under this act, operating a housing facility or project qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q,

section 236 of title II of the national housing act, chapter 847, 82 Stat. 498, 12 USC 1715z-1, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

(h) "Person with disabilities" means that term as defined in section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

(i) "Residential units" includes 1-bedroom units licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, for persons who share dining, living, and bathroom facilities and who have a mental illness, developmental disability, or a physical disability, as those terms are defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, or individual self-contained dwellings in an unlicensed facility. At the time of construction or rehabilitation, both self-contained dwellings and 1-bedroom units must be financed either under section 202 of title II of the housing act of 1959, Public Law 86-372, 12 USC 1701q, or under section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625, 42 USC 8013.

Enacting section 1. It is the intent of the legislature that this amendatory act confirm that the department of treasury has standing to appeal the assessed value, taxable value, state equalized valuation, exempt status, classification, and all other issues concerning tax liability in the Michigan tax tribunal and all courts of this state for property exempt under section 7d of the general property tax act, 1893 PA 206, MCL 211.7d.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

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Governor