

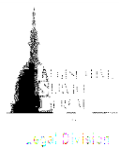
# HOUSE BILL NO. 6102

August 12, 2020, Introduced by Rep. Cole and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.155) by adding section 7xx.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7xx. (1) Beginning December 31, 2020, rural workforce  
2 housing property is exempt from the tax levied by a local school  
3 district for school operating purposes to the extent provided under  
4 section 1211 of the revised school code, 1976 PA 451, MCL 380.1211,  
5 if an owner of that rural workforce housing property claims an  
6 exemption as provided in this section.



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(2) An owner of rural workforce housing property may claim an exemption under this section by filing an affidavit on or before December 31 with the local tax collecting unit in which the rural workforce housing property is located. The affidavit must state that the property is owned and occupied as rural workforce housing property on the date that the affidavit is signed. The affidavit must be on a form prescribed by the department of treasury. One copy of the affidavit must be retained by the owner, 1 copy must be retained by the local tax collecting unit until any appeal or audit period under this act has expired, and 1 copy must be forwarded to the department of treasury.

(3) Upon receipt of an affidavit filed under subsection (2) and unless the claim is denied under this section, the assessor shall exempt the rural workforce housing property from the collection of the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as provided in subsection (1), until December 31 of the year in which the property is no longer rural workforce housing property.

(4) Not more than 90 days after exempted property is no longer rural workforce housing property, an owner shall rescind the claim of exemption by filing with the local tax collecting unit a rescission form prescribed by the department of treasury. An owner that fails to file a rescission form as required by this subsection is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00. The penalty is to be collected under 1941 PA 122, MCL 205.1 to 205.31, and deposited in the state school aid fund. The penalty may be waived by the department of treasury.

1       (5) If an assessor of a local tax collecting unit believes  
2 that property for which an exemption is claimed under this section  
3 is not rural workforce housing property, the assessor may deny a  
4 new or existing claim by notifying the owner and the department of  
5 treasury in writing of the reason for the denial and advising the  
6 owner that the denial may be appealed to the state tax commission  
7 within 35 days after the date of the notice. The assessor may deny  
8 a claim for exemption for the current year and for the 3  
9 immediately preceding calendar years. If the assessor denies an  
10 existing claim for exemption, the assessor shall remove the  
11 exemption of the property and, if the tax roll is in the local tax  
12 collecting unit's possession, amend the tax roll to reflect the  
13 denial and the local treasurer shall within 30 days of the date of  
14 the denial issue a corrected tax bill for any additional taxes with  
15 interest and penalties computed from the date the taxes were last  
16 payable without interest or penalty. If the tax roll is in the  
17 county treasurer's possession, the tax roll must be amended to  
18 reflect the denial and the county treasurer shall within 30 days of  
19 the date of the denial prepare and submit a supplemental tax bill  
20 for any additional taxes, together with interest and penalties  
21 computed from the date the taxes were last payable without interest  
22 or penalty. Taxes levied in a corrected or supplemental tax bill  
23 must be returned as delinquent on March 1 in the year immediately  
24 succeeding the year in which the corrected or supplemental tax bill  
25 is issued. However, if the property has been transferred to a bona  
26 fide purchaser before additional taxes were billed to the seller as  
27 a result of the denial of a claim for exemption, the taxes,  
28 interest, and penalties are not a lien on the property and must not  
29 be billed to the bona fide purchaser, and the local tax collecting



1 unit, if the local tax collecting unit has possession of the tax  
2 roll, or the county treasurer, if the county has possession of the  
3 tax roll, shall notify the department of treasury of the amount of  
4 tax, interest, and penalties due through the date of that  
5 notification. The department of treasury shall then assess the  
6 owner that claimed the exemption under this section for the tax,  
7 interest, and penalties accruing as a result of the denial of the  
8 claim for exemption, if any, as for unpaid taxes provided under  
9 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax,  
10 penalty, and interest collected into the state school aid fund. The  
11 denial must be made on a form prescribed by the department of  
12 treasury.

13 (6) The department of treasury shall make available the  
14 affidavit forms and the forms to rescind an exemption under this  
15 section, which may be on the same form, to all city and township  
16 assessors, county equalization officers, county registers of deeds,  
17 and closing agents.

18 (7) As used in this section:

19 (a) "Area median income" means the median income for the  
20 county as determined by the United States Secretary of Housing and  
21 Urban Development, with adjustments for family size.

22 (b) "Eligible rural municipality" means a city, village, or  
23 township that meets 1 of the following:

24 (i) Has a population of less than 20,000.

25 (ii) Has a population of 20,000 or more and is not located in a  
26 metropolitan statistical area as that term is defined by the United  
27 States Census Bureau.

28 (iii) Is located in a county with a population of not more than  
29 165,000.



1 (c) "Rental unit" means that term as defined in section 1 of  
2 1972 PA 348, MCL 554.601.

3 (d) "Rural workforce housing property" means rental units or  
4 other housing options located in an eligible rural municipality  
5 that, under standards prescribed by the department of treasury, are  
6 reasonably affordable to, and occupied by, a household whose total  
7 household income is not greater than 150% of the area median  
8 income.

9 (e) "State school aid fund" means the state school aid fund  
10 established in section 11 of article IX of the state constitution  
11 of 1963.

12 Enacting section 1. This amendatory act does not take effect  
13 unless Senate Bill No.\_\_\_\_ or House Bill No. 6103 (request no.  
14 06409'20 a) of the 100th Legislature is enacted into law.

