

Chapter 78 TAXATION*

***Cross reference(s)**--Any ordinance not codified in this Code that levies, imposes or otherwise relates to taxes, exemption from taxes and fees in lieu of taxes saved from repeal, ' 1-11(a)(14); administration, ch. 2; finance, ' 2-301 et seq.; businesses, ch. 18; special assessments, ch. 66; fee schedule, app. A.

State law reference(s)--General property tax act, MCL 211.1 et seq., MSA 7.1 et seq.

Article I. In General

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ARTICLE I. IN GENERAL

Secs. 78-1--78-30. Reserved.

ARTICLE II. AD VALOREM TAXES*

*State law reference(s)--State Housing Authority Act of 1966, MCL 125.1401 et seq., MSA 16.114(1) et seq.

DIVISION 1. GENERALLY

Secs. 78-31--78-50. Reserved.

DIVISION 2. EXEMPTIONS FOR LOW INCOME ELDERLY

Sec. 78-51. Findings.

It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its elderly citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Housing Development Authority Act of 1966, being Public Act No. 346 of 1966 (MCL 125.1401 et seq., MSA 16.114(1) et seq.). The city is authorized by the act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under the act at any amount it chooses not to exceed the taxes that would be paid but for the act. It is further acknowledged that such housing for elderly persons of low income is a public necessity; and as the city will be benefited and improved by such housing, the encouragement of tax-exempt housing by providing certain real estate tax exemption is a valid public purpose; further, the continuance of the provisions of this article for tax exemption and the service charge in lieu of taxes during the periods contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance thereon.

(Ord. No. 40, ' 13-1, 8-28-1980)

Sec. 78-52. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Act means the state Housing Development Authority Act, being Public Act No. 346 of 1966 (MCL 125.1401 et seq., MSA 16.114(1) et seq.).

Annual shelter rents means the total collections during an agreed annual period from all occupants of a housing project representing rents or occupancy charges

exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

Authority means the Michigan State Housing Development Authority.

Contract rents are as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to section 8 of the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

Elderly persons means a family where the head of household is 55 years of age or older or a single person who is 55 years of age or older.

Elderly persons of low income means elderly persons who meet the income limitations set by the federal government through HUD.

Housing development means a development which contains a significant element of housing for elderly persons of low income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.

HUD means the Department of Housing and Urban Development of the United States government.

Mortgage loan means a loan to be made by the authority or Farmers Home Administration to the sponsor for the construction and permanent financing of the housing development, or a mortgage loan insured by HUD.

Sponsor means persons or entities which have applied to either the authority for a mortgage loan to finance a housing development or to another governmental entity for a federally aided loan (as defined in the act).

Utilities mean fuel, water, sanitary sewer service and/or electrical service which are paid by the development.
(Ord. No. 40, ' 13-2, 8-28-1980)

Cross reference(s)--Definitions generally, ' 1-2.

Sec. 78-53. Class of housing developments.

It is determined that the class of housing developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be multiple dwellings for elderly persons of low income, which are financed or assisted by the authority or which are federally aided, as defined in the act.
(Ord. No. 40, ' 13-3, 8-28-1980)

Sec. 78-54. Establishment of annual service charge.

The housing developments for elderly persons of low income and the property on which they shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The city, acknowledging that the sponsor and the authority and/or HUD have established the economic feasibility of the housing developments in reliance upon the enactment and continuing effect of this article and the qualification of the housing developments for exemption from all property taxes and a payment in lieu of taxes as established, will accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four percent of the difference between contract rents actually collected and utilities but shall not exceed the amount of the property taxes which would otherwise be due.

(Ord. No. 40, ' 13-4, 8-28-1980)

State law reference(s)--Maximum amount of service charge in lieu of taxes, MCL 125.1415a, MSA 16.114(15a).

Sec. 78-55. Resolution; contractual effect.

A resolution of the city council granting tax-exempt status, as provided in this article, shall be adopted for each housing development qualified under the terms and provisions of this article. Notwithstanding the provisions of section 15(a)(5) of the act to the contrary, a contract between the city and the sponsor with the authority or other governmental entity as third party beneficiary under the act, to provide tax exemption and accept payments in lieu thereof as previously described will be effected by the enactment of such a resolution by the city council.

(Ord. No. 40, ' 13-5, 8-28-1980)

Sec. 78-56. Payment of service charge.

The service charge in lieu of taxes as determined under this article shall be payable in the same manner as general property taxes are payable to the city, except that the annual payment shall be paid on or before July 1 of the year following the year upon which the charge is calculated.

(Ord. No. 40, ' 13-6, 8-28-1980)

Sec. 78-57. Duration.

The tax-exempt status of a housing development approved for such status by resolution of the city council shall remain in effect and shall not terminate so long as the mortgage loan for such housing development remains outstanding and unpaid, or for such period as the authority or other governmental entity has any interest in the property; provided, the construction of such housing development commences within one year from the effective date of the resolution of the council approving the housing development for tax-exempt status as provided in this article.

(Ord. No. 40, ' 13-7, 8-28-1980)