

# HOUSE BILL No. 6637

November 14, 2006, Introduced by Reps. David Law, Kahn, Nitz, Stakoe and Schuitmaker  
and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7d (MCL 211.7d), as amended by 1998 PA 469.

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

1           Sec. 7d. (1) Housing owned and operated by a nonprofit  
2 corporation or association, **BY A LIMITED DIVIDEND HOUSING**  
3 **CORPORATION**, or by this state, a political subdivision of this  
4 state, or an instrumentality of this state, for occupancy or use  
5 solely by elderly or disabled families is exempt from the  
6 collection of taxes under this act. For purposes of this section,  
7 housing is considered occupied solely by elderly or disabled  
8 families even if 1 or more of the units is occupied by service  
9 personnel, such as a custodian or nurse.

10           (2) If a local tax collecting unit has a tax roll for

1 collection, and the tax roll contains taxes assessed against  
2 property for which an exemption is claimed under this section, the  
3 appropriate collecting officer shall prepare a statement on a form  
4 prescribed by the department of management and budget describing  
5 the property for which an exemption is claimed under this section,  
6 the names and addresses of the corporation, ~~or~~ association, **OR**  
7 **LIMITED DIVIDEND HOUSING CORPORATION** entitled to the exemption, the  
8 total amount of taxes exempted, and the amount of taxes assessed  
9 against the property. The local tax collecting unit shall forward  
10 the statement to the department of management and budget. Upon  
11 verification of the statement, the state treasurer shall draw his  
12 or her warrant upon the state treasury for the total amount of tax  
13 revenues lost by the local tax collecting unit as a result of the  
14 exemption under this section as shown by the statement. After  
15 examining the statement, the state treasurer shall forward the  
16 warrants to the treasurer of the local tax collecting unit.

17 (3) The director of the department of management and budget  
18 shall estimate the amount necessary to meet the expense of  
19 administering the provisions of this section in each year, and the  
20 legislature shall appropriate an amount sufficient to meet that  
21 expense in each year.

22 (4) As used in this section:

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

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

1 disabled person.

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

5 (d) "Housing" means new or rehabilitated structures with 8 or  
6 more residential units in 1 or more of the structures for occupancy  
7 and use by elderly or disabled persons, including essential  
8 contiguous land and related facilities as well as all personal  
9 property of the corporation, ~~or~~ association, **OR LIMITED DIVIDEND**  
10 **HOUSING CORPORATION** used in connection with the facilities.

11 (E) "**LIMITED DIVIDEND HOUSING CORPORATION**" **MEANS A CORPORATION**  
12 **INCORPORATED OR QUALIFIED UNDER THE LAWS OF THIS STATE AND CHAPTER**  
13 **6 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA**  
14 **346, MCL 125.1481 TO 125.1486, OR A LIMITED DIVIDEND HOUSING**  
15 **ASSOCIATION ORGANIZED AND QUALIFIED UNDER CHAPTER 7 OF THE STATE**  
16 **HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL**  
17 **125.1491 TO 125.1496, THAT WILL REHABILITATE AND OWN A HOUSING**  
18 **FACILITY OR PROJECT PREVIOUSLY QUALIFIED, BUILT, OR FINANCED UNDER**  
19 **SECTION 202 OF TITLE II OF THE HOUSING ACT OF 1959, PUBLIC LAW 86-**  
20 **372, 12 USC 1701Q, SECTION 236 OF TITLE II OF THE NATIONAL HOUSING**  
21 **ACT, CHAPTER 847, 82 STAT. 498, 12 USC 1715Z-1, OR SECTION 811 OF**  
22 **SUBTITLE B OF TITLE VIII OF THE CRANSTON-GONZALEZ NATIONAL**  
23 **AFFORDABLE HOUSING ACT, PUBLIC LAW 101-625, 42 USC 8013.**

24 (F) ~~(e)~~ "Nonprofit corporation or association" means a  
25 nonprofit corporation or association incorporated under the laws of  
26 this state not otherwise exempt from the collection of taxes under  
27 this act, operating a housing facility or project qualified, built,

1 or financed under section 202 of title II of the housing act of  
2 1959, Public Law 86-372, 12 ~~U.S.C.~~ **USC** 1701q, section 236 of  
3 title II of the national housing act, chapter 847, 82 Stat. 498, 12  
4 ~~U.S.C.~~ **USC** 1715z-1, or section 811 of subtitle B of title VIII of  
5 the Cranston-Gonzalez national affordable housing act, Public Law  
6 101-625, 42 ~~U.S.C.~~ **USC** 8013.

7 (G) ~~(f)~~ "Person with disabilities" means that term as  
8 defined in section 811 of subtitle B of title VIII of the Cranston-  
9 Gonzalez national affordable housing act, Public Law 101-625, 42  
10 ~~U.S.C.~~ **USC** 8013.

11 (H) ~~(g)~~ "Residential units" includes 1-bedroom units  
12 licensed under the adult foster care facility licensing act, 1979  
13 PA 218, MCL 400.701 to 400.737, for persons who share dining,  
14 living, and bathroom facilities and who have a mental illness,  
15 developmental disability, or a physical ~~handicap~~ **DISABILITY**, as  
16 those terms are defined in the adult foster care facility licensing  
17 act, 1979 PA 218, MCL 400.701 to 400.737, or individual self-  
18 contained dwellings in an unlicensed facility. At the time of  
19 construction or rehabilitation, both self-contained dwellings and  
20 1-bedroom units must be financed ~~under~~ either **UNDER** section 202  
21 of title II of the housing act of 1959, Public Law 86-372, 12  
22 ~~U.S.C.~~ **USC** 1701q, or under section 811 of subtitle B of title VIII  
23 of the Cranston-Gonzalez national affordable housing act, Public  
24 Law 101-625, 42 ~~U.S.C.~~ **USC** 8013.