

SUBSTITUTE FOR
HOUSE BILL NO. 5487

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157) by adding sections 7jj and 9k.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7JJ. (1) SUBJECT TO SUBSECTION (7), BEGINNING DECEMBER
2 31, 2002, SUPPORTIVE HOUSING PROPERTY IS EXEMPT FROM THE COLLECTION
3 OF TAXES UNDER THIS ACT IF AN OWNER OF THAT SUPPORTIVE HOUSING
4 PROPERTY CLAIMS AN EXEMPTION AS PROVIDED IN THIS SECTION.
5 (2) FOR TAXES LEVIED AFTER DECEMBER 31, 2002 AND BEFORE THE
6 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, AN
7 OWNER OF SUPPORTIVE HOUSING PROPERTY MAY CLAIM AN EXEMPTION UNDER
8 THIS SECTION BY FILING AN AFFIDAVIT ON OR BEFORE DECEMBER 31 IN THE
9 YEAR IN WHICH THE AMENDATORY ACT THAT ADDED THIS SECTION IS
10 EFFECTIVE WITH THE LOCAL TAX COLLECTING UNIT IN WHICH THE

1 SUPPORTIVE HOUSING PROPERTY IS LOCATED. FOR TAXES LEVIED ON AND
2 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
3 SECTION, AN OWNER OF SUPPORTIVE HOUSING PROPERTY MAY CLAIM AN
4 EXEMPTION UNDER THIS SECTION BY FILING AN AFFIDAVIT ON OR BEFORE
5 DECEMBER 31 WITH THE LOCAL TAX COLLECTING UNIT IN WHICH THE
6 SUPPORTIVE HOUSING PROPERTY IS LOCATED. THE AFFIDAVIT SHALL STATE
7 THAT THE PROPERTY IS OWNED AND OCCUPIED AS SUPPORTIVE HOUSING
8 PROPERTY ON THE DATE THAT THE AFFIDAVIT IS SIGNED. THE AFFIDAVIT
9 SHALL BE ON A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. ONE
10 COPY OF THE AFFIDAVIT SHALL BE RETAINED BY THE OWNER, 1 COPY SHALL
11 BE RETAINED BY THE LOCAL TAX COLLECTING UNIT, AND 1 COPY SHALL BE
12 FORWARDED TO THE DEPARTMENT OF TREASURY.

13 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2)
14 AND UNLESS THE CLAIM IS DENIED UNDER THIS SECTION, THE ASSESSOR
15 SHALL EXEMPT THE SUPPORTIVE HOUSING PROPERTY FROM THE COLLECTION OF
16 TAXES UNDER THIS ACT UNTIL DECEMBER 31 OF THE YEAR IN WHICH THE
17 PROPERTY IS NO LONGER SUPPORTIVE HOUSING PROPERTY. IF GRANTING THE
18 EXEMPTION UNDER THIS SECTION RESULTS IN AN OVERPAYMENT OF THE TAX,
19 A REBATE, INCLUDING ANY INTEREST PAID, SHALL BE MADE TO THE
20 TAXPAYER BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX
21 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
22 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL WITHIN 30
23 DAYS OF THE DATE THE EXEMPTION IS GRANTED. THE REBATE SHALL BE
24 WITHOUT INTEREST.

25 (4) NOT MORE THAN 90 DAYS AFTER EXEMPTED PROPERTY IS NO LONGER
26 SUPPORTIVE HOUSING PROPERTY, AN OWNER SHALL RESCIND THE CLAIM OF
27 EXEMPTION BY FILING WITH THE LOCAL TAX COLLECTING UNIT A RESCISSION

1 FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. AN OWNER WHO FAILS
2 TO FILE A RESCISSION AS REQUIRED BY THIS SUBSECTION IS SUBJECT TO A
3 PENALTY OF \$5.00 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER
4 THE 90 DAYS HAVE ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY
5 SHALL BE COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND
6 SHALL BE DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN
7 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS
8 PENALTY MAY BE WAIVED BY THE DEPARTMENT OF TREASURY.

9 (5) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
10 THAT THE PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED IS NOT
11 SUPPORTIVE HOUSING PROPERTY, THE ASSESSOR MAY DENY A NEW OR
12 EXISTING CLAIM BY NOTIFYING THE OWNER AND THE DEPARTMENT OF
13 TREASURY IN WRITING OF THE REASON FOR THE DENIAL AND ADVISING THE
14 OWNER THAT THE DENIAL MAY BE APPEALED TO THE STATE TAX COMMISSION
15 WITHIN 35 DAYS AFTER THE DATE OF THE NOTICE. THE ASSESSOR MAY DENY
16 A CLAIM FOR EXEMPTION FOR THE CURRENT YEAR AND FOR THE 3
17 IMMEDIATELY PRECEDING CALENDAR YEARS. IF THE ASSESSOR DENIES AN
18 EXISTING CLAIM FOR EXEMPTION, THE ASSESSOR SHALL REMOVE THE
19 EXEMPTION OF THE PROPERTY AND, IF THE TAX ROLL IS IN THE LOCAL TAX
20 COLLECTING UNIT'S POSSESSION, AMEND THE TAX ROLL TO REFLECT THE
21 DENIAL AND THE LOCAL TREASURER SHALL WITHIN 30 DAYS OF THE DATE OF
22 THE DENIAL ISSUE A CORRECTED TAX BILL FOR ANY ADDITIONAL TAXES WITH
23 INTEREST AND PENALTIES COMPUTED FROM THE DATE THE TAXES WERE LAST
24 PAYABLE WITHOUT INTEREST OR PENALTY. IF THE TAX ROLL IS IN THE
25 COUNTY TREASURER'S POSSESSION, THE TAX ROLL SHALL BE AMENDED TO
26 REFLECT THE DENIAL AND THE COUNTY TREASURER SHALL WITHIN 30 DAYS OF
27 THE DATE OF THE DENIAL PREPARE AND SUBMIT A SUPPLEMENTAL TAX BILL

1 FOR ANY ADDITIONAL TAXES, TOGETHER WITH INTEREST AND PENALTIES
2 COMPUTED FROM THE DATE THE TAXES WERE LAST PAYABLE WITHOUT INTEREST
3 OR PENALTY. TAXES LEVIED IN A CORRECTED OR SUPPLEMENTAL TAX BILL
4 SHALL BE RETURNED AS DELINQUENT ON THE MARCH 1 IN THE YEAR
5 IMMEDIATELY SUCCEEDING THE YEAR IN WHICH THE CORRECTED OR
6 SUPPLEMENTAL TAX BILL IS ISSUED. HOWEVER, IF THE PROPERTY HAS BEEN
7 TRANSFERRED TO A BONA FIDE PURCHASER BEFORE ADDITIONAL TAXES WERE
8 BILLED TO THE SELLER AS A RESULT OF THE DENIAL OF A CLAIM FOR
9 EXEMPTION, THE TAXES, INTEREST, AND PENALTIES SHALL NOT BE A LIEN
10 ON THE PROPERTY AND SHALL NOT BE BILLED TO THE BONA FIDE PURCHASER,
11 AND THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX COLLECTING UNIT
12 HAS POSSESSION OF THE TAX ROLL OR THE COUNTY TREASURER IF THE
13 COUNTY HAS POSSESSION OF THE TAX ROLL SHALL NOTIFY THE DEPARTMENT
14 OF TREASURY OF THE AMOUNT OF TAX DUE, INTEREST, AND PENALTIES
15 THROUGH THE DATE OF THAT NOTIFICATION. THE DEPARTMENT OF TREASURY
16 SHALL THEN ASSESS THE OWNER WHO CLAIMED THE EXEMPTION UNDER THIS
17 SECTION FOR THE TAX, INTEREST, AND PENALTIES ACCRUING AS A RESULT
18 OF THE DENIAL OF THE CLAIM FOR EXEMPTION, IF ANY, AS FOR UNPAID
19 TAXES PROVIDED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND SHALL
20 DEPOSIT ANY TAX, PENALTY, AND INTEREST COLLECTED INTO THE STATE
21 SCHOOL AID FUND. THE DENIAL SHALL BE MADE ON A FORM PRESCRIBED BY
22 THE DEPARTMENT OF TREASURY.

23 (6) THE DEPARTMENT OF TREASURY SHALL MAKE AVAILABLE THE
24 AFFIDAVIT FORMS AND THE FORMS TO RESCIND AN EXEMPTION, WHICH MAY BE
25 ON THE SAME FORM, TO ALL CITY AND TOWNSHIP ASSESSORS, COUNTY
26 EQUALIZATION OFFICERS, COUNTY REGISTERS OF DEEDS, AND CLOSING
27 AGENTS.

1 (7) THE EXEMPTION UNDER THIS SECTION DOES NOT APPLY IF AN
2 OWNER OF SUPPORTIVE HOUSING PROPERTY OBTAINS AN AGREEMENT WITH THE
3 LOCAL TAX COLLECTING UNIT NOT LATER THAN MAY 1 IN EACH TAX YEAR FOR
4 PAYMENT IN LIEU OF TAXES OF NOT MORE THAN 8% OF THE RENT PAYMENTS
5 COLLECTED BY THE SUPPORTIVE HOUSING PROPERTY IN THE IMMEDIATELY
6 PRECEDING TAX YEAR.

7 (8) AS USED IN THIS SECTION:

8 (A) "DEVELOPMENTAL DISABILITY" MEANS THAT TERM AS DEFINED IN
9 SECTION 100A(21) OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL
10 330.1100A.

11 (B) "FUNCTIONAL IMPAIRMENT" MEANS THAT TERM AS DEFINED IN
12 SECTION 100B(5) OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL
13 330.1100B.

14 (C) "HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED IN SECTION
15 508 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508.

16 (D) "LOW INCOME" MEANS HOUSEHOLD INCOME OF NOT MORE THAN THAT
17 WHICH WOULD BE RECEIVED IN SUPPLEMENTAL SECURITY INCOME UNDER TITLE
18 XVI OF THE SOCIAL SECURITY ACT, 42 USC 1381 TO 1382J AND 1383 TO
19 1383F.

20 (E) "MODERATE INCOME" MEANS LESS THAN 50% OF THE AREA MEDIAN
21 GROSS INCOME.

22 (F) "SUPPORTIVE HOUSING PROPERTY" MEANS REAL PROPERTY OWNED BY
23 A NONPROFIT CHARITABLE ORGANIZATION EXEMPT UNDER SECTION 501(C)(3)
24 OF THE INTERNAL REVENUE CODE, 26 USC 501, THAT MEETS ALL OF THE
25 FOLLOWING CONDITIONS:

26 (i) THE CHARITABLE NONPROFIT ORGANIZATION PURCHASED THE
27 SUPPORTIVE HOUSING PROPERTY WITH FUNDING FROM OR A MORTGAGE WITH

1 THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY UNDER THE STATE
2 HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL
3 125.1401 TO 125.1499C.

4 (ii) THE SUPPORTIVE HOUSING PROPERTY IS LOCATED IN A CITY OR
5 TOWNSHIP WITH A POPULATION OF MORE THAN 6,700 AND LESS THAN 35,000
6 THAT IS LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN 150,000
7 AND LESS THAN 160,000 AS DETERMINED BY THE 2000 FEDERAL DECENNIAL
8 CENSUS.

9 (iii) ON DECEMBER 1, 2005, THE SUPPORTIVE HOUSING PROPERTY HAD
10 FEWER THAN 35 UNITS AVAILABLE FOR ELIGIBLE TENANTS IN 1 INDIVIDUAL
11 COUNTY.

12 (iv) THE SUPPORTIVE HOUSING PROPERTY PROVIDES HOUSING SOLELY TO
13 LOW OR MODERATE INCOME PERSONS WITH OR WITHOUT A DEVELOPMENTAL
14 DISABILITY OR FUNCTIONAL IMPAIRMENT.

15 (v) THE CHARITABLE NONPROFIT ORGANIZATION IS SUBJECT TO A
16 REGULATORY AGREEMENT OR MORTGAGE WITH THE MICHIGAN STATE HOUSING
17 DEVELOPMENT AUTHORITY UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY
18 ACT OF 1966, 1966 PA 346, MCL 125.1401 TO 125.1499C, THE SUBJECT OF
19 WHICH INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

20 (A) THE AMOUNT THAT THE CHARITABLE NONPROFIT ORGANIZATION MAY
21 CHARGE TENANTS FOR RENT.

22 (B) THE ONGOING SUPPORT SERVICES THAT THE CHARITABLE NONPROFIT
23 ORGANIZATION MUST PROVIDE TO ELIGIBLE TENANTS, INCLUDING, BUT NOT
24 LIMITED TO, NUTRITIONAL COUNSELING, TRANSPORTATION, FINANCIAL
25 MANAGEMENT, AND CASE MANAGEMENT WITH RESPECT TO ACCESSING HEALTH
26 AND SOCIAL SERVICES, AS SET FORTH IN A CONTRACT BETWEEN THE OWNER
27 OF THE SUPPORTIVE HOUSING PROPERTY AND THE SUPPORT SERVICE PROVIDER

1 FOR AN ELIGIBLE TENANT.

2 (C) THE MINIMUM NUMBER OF UNITS THAT THE CHARITABLE NONPROFIT
3 ORGANIZATION SHALL PROVIDE TO LOW INCOME PERSONS AND THE MINIMUM
4 NUMBER THAT THE CHARITABLE NONPROFIT ORGANIZATION SHALL PROVIDE TO
5 MODERATE INCOME PERSONS.

6 (vi) THE CHARITABLE NONPROFIT ORGANIZATION IS LICENSED TO
7 SOLICIT CHARITABLE CONTRIBUTIONS UNDER THE CHARITABLE ORGANIZATIONS
8 AND SOLICITATIONS ACT, 1975 PA 169, MCL 400.271 TO 400.294.

9 (vii) THE CHARITABLE NONPROFIT ORGANIZATION HAS BEEN DESIGNATED
10 AS A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION BY THE MICHIGAN
11 STATE HOUSING DEVELOPMENT AUTHORITY UNDER THE STATE HOUSING
12 DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1401 TO
13 125.1499C.

14 SEC. 9K. PERSONAL PROPERTY OWNED BY A NONPROFIT CHARITABLE
15 ORGANIZATION EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE
16 CODE, 26 USC 501, THAT IS LOCATED IN SUPPORTIVE HOUSING PROPERTY
17 EXEMPT UNDER SECTION 7JJ IS EXEMPT FROM THE COLLECTION OF TAXES
18 UNDER THIS ACT.

19 Enacting section 1. This amendatory act is retroactive and is
20 effective for taxes levied after December 31, 2002.