

HOUSE BILL No. 5713

March 26, 1998, Introduced by Rep. Profit and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 225, entitled

"An act to provide for conditions of eligibility for such a deferment; to prescribe the powers and duties of the department of treasury, local assessing officers, and local collecting officers; to provide for the advancement of moneys by the state to indemnify special assessment districts for losses from deferment of collections; to provide for the advancement of money by the state to an owner for the repayment of loans used by the owner to pay special assessments; to provide for the collection of deferred special assessments and interest thereon, and the disposition of these collections; to make an appropriation; and to prescribe penalties,"

by amending section 3 (MCL 211.763), as amended by 1980 PA 403.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) An owner of a homestead who is 65 years of age
2 or older or who is totally and permanently disabled, a citizen of
3 the United States, a resident of this state for 5 or more years,
4 and the sole owner of the homestead for 5 or more years is
5 eligible for the deferment of special assessments on that
6 homestead ~~pursuant to~~ UNDER this act. The owner and the

1 owner's spouse shall not have received during the last calendar
2 year household income as defined in section 508 of ~~Act No. 281~~
3 ~~of the Public Acts of 1967, as amended, being section 206.508 of~~
4 ~~the Michigan Compiled Laws~~ THE INCOME TAX ACT OF 1967, 1967 PA
5 281, MCL 206.508, in excess of \$8,000.00; this amount shall be
6 increased to \$10,000.00 for the determination of eligibility for
7 a deferment after December 31, 1982. ~~The gross amount of the~~
8 ~~special assessment, exclusive of interest, shall not be less than~~
9 ~~\$300.00.~~

10 (2) The maximum dollar amount of household income required
11 by subsection (1) to be eligible for the deferment of special
12 assessments under this act shall be adjusted each year beginning
13 on January 1, 1984, pursuant to the annual average percentage
14 increase or decrease in the Detroit consumer price ~~index--all~~
15 INDEX FOR ALL items as defined and reported by the United States
16 department of labor, bureau of labor statistics. The adjustment
17 shall be made by multiplying the annual average percentage
18 increase or decrease in the Detroit consumer price index for the
19 prior calendar year by the current maximum dollar amount of the
20 household income requirement as adjusted by this subsection. The
21 resultant product shall be added to the maximum dollar amount of
22 the household income requirement as adjusted by this subsection
23 and then rounded off to the nearest whole number, which shall be
24 the new household income requirement for the current year.

25 (3) After January 1, 1975, a person 65 years of age or older
26 who otherwise qualifies under this section for deferral of
27 special assessments who fails to pay a prior delinquent special

1 assessment and thereby lost the property to the local unit of
2 government who purchased the property through tax sale may reac-
3 quire the property from the local unit of government through a
4 land contract. The land contract for a parcel of property reac-
5 quired under ~~the circumstances set forth in~~ this subsection
6 shall be treated as a special assessment for purposes of this
7 act.

8 (4) The owner of a homestead who is 65 years of age or older
9 or is totally and permanently disabled, a citizen of the United
10 States, a resident of this state for 5 or more years, and the
11 sole owner of the homestead for 5 or more years, in the year the
12 special assessment was levied, and who has borrowed money from a
13 lending institution to pay a special assessment before the effec-
14 tive date of this subsection, shall be eligible to receive money
15 from the special revolving fund created in section 10, to be used
16 for the purpose of repaying the lending institution the principal
17 amount used by the person to pay the special assessment. The
18 department shall cause a lien on the homestead in favor of the
19 state to be recorded with the appropriate register of deeds,
20 indicating the amount of the money paid and identifying the
21 homestead. Money paid from the fund under this subsection shall
22 be treated as if the money had been paid as deferred special
23 assessment.