

DRAFT 1

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

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

1           **Sec. 7yy. (1) Beginning December 31, 2021, 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.**  
7           **(2) An owner of rural workforce housing property may claim an**



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

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

19 (4) Not more than 90 days after exempted property is no longer  
20 rural workforce housing property, an owner shall rescind the claim  
21 of exemption by filing with the local tax collecting unit a  
22 rescission form prescribed by the department of treasury. An owner  
23 that fails to file a rescission form as required by this subsection  
24 is subject to a penalty of \$5.00 per day for each separate failure  
25 beginning after the 90 days have elapsed, up to a maximum of  
26 \$200.00. The penalty is to be collected under 1941 PA 122, MCL  
27 205.1 to 205.31, and deposited in the state school aid fund. The  
28 penalty may be waived by the department of treasury.

29 (5) If an assessor of a local tax collecting unit believes



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



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

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

17 (7) As used in this section:

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

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

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

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

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

29 (c) "Rental unit" means that term as defined in section 1 of



1 1972 PA 348, MCL 554.601.

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

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

11 Enacting section 1. This amendatory act does not take effect  
12 unless Senate Bill No.\_\_\_\_ or House Bill No.\_\_\_\_ (request no.  
13 01778'21 a) of the 101st Legislature is enacted into law.

