

SENATE BILL No. 1113

September 5, 2018, Introduced by Senator CASPERSON and referred to the Committee on 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) THE GOVERNING BODY OF A LOCAL TAX COLLECTING**
2 **UNIT MAY, AS PROVIDED IN THIS SECTION, ADOPT A RESOLUTION TO EXEMPT**
3 **FROM THE COLLECTION OF TAXES UNDER THIS ACT SPECIFICALLY IDENTIFIED**
4 **REAL PROPERTY THAT MEETS ALL OF THE FOLLOWING:**

5 **(A) IS LOCATED IN AN ELIGIBLE DISTRESSED AREA.**

6 **(B) IS OWNED AND USED BY A QUALIFIED HEALTH CARE ENTITY**
7 **PRIMARILY TO PROVIDE HEALTH SERVICES.**

8 **(C) WAS PURCHASED BY THAT QUALIFIED HEALTH CARE ENTITY FROM A**
9 **MUNICIPAL HEALTH FACILITIES CORPORATION THAT PREVIOUSLY OWNED AND**

1 USED THE PROPERTY PRIMARILY TO PROVIDE HEALTH SERVICES.

2 (2) A RESOLUTION ADOPTED BY THE GOVERNING BODY OF A LOCAL TAX
3 COLLECTING UNIT UNDER SUBSECTION (1) MUST SET FORTH THE PERIOD
4 DURING WHICH SPECIFICALLY IDENTIFIED REAL PROPERTY IS EXEMPT, WHICH
5 PERIOD SHALL NOT EXCEED 20 YEARS. IF THE RESOLUTION IS APPROVED AS
6 PROVIDED IN THIS SECTION, THE EXEMPTION OF THAT SPECIFICALLY
7 IDENTIFIED REAL PROPERTY IS EFFECTIVE ON THE DECEMBER 31
8 IMMEDIATELY SUCCEEDING THE ADOPTION OF THE RESOLUTION AND CONTINUES
9 IN EFFECT THROUGH DECEMBER 30 IN THE FINAL YEAR OF EXEMPTION AS
10 DETERMINED IN THE RESOLUTION.

11 (3) A RESOLUTION ADOPTED BY THE GOVERNING BODY OF A LOCAL TAX
12 COLLECTING UNIT UNDER SUBSECTION (1) MAY INCLUDE TERMS AND
13 CONDITIONS OF THE AGREEMENT BY WHICH THE QUALIFIED HEALTH CARE
14 ENTITY PURCHASED THE SPECIFICALLY IDENTIFIED REAL PROPERTY FROM THE
15 MUNICIPAL HEALTH FACILITIES CORPORATION AND UPON WHICH THE
16 EXEMPTION UNDER THIS SECTION IS PREDICATED.

17 (4) BEFORE ACTING ON THE RESOLUTION UNDER SUBSECTION (1), THE
18 CLERK OF THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY IN WRITING THE
19 ASSESSOR OF THE LOCAL TAX COLLECTING UNIT AND THE LEGISLATIVE BODY
20 OF EACH TAXING UNIT THAT LEVIES AD VALOREM PROPERTY TAXES IN THE
21 LOCAL TAX COLLECTING UNIT. THE GOVERNING BODY OF THE LOCAL TAX
22 COLLECTING UNIT SHALL AFFORD THE ASSESSOR AND A REPRESENTATIVE OF
23 THE AFFECTED TAXING UNITS AN OPPORTUNITY FOR A HEARING BEFORE
24 ACTING ON THE RESOLUTION UNDER SUBSECTION (1). A COPY OF THE
25 RESOLUTION ADOPTED UNDER SUBSECTION (1) SHALL BE FILED WITH THE
26 STATE TAX COMMISSION, THE STATE TREASURER, AND ALL AFFECTED TAXING
27 UNITS. A RESOLUTION ADOPTED UNDER SUBSECTION (1) IS NOT EFFECTIVE

1 UNLESS APPROVED AS PROVIDED IN SUBSECTION (5).

2 (5) NOT MORE THAN 60 DAYS AFTER RECEIPT OF A COPY OF THE
3 RESOLUTION ADOPTED BY THE GOVERNING BODY OF A LOCAL TAX COLLECTING
4 UNIT UNDER SUBSECTION (1), THE STATE TAX COMMISSION SHALL DETERMINE
5 IF THE REAL PROPERTY SUBJECT TO THE EXEMPTION MEETS THE
6 REQUIREMENTS OF SUBSECTION (1). IF THE STATE TAX COMMISSION
7 DETERMINES THAT THE REAL PROPERTY SUBJECT TO THE EXEMPTION MEETS
8 THE REQUIREMENTS OF SUBSECTION (1), THE STATE TREASURER SHALL
9 APPROVE THE RESOLUTION ADOPTED UNDER SUBSECTION (1) IF THE STATE
10 TREASURER DETERMINES THAT EXEMPTING THAT REAL PROPERTY IS NECESSARY
11 TO PROMOTE ECONOMIC STABILITY, PREVENT UNEMPLOYMENT, AND MAINTAIN
12 ACCESS TO CRITICAL HEALTH SERVICES IN THE AREA SERVED BY THE
13 QUALIFIED HEALTH CARE ENTITY.

14 (6) NOT MORE THAN 45 DAYS AFTER THE STATE TREASURER APPROVES
15 UNDER SUBSECTION (5) A RESOLUTION ADOPTED UNDER SUBSECTION (1), THE
16 COUNTY IN WHICH THE LOCAL TAX COLLECTING UNIT THAT ADOPTED THE
17 RESOLUTION UNDER SUBSECTION (1) IS LOCATED MAY BY RESOLUTION ELECT
18 TO WITHDRAW ALL MILLS LEVIED BY THAT COUNTY FROM THE EXEMPTION
19 UNDER THIS SECTION. IF A COUNTY ELECTS TO WITHDRAW ALL MILLS LEVIED
20 BY THAT COUNTY FROM THE EXEMPTION UNDER THIS SECTION, THE LOCAL TAX
21 COLLECTING UNIT SHALL LEVY AND COLLECT ALL MILLS LEVIED BY THAT
22 COUNTY ON THE REAL PROPERTY OWNED BY A QUALIFIED HEALTH CARE ENTITY
23 IDENTIFIED IN THE RESOLUTION ADOPTED UNDER SUBSECTION (1). A COPY
24 OF A RESOLUTION ADOPTED UNDER THIS SUBSECTION SHALL BE FILED WITH
25 THE LOCAL TAX COLLECTING UNIT, THE STATE TAX COMMISSION, AND THE
26 STATE TREASURER.

27 (7) THE STATE TAX COMMISSION SHALL ANNUALLY REPORT TO THE

1 SENATE FINANCE COMMITTEE AND HOUSE TAX POLICY COMMITTEE THE TOTAL
2 NUMBER OF QUALIFIED HEALTH CARE ENTITIES THAT ARE RECEIVING AN
3 EXEMPTION UNDER THIS SECTION.

4 (8) AS USED IN THIS SECTION:

5 (A) "ELIGIBLE DISTRESSED AREA" MEANS THAT TERM AS DEFINED IN
6 SECTION 11 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,
7 1966 PA 346, MCL 125.1411.

8 (B) "HEALTH CARE FACILITIES" AND "HEALTH SERVICES" MEAN THOSE
9 TERMS AS DEFINED IN SECTION 103 OF THE MUNICIPAL HEALTH FACILITIES
10 CORPORATIONS ACT, 1987 PA 230, MCL 331.1103.

11 (C) "MUNICIPAL HEALTH FACILITIES CORPORATION" MEANS
12 "CORPORATION" AS THAT TERM IS DEFINED IN SECTION 103(D) OF THE
13 MUNICIPAL HEALTH FACILITIES CORPORATIONS ACT, 1987 PA 230, MCL
14 331.1103.

15 (D) "QUALIFIED HEALTH CARE ENTITY" MEANS A FOR-PROFIT ENTITY
16 THAT PURCHASED HEALTH CARE FACILITIES FROM A MUNICIPAL HEALTH
17 FACILITIES CORPORATION AND IS USING THOSE FACILITIES PRIMARILY TO
18 PROVIDE HEALTH SERVICES.