

## Chapter 32

### TAXATION\*

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\* **Charter References:** Taxation, Ch. 9.

**Cross References:** Any ordinance levying or imposing annual taxes saved from repeal, § 1-6(5); administration, Ch. 2; finance, § 2-316 et seq.; licensing generally, Ch. 16; special assessments, Ch. 28.

**State Law References:** General property tax act, MCL 211.1 et seq., MSA 7.1 et seq.

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**Art. I. In General, §§ 32-1--32-15**

**Art. II. Reserved, §§ 32-16--32-35**

**Art. III. Service Charge in Lieu of Taxes for Certain Housing Developments, §§ 32-36--32-42**

#### ARTICLE I.

#### IN GENERAL

##### **Sec. 32-1. Taxes and collection charges.**

(a) City taxes, assessments and charges due and payable July 1 that are paid on or before August 31 shall be collected by the city treasurer without additional charge. There shall be added to such taxes, assessments and charges not paid collection charges of two (2) percent on the first day of September and one (1) percent on the first day of each succeeding month thereafter until the closing of the city tax roll on the first day of November, after a total four (4) percent collection charge has been added thereto. The collection charge herein provided shall be a lien against the property to which the taxes themselves apply, collectible in the same manner as the taxes to which they are added. City taxes, assessments and charges unpaid at the closing of the city tax roll shall be noted on the billing for the December tax roll upon which the county and school taxes are collected.

(b) Taxes, assessments and charges on the December tax roll paid on or before February 14 of the succeeding year shall be collected by the city treasurer without additional charge. There shall be added to such taxes, assessments and charges not paid and city taxes, assessments and charges remaining unpaid an additional three (3) percent collection charge until the end of February.

(Ord. No. 636, § 1, 8-4-03)

**Secs. 32-2--32-15. Reserved.**

#### ARTICLE II.

#### RESERVED\*

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\* **Editors Note:** Ord. No. 470, § 1, adopted Feb. 19, 1990, repealed Art. II, §§ 32-16--32-21, which pertained to the board of review and derived from Ord. No. 441, §§ 1.401--1.404, adopted Feb. 17, 1986.

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**Secs. 32-16--32-35. Reserved.**

**ARTICLE III.**

**SERVICE CHARGE IN LIEU OF TAXES FOR CERTAIN HOUSING DEVELOPMENTS\***

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\* **State Law References:** State Housing Development Authority Act, MCL 125.1401 et seq., MSA 16.114(1) et seq.

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**Sec. 32-36. Preamble.**

It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its 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 state housing development authority act of 1966, Act No. 346 of the Public Acts of Michigan 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 persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption therefor is a valid public purpose; further, that the continuance of the provisions of this article for tax exemption and the service charge in lieu of taxes during the periods hereinafter contemplated are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance thereon. The city acknowledges that Owosso Limited Dividend Housing Association (a sponsor) has offered subject to receipt of a mortgage loan from the authority, to erect, own and operate a housing development identified as Owosso Mixed, MSHDA #618 on certain property located at (see legal description on file with the city clerk) in the city to serve persons of low income, and that the sponsor has offered to pay the city on account of the development an annual service charge for public services in lieu of all taxes.

(Ord. No. 358, § 2, 5-16-80)

**Sec. 32-37. 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 Act No. 346 of the Public Acts of Michigan of 1966 (MCL 125.1401 et seq., MSA 16.114(1) et seq.), as amended.

*Authority* means the state housing development authority.

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

*Housing development* means a development which contains a significant element of housing for 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.

*Mortgage loan* means a loan to be made by the authority to the sponsor for the construction and permanent financing of the housing development.

*Sponsor* means persons or entities which have applied to the authority for a mortgage loan to finance a housing development.

*Utilities* mean fuel, water, sanitary sewer service and/or electrical service which are paid by the development.

(Ord. No. 358, § 3, 5-16-80)

**Cross References:** Definitions and rules of construction generally, § 1-2.

### **Sec. 32-38. Class of housing developments.**

It is hereby 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 the elderly, which are financed or assisted pursuant to the act. It is further determined that Owosso Mixed, MSHDA #618 is of this class.

(Ord. No. 358, § 4, 5-16-80)

### **Sec. 32-39. Establishment of annual service charge.**

The housing development identified as Owosso Mixed, MSHDA #618 and the property on which it 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 have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established herein, and in consideration of the sponsor's offer, subject to receipt of a mortgage loan from the authority, to construct, own and operate the housing development, hereby agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charges shall be equal to four (4) percent of the difference between contract rents actually collected and utilities.

(Ord. No. 358, § 5, 5-16-80)

### **Sec. 32-40. Contractual effect.**

Notwithstanding the provisions of section 15a(5) of the Act (MCL 125.1415a(5), MSA 16.114(15a)(5)), to the contrary, a contract between the city and the sponsor with the authority as third part beneficiary thereunder, to provide tax exemption and accept payments in lieu thereof as previously described is effected by enactment of this article.

(Ord. No. 358, § 6, 5-16-80)

### **Sec. 32-41. Service charge.**

The service charge in lieu of taxes as determined hereunder 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 March thirty-first of the following year.

(Ord. No. 358, § 7, 5-16-80; Ord. No. 389, § 1, 4-19-82)

**Sec. 32-42. Duration.**

Pursuant to section 15a(3) of the Act (MCL 125.1415a(3), MSA 16.114(15a)(3)), [of] this article shall remain in effect and shall not terminate so long as the mortgage loan remains outstanding and unpaid or the authority has any interest in the property.

(Ord. No. 358, § 8, 5-16-80)