

HOUSE BILL No. 5983

October 19, 2016, Introduced by Rep. Chang and referred to the Committee on Local Government.

A bill to authorize local units of government to limit rent for disabled individuals and individuals over a certain age, to exempt property from ad valorem property taxes, and to impose a specific tax; and to provide for the powers and duties of certain local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "General property tax act" means the general property tax
3 act, 1893 PA 206, MCL 211.1 to 211.155.

4 (b) "Individual with a disability" means an individual with a
5 determinable physical or mental characteristic, which may result
6 from disease, injury, congenital condition of birth, or functional
7 disorder, that substantially limits 1 or more of the major life
8 activities of that individual.

1 (c) "Local unit" means a local tax collecting unit as that
2 term is used in the general property tax act.

3 (d) "Rent limitation ordinance" means an ordinance adopted
4 under section 2(1).

5 (e) "Senior citizen" means an individual who is 62 or more
6 years of age.

7 (f) "Specific tax" means a specific tax levied as provided for
8 by ordinance under section 3(2).

9 Sec. 2. A local unit may adopt an ordinance to limit the rent
10 paid by senior citizens and individuals with a disability to 50% of
11 their household incomes. The rent limitation ordinance shall not
12 apply to an individual who is less than 71 years of age and who is
13 not an individual with a disability unless the individual has lived
14 in the dwelling unit for the preceding 5 years.

15 Sec. 3. (1) A local unit with a rent limitation ordinance may
16 adopt an ordinance providing that property subject to the rent
17 limitation ordinance is exempt from ad valorem property taxes.

18 (2) An ordinance that exempts property from ad valorem
19 property taxes as provided under subsection (1) shall levy a
20 specific tax each year upon the owner of property so exempted. The
21 amount of the specific tax in each year is the amount of tax that
22 would have been collected on that parcel under the general property
23 tax act if that parcel was not exempt as provided for by the
24 ordinance under subsection (1) minus an amount determined pursuant
25 to the ordinance but not exceeding the ad valorem taxes that would
26 otherwise be levied on the property by the local unit adopting the
27 ordinance.

1 (3) The assessor of each local tax collecting unit shall
2 determine annually as of December 31 the value and taxable value of
3 each parcel of property that is exempt from general ad valorem
4 taxes as provided for by ordinance under subsection (1) and shall
5 furnish that information to the legislative body of the local unit.

6 (4) The specific tax is an annual tax payable at the same
7 times, in the same installments, and to the same officer or
8 officers as taxes imposed under the general property tax act are
9 payable.

10 (5) The officer or officers to whom the specific tax is
11 payable shall disburse the tax payments received each year to the
12 state and the same municipalities, counties, school districts, and
13 other taxing authorities at the same times and in the same amounts
14 as required by law for the disbursement of taxes collected under
15 the general property tax act. However, the tax payments disbursed
16 to the local unit levying the specific tax shall be reduced by the
17 difference between the amount of the ad valorem property tax that
18 would otherwise be levied on the property subject to the rent
19 limitation and the amount of the specific tax.

20 (6) The specific tax levied becomes a lien on the property
21 assessed on the same date that a tax becomes a lien on real
22 property under the general property tax act. A lien for the
23 specific tax includes any applicable collection fee or interest. A
24 lien under this subsection continues until paid.

25 (7) Any unpaid specific tax and any applicable collection fee
26 or interest shall be returned as delinquent to the county treasurer
27 at the same time taxes are returned as delinquent under the general

1 property tax act. Except as otherwise provided in this subsection,
2 property subject to a specific tax returned as delinquent is
3 subject to forfeiture, foreclosure, and sale at the same time and
4 in the same manner as property subject to delinquent taxes under
5 the general property tax act. If a specific tax or any applicable
6 collection fee or interest for a property has not been paid for 2
7 or more years on the date the property is returned as delinquent
8 under this subsection, the property shall be forfeited to the
9 county treasurer upon its return and is subject to foreclosure and
10 sale at the same time and in the same manner as other property
11 forfeited under the general property tax act.

12 (8) The owner of property who has failed to pay a specific tax
13 is not eligible for the exemption provided for by ordinance under
14 subsection (1) for succeeding tax years.

15 Enacting section 1. This act takes effect 90 days after the
16 date it is enacted into law.