



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 1051 (Substitute S-1 as reported)  
Sponsor: Senator Steven Bieda  
Committee: Finance

**CONTENT**

The bill would amend the General Property Tax Act to provide that an approved property tax exemption for housing for elderly or disabled families would begin on December 1 of the year in which a claim was properly submitted; and indicate that exempt property would not be subject to forfeiture, foreclosure, and sale for delinquent taxes.

The Act allows a tax exemption for housing owned and operated by a nonprofit corporation or association, the State, a local unit, or a limited dividend housing corporation, for occupancy or use solely by elderly or disabled families. The property owner may claim the exemption by filing a form, and the local assessor must approve or disapprove the exemption. The assessor also must notify the Department of Treasury of the approval or disapproval, and the Department may deny an exemption.

An exemption begins on December 31 of the year in which it is approved. Under the bill, instead, if an exemption were approved, it would begin on December 31 of the year in which the property owner properly submitted a claim for exemption to the assessor of the local tax collecting unit.

Currently, property that is eligible for the exemption is not subject to forfeiture, foreclosure, and sale for taxes returned as delinquent under the Act for any year in which the property was exempt. The bill provides, instead, that property that was exempt would not be subject to forfeiture, foreclosure, and sale for taxes returned as delinquent under the Act.

MCL 211.7d

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would have an unknown and likely negligible impact on State and local unit revenue and expenditures. For affected properties, where an exemption is approved in a different tax year than when submitted, the bill would make the exemption effective one year earlier. The exemption reduces both State and local unit revenue. For local units, the loss is generally reimbursed by State General Fund revenue. Losses to local school districts attributable to the 18-mill operating levy increase State School Aid Fund expenditures due to State per-pupil funding guarantees.

It is impossible to know how many exemptions will be filed, the specific characteristics of the affected properties, or the number of those filings that will not be approved during the tax year in which they are filed. However, the number of affected properties is expected to be minimal and the impact on both State expenditures and State revenue negligible.

Date Completed: 9-19-14

Fiscal Analyst: David Zin

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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