

HOUSE BILL No. 5487

December 7, 2005, Introduced by Reps. Hune and Gaffney and referred to the Committee on Local Government and Urban Policy.

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) BEGINNING DECEMBER 31, 2002, SUPPORTIVE HOUSING
2 PROPERTY IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT IF
3 AN OWNER OF THAT SUPPORTIVE HOUSING PROPERTY CLAIMS AN EXEMPTION AS
4 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

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

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

26 (4) NOT MORE THAN 90 DAYS AFTER EXEMPTED PROPERTY IS NO LONGER
27 SUPPORTIVE HOUSING PROPERTY, AN OWNER SHALL RESCIND THE CLAIM OF

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

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

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

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

1 AGENTS.

2 (7) AS USED IN THIS SECTION:

3 (A) "DEVELOPMENTAL DISABILITY" MEANS THAT TERM AS DEFINED IN
4 SECTION 100A(21) OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL
5 330.1100A.

6 (B) "FUNCTIONAL IMPAIRMENT" MEANS THAT TERM AS DEFINED IN
7 SECTION 100B(5) OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL
8 330.1100B.

9 (C) "HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED IN SECTION
10 508 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508.

11 (D) "LOW INCOME" MEANS HOUSEHOLD INCOME OF NOT MORE THAN THAT
12 WHICH WOULD BE RECEIVED IN SUPPLEMENTAL SECURITY INCOME UNDER TITLE
13 XVI OF THE SOCIAL SECURITY ACT, 42 USC 1381 TO 1382J AND 1383 TO
14 1383F.

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

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

21 (i) THE CHARITABLE NONPROFIT ORGANIZATION PURCHASED THE
22 SUPPORTIVE HOUSING PROPERTY WITH FUNDING FROM THE MICHIGAN STATE
23 HOUSING DEVELOPMENT AUTHORITY UNDER THE STATE HOUSING DEVELOPMENT
24 AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1401 TO 125.1499C.

25 (ii) THE SUPPORTIVE HOUSING PROPERTY IS LOCATED IN A CITY OR
26 TOWNSHIP WITH A POPULATION OF MORE THAN 7,000 AND LESS THAN 35,000
27 THAT IS LOCATED IN A COUNTY WITH A POPULATION OF MORE THAN 150,000

1 AND LESS THAN 160,000.

2 (iii) THE SUPPORTIVE HOUSING PROPERTY HAS FEWER THAN 35 UNITS
3 AVAILABLE FOR ELIGIBLE TENANTS.

4 (iv) THE SUPPORTIVE HOUSING PROPERTY PROVIDES HOUSING SOLELY TO
5 LOW AND MODERATE INCOME PERSONS WITH A DEVELOPMENTAL DISABILITY OR
6 FUNCTIONAL IMPAIRMENT.

7 (v) THE CHARITABLE NONPROFIT ORGANIZATION IS SUBJECT TO A
8 REGULATORY AGREEMENT WITH THE MICHIGAN STATE HOUSING DEVELOPMENT
9 AUTHORITY UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF
10 1966, 1966 PA 346, MCL 125.1401 TO 125.1499C, THE SUBJECT OF WHICH
11 INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

12 (A) THE AMOUNT THAT THE CHARITABLE NONPROFIT ORGANIZATION MAY
13 CHARGE TENANTS FOR RENT.

14 (B) THE ONGOING SUPPORT SERVICES THAT THE CHARITABLE NONPROFIT
15 ORGANIZATION MUST PROVIDE TO ELIGIBLE TENANTS, INCLUDING, BUT NOT
16 LIMITED TO, NUTRITIONAL COUNSELING, TRANSPORTATION, FINANCIAL
17 MANAGEMENT, AND CASE MANAGEMENT WITH RESPECT TO ACCESSING HEALTH
18 AND SOCIAL SERVICES.

19 (C) THE MINIMUM NUMBER OF UNITS THAT THE CHARITABLE NONPROFIT
20 ORGANIZATION SHALL PROVIDE TO LOW INCOME PERSONS AND THE MINIMUM
21 NUMBER THAT THE CHARITABLE NONPROFIT ORGANIZATION SHALL PROVIDE TO
22 MODERATE INCOME PERSONS.

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

26 (vii) THE CHARITABLE NONPROFIT ORGANIZATION HAS BEEN DESIGNATED
27 AS A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION BY THE MICHIGAN

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

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

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