

**SUBSTITUTE FOR
HOUSE BILL NO. 4828**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7u (MCL 211.7u), as amended by 2012 PA 135.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7u. (1) The principal residence of ~~persons~~**a person** who,
2 in the judgment of the supervisor and board of review, by reason of
3 poverty, ~~are~~**is** unable to contribute toward the public charges is
4 eligible for exemption in whole or in part from ~~taxation~~**the**
5 **collection of taxes** under this act. This section does not apply to
6 the property of a corporation.

7 (2) To be eligible for exemption under this section, a person
8 shall, **subject to subsections (6) and (8)**, do all of the following
9 on an annual basis:



1 (a) ~~Be an owner of~~ **Own** and occupy as a principal residence the
2 property for which an exemption is requested. **The person shall**
3 **affirm this ownership and occupancy status in writing by filing a**
4 **form prescribed by the state tax commission with the local tax**
5 **collecting unit.**

6 (b) File a claim with the supervisor or board of review on a
7 form provided by the local ~~assessing~~ **tax collecting** unit,
8 accompanied by federal and state income tax returns for all persons
9 residing in the principal residence, including any property tax
10 credit returns, filed in the immediately preceding year or in the
11 current year. Federal and state income tax returns are not required
12 for a person residing in the principal residence if that person was
13 not required to file a federal or state income tax return in the
14 tax year in which the exemption under this section is claimed or in
15 the immediately preceding tax year. If a person was not required to
16 file a federal or state income tax return in the tax year in which
17 the exemption under this section is claimed or in the immediately
18 preceding tax year, an affidavit in a form prescribed by the state
19 tax commission may be accepted in place of the federal or state
20 income tax return. The filing of a claim under this subsection
21 constitutes an appearance before the board of review for the
22 purpose of preserving the claimant's right to appeal the decision
23 of the board of review regarding the claim.

24 (c) Produce a valid ~~driver's~~ **driver** license or other form of
25 identification if requested by the supervisor or board of review.

26 (d) Produce a deed, land contract, or other evidence of
27 ownership of the property for which an exemption is requested if
28 required by the supervisor or board of review.

29 (e) Meet the federal poverty guidelines ~~updated~~ **published**



1 annually in the ~~federal register~~ **Federal Register** by the United
 2 States ~~department~~ **Department** of health ~~Health~~ and human ~~services~~
 3 **Human Services** under **its** authority ~~of section 673 of subtitle B of~~
 4 ~~title VI of the omnibus budget reconciliation act of 1981, Public~~
 5 ~~Law 97-35,~~ **to revise the poverty line under** 42 USC 9902, or
 6 alternative guidelines adopted by the governing body of the local
 7 ~~assessing-tax collecting~~ unit provided the alternative guidelines
 8 do not provide income eligibility requirements less than the
 9 federal guidelines.

10 (3) The application for an exemption under this section ~~shall~~
 11 **must** be filed after January 1 but before the day prior to the last
 12 day of the board of review.

13 (4) The governing body of the local ~~assessing-tax collecting~~
 14 unit shall determine and make available to the public the policy
 15 and guidelines ~~the local assessing unit uses~~ **used** for the granting
 16 of exemptions under this section. The guidelines ~~shall~~ **must**
 17 include, but **are** not ~~be~~ limited to, the specific income and asset
 18 levels of the claimant and total household income and assets.

19 (5) The board of review shall follow the policy and guidelines
 20 of the local ~~assessing-tax collecting~~ unit in granting or denying
 21 an exemption under this section unless the board of review
 22 determines there are substantial and compelling reasons why there
 23 should be a deviation from the policy and guidelines and the
 24 substantial and compelling reasons are communicated in writing to
 25 the claimant. **The board of review may grant an exemption under this**
 26 **section for either or both of the following years in which the**
 27 **person claiming the exemption is or was qualified under the**
 28 **eligibility requirements in subsection (2):**

29 (a) **The current tax year.**



1 (b) The immediately preceding tax year.

2 (6) Notwithstanding any provision of this section to the
 3 contrary, a local tax collecting unit may permit a principal
 4 residence exempt from the collection of taxes under this section in
 5 calendar year 2019 or 2020, or both, to remain exempt under this
 6 section through calendar year 2023 without subsequent reapplication
 7 for the exemption, and may permit a principal residence exempt for
 8 the first time from the collection of taxes under this section in
 9 calendar year 2021, 2022, or 2023 to remain exempt under this
 10 section for up to 3 additional years after its initial year of
 11 exempt status without subsequent reapplication for the exemption,
 12 if the person who establishes initial eligibility under subsection
 13 (2) receives a fixed income solely from public assistance that is
 14 not subject to significant annual increases beyond the rate of
 15 inflation, such as federal Supplemental Security Income or Social
 16 Security disability or retirement benefits. Both of the following
 17 apply to a person who obtains an extended exemption under this
 18 subsection:

19 (a) The person shall file with the local tax collecting unit,
 20 in a form and manner prescribed by the state tax commission, an
 21 affidavit rescinding the exemption as extended under this
 22 subsection within 45 days after either of the following, if
 23 applicable:

24 (i) The person ceases to own or occupy the principal residence
 25 for which the exemption was extended.

26 (ii) The person experiences a change in household assets or
 27 income that defeats eligibility for the exemption under subsection
 28 (2).

29 (b) If the person fails to file a rescission as required under



1 subdivision (a) and the property is later determined to be
2 ineligible for the exemption under this section, the person is
3 subject to repayment of any additional taxes with interest as
4 described in this subdivision. Upon discovery that the property is
5 no longer eligible for the exemption under this section, the
6 assessor shall remove the exemption of that property and, if the
7 tax roll is in the local tax collecting unit's possession, amend
8 the tax roll to reflect the removal of the exemption, and the local
9 treasurer shall, within 30 days of the date of the discovery, issue
10 a corrected tax bill for any additional taxes with interest at the
11 rate of 1% per month or fraction of a month computed from the date
12 the taxes were last payable without interest. If the tax roll is in
13 the county treasurer's possession, the tax roll must be amended to
14 reflect the removal of the exemption and the county treasurer
15 shall, within 30 days of the date of the removal, prepare and
16 submit a supplemental tax bill for any additional taxes, together
17 with interest at the rate of 1% per month or fraction of a month
18 computed from the date the taxes were last payable without
19 interest. Interest on any tax set forth in a corrected or
20 supplemental tax bill again begins to accrue 60 days after the date
21 the corrected or supplemental tax bill is issued at the rate of 1%
22 per month or fraction of a month. Taxes levied in a corrected or
23 supplemental tax bill must be returned as delinquent on the March 1
24 in the year immediately succeeding the year in which the corrected
25 or supplemental tax bill is issued.

26 (7) ~~(6)~~—A person who files a claim under this section is not
27 prohibited from also appealing the assessment on the property for
28 which that claim is made before the board of review in the same
29 year.



1 (8) Notwithstanding any provision of this section to the
2 contrary, a principal residence that is exempt from the collection
3 of taxes under this section in calendar year 2019 or 2020, or both,
4 remains exempt from the collection of taxes under this section
5 through calendar year 2021 if, on or before March 1, 2021, the
6 governing body of the local tax collecting unit in which the
7 principal residence is located adopts a resolution that continues
8 the exemption through calendar year 2021 for all principal
9 residences within the local tax collecting unit that are exempt
10 from the collection of taxes under this section in calendar year
11 2019 or 2020, or both. The local tax collecting unit may require
12 the owner of a principal residence exempt from the collection of
13 taxes under this subsection to affirm ownership and occupancy
14 status in writing by filing with the local tax collecting unit the
15 form prescribed by the state tax commission under subsection
16 (2) (a) .

17 (9) ~~(7)~~—As used in this section, "principal residence" means
18 principal residence or qualified agricultural property as those
19 terms are defined in section 7dd.

