

HOUSE BILL No. 6283

September 17, 2002, Introduced by Reps. Meyer, Cassis, Newell, Woronchak, Birkholz, Palmer, Ruth Johnson, Voorhees, Vander Veen, Richardville, Ehardt, Cameron Brown, Van Woerkom, Rocca, Caul, Pappageorge, DeRossett and Kooiman and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7cc, 7dd, 7u, 24c, 27d, and 120 (MCL 211.7cc, 211.7dd, 211.7u, 211.24c, 211.27d, and 211.120), sections 7cc, 7dd, and 24c as amended and section 27d as added by 1996 PA 476, section 7u as amended by 1994 PA 390, and section 120 as added by 1995 PA 74.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7cc. (1) A ~~homestead~~ PRINCIPAL RESIDENCE is exempt
2 from the tax levied by a local school district for school operat-
3 ing purposes to the extent provided under section 1211 of the
4 revised school code, ~~Act No. 451 of the Public Acts of 1976,~~
5 ~~being section 380.1211 of the Michigan Compiled Laws~~ 1976 PA
6 451, MCL 380.1211, if an owner of that ~~homestead~~ PRINCIPAL
7 RESIDENCE claims an exemption as provided in this section.

1 Notwithstanding the tax day provided in section 2, the status of
2 property as a ~~homestead~~ PRINCIPAL RESIDENCE shall be determined
3 on the date an affidavit claiming an exemption is filed under
4 subsection (2).

5 (2) An owner of property may claim an exemption under this
6 section by filing an affidavit on or before May 1 with the local
7 tax collecting unit in which the property is located. The affi-
8 davit shall state that the property is owned and occupied as a
9 ~~homestead~~ PRINCIPAL RESIDENCE by that owner of the property on
10 the date that the affidavit is signed. The affidavit shall be on
11 a form prescribed by the department of treasury. Beginning in
12 1995, 1 copy of the affidavit shall be retained by the owner, 1
13 copy shall be retained by the local tax collecting unit until any
14 appeal or audit period under this act has expired, and 1 copy
15 shall be forwarded to the department of treasury pursuant to sub-
16 section (4), together with all information submitted under sub-
17 section (22) for a cooperative housing corporation. Beginning in
18 1995, the affidavit shall require the owner claiming the exemp-
19 tion to indicate if that owner has claimed another exemption on
20 property in this state that is not rescinded. If the affidavit
21 requires an owner to include a social security number, that
22 owner's number is subject to the disclosure restrictions in ~~Act~~
23 ~~No. 122 of the Public Acts of 1941, being sections 205.1 to~~
24 ~~205.31 of the Michigan Compiled Laws~~ 1941 PA 122, MCL 205.1 TO
25 205.31.

1 (3) A husband and wife who are required to file or who do
2 file a joint Michigan income tax return are entitled to not more
3 than 1 ~~homestead~~ exemption UNDER THIS SECTION.

4 (4) Upon receipt of an affidavit filed under subsection (2)
5 and unless the claim is denied under subsection (6), the assessor
6 shall exempt the property from the collection of the tax levied
7 by a local school district for school operating purposes to the
8 extent provided under section 1211 of ~~Act No. 451 of the Public~~
9 ~~Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211,
10 as provided in subsection (1) until December 31 of the year in
11 which the property is transferred or is no longer a ~~homestead~~
12 PRINCIPAL RESIDENCE as defined in section 7dd. The local tax
13 collecting unit shall forward copies of affidavits to the depart-
14 ment of treasury according to a schedule prescribed by the
15 department of treasury.

16 (5) Not more than 90 days after exempted property is no
17 longer used as a ~~homestead~~ PRINCIPAL RESIDENCE by the owner
18 claiming an exemption, that owner shall rescind the claim of
19 exemption by filing with the local tax collecting unit a rescis-
20 sion form prescribed by the department of treasury. Beginning
21 October 1, 1994, an owner who fails to file a rescission as
22 required by this subsection is subject to a penalty of \$5.00 per
23 day for each separate failure beginning after the 90 days have
24 elapsed, up to a maximum of \$200.00. This penalty shall be col-
25 lected under ~~Act No. 122 of the Public Acts of 1941~~ 1941 PA
26 122, MCL 205.1 TO 205.31, and shall be deposited in the state
27 school aid fund established in section 11 of article IX of the

1 state constitution of 1963. This penalty may be waived by the
2 department of treasury.

3 (6) If the assessor of the local tax collecting unit
4 believes that the property for which an exemption is claimed is
5 not the ~~homestead~~ PRINCIPAL RESIDENCE of the owner claiming the
6 exemption, effective for taxes levied after 1994 the assessor may
7 deny a new or existing claim by notifying the owner and the
8 department of treasury in writing of the reason for the denial
9 and advising the owner that the denial may be appealed to the
10 department of treasury within 35 days after the date of the
11 notice. The denial shall be made on a form prescribed by the
12 department of treasury. If the assessor of the local tax col-
13 lecting unit believes that the property for which the exemption
14 is claimed is not the ~~homestead~~ PRINCIPAL RESIDENCE of the
15 owner claiming the exemption, for taxes levied in 1994 the asses-
16 sor may send a recommendation for denial for any affidavit that
17 is forwarded to the department of treasury stating the reasons
18 for the recommendation. If the assessor of the local tax col-
19 lecting unit believes that the property for which the exemption
20 is claimed is not the ~~homestead~~ PRINCIPAL RESIDENCE of the
21 owner claiming the exemption and has not denied the claim, for
22 taxes levied after 1994 the assessor shall include a recommenda-
23 tion for denial with any affidavit that is forwarded to the
24 department of treasury or, for an existing claim, shall send a
25 recommendation for denial to the department of treasury, stating
26 the reasons for the recommendation.

1 (7) The department of treasury shall determine if the
2 property is the ~~homestead~~ PRINCIPAL RESIDENCE of the owner
3 claiming the exemption. The department of treasury may review
4 the validity of exemptions for the current calendar year and for
5 the 3 immediately preceding calendar years. If the department of
6 treasury determines that the property is not the ~~homestead~~
7 PRINCIPAL RESIDENCE of the owner claiming the exemption, the
8 department shall send a notice of that determination to the local
9 tax collecting unit and to the owner of the property claiming the
10 exemption, indicating that the claim for exemption is denied,
11 stating the reason for the denial, and advising the owner claim-
12 ing the exemption of the right to appeal the determination to the
13 department of treasury and what those rights of appeal are. The
14 department of treasury may issue a notice denying a claim if an
15 owner fails to respond within 30 days of receipt of a request for
16 information from that department. An owner may appeal the denial
17 of a claim of exemption to the department of treasury within 35
18 days of receipt of the notice of denial. An appeal to the
19 department of treasury shall be conducted according to the provi-
20 sions for an informal conference in section 21 of ~~Act No. 122 of~~
21 ~~the Public Acts of 1941, being section 205.21 of the Michigan~~
22 ~~Compiled Laws~~ 1941 PA 122, MCL 205.21. Within 10 days after
23 acknowledging an appeal of a denial of a claim of exemption, the
24 department of treasury shall notify the assessor and the trea-
25 surer for the county in which the property is located that an
26 appeal has been filed. Upon receipt of a notice that the
27 department of treasury has denied a claim for exemption, the

1 assessor shall remove the exemption of the property and, if the
2 tax roll is in the local tax collecting unit's possession, amend
3 the tax roll to reflect the denial and the local treasurer shall
4 issue a corrected tax bill for previously unpaid taxes with
5 interest and penalties computed based on the interest and penal-
6 ties that would have accrued from the date the taxes were origi-
7 nally levied if there had not been an exemption. If the tax roll
8 is in the county treasurer's possession, the tax roll shall be
9 amended to reflect the denial and the county treasurer shall pre-
10 pare and submit a supplemental tax bill for any additional taxes,
11 together with any interest and penalties. For taxes levied in
12 1994 only, the county treasurer shall waive any interest and pen-
13 alties due if the owner pays the supplemental tax bill not more
14 than 30 days after the owner receives the supplemental tax bill.
15 Interest and penalties shall not be assessed for any period
16 before February 14, 1995. However, if the property has been
17 transferred to a bona fide purchaser before additional taxes were
18 billed to the seller as a result of the denial of a claim for
19 exemption, the taxes, interest, and penalties shall not be billed
20 to the bona fide purchaser, and the local tax collecting unit if
21 the local tax collecting unit has possession of the tax roll or
22 the county treasurer if the county has possession of the tax roll
23 shall notify the department of treasury of the amount of tax due
24 and interest through the date of that notification. The depart-
25 ment of treasury shall then assess the owner who claimed the
26 ~~homestead property tax~~ exemption UNDER THIS SECTION for the tax
27 and interest plus penalty accruing as a result of the denial of

1 the claim for exemption, if any, as for unpaid taxes provided
2 under ~~Act No. 122 of the Public Acts of 1941~~ 1941 PA 122, MCL
3 205.1 TO 205.31, and shall deposit any tax, interest, or penalty
4 collected into the state school aid fund.

5 (8) An owner may appeal a final decision of the department
6 of treasury to the residential and small claims division of the
7 Michigan tax tribunal within 35 days of that decision. An asses-
8 sor may appeal a final decision of the department of treasury to
9 the residential and small claims division of the Michigan tax
10 tribunal within 35 days of that decision if the assessor denied
11 the exemption under subsection (6), or, for taxes levied in 1994
12 only, the assessor forwarded a recommendation for denial to the
13 department of treasury under subsection (6). An owner is not
14 required to pay the amount of tax in dispute in order to appeal a
15 denial of a claim of exemption to the department of treasury or
16 to receive a final determination of the residential and small
17 claims division of the Michigan tax tribunal. However, interest
18 and penalties except as provided in subsection (7), if any, shall
19 accrue and be computed based on the interest and penalties that
20 would have accrued from the date the taxes were originally levied
21 as if there had not been an exemption.

22 (9) An affidavit filed by an owner for ~~a homestead~~ THE
23 EXEMPTION UNDER THIS SECTION rescinds all previous exemptions
24 filed by that owner for any other ~~homestead~~ PROPERTY. The
25 department of treasury shall notify the assessor of the local tax
26 collecting unit in which the property for which a previous
27 exemption was claimed is located that the previous exemption is

1 rescinded by the subsequent affidavit. Upon receipt of notice
2 that an exemption is rescinded, the assessor of the local tax
3 collecting unit shall remove the exemption effective December 31
4 of the year in which the property is transferred or is no longer
5 a ~~homestead~~ PRINCIPAL RESIDENCE as defined in section 7dd. The
6 assessor of the local tax collecting unit in which that property
7 is located shall notify the treasurer in possession of the tax
8 roll for a year for which the exemption is rescinded. If the tax
9 roll is in the local tax collecting unit's possession, the tax
10 roll shall be amended to reflect the rescission and the local
11 treasurer shall prepare and issue a corrected tax bill for previ-
12 ously unpaid taxes with interest and penalties computed based on
13 the interest and penalties that would have accrued from the date
14 the taxes were originally levied if there had not been an exemp-
15 tion for that year. If the tax roll is in the county treasurer's
16 possession, the tax roll shall be amended to reflect the rescis-
17 sion and the county treasurer shall prepare and submit a supple-
18 mental tax bill for any additional taxes, together with any
19 interest and penalties. However, if the property has been trans-
20 ferred to a bona fide purchaser, the taxes, interest, and penal-
21 ties shall not be billed to the bona fide purchaser, and the
22 local tax collecting unit if the local tax collecting unit has
23 possession of the tax roll or the county treasurer if the county
24 has possession of the tax roll shall notify the department of
25 treasury of the amount of tax due and interest through the date
26 of that notification. The department of treasury shall then
27 assess the owner who received the ~~homestead property tax~~

1 exemption UNDER THIS SECTION when the property was not a
2 ~~homestead~~ PRINCIPAL RESIDENCE as defined in section 7dd for the
3 tax and interest plus penalty accruing, if any, as for unpaid
4 taxes provided under ~~Act No. 122 of the Public Acts of 1941~~
5 1941 PA 122, MCL 205.1 TO 205.31, and shall deposit any tax,
6 interest, or penalty collected into the state school aid fund.

7 (10) An owner of property for which a claim of exemption is
8 rescinded may appeal that rescission with either the July or
9 December board of review in either the year for which the exemp-
10 tion is rescinded or in the immediately succeeding year. If an
11 appeal of a rescission of a claim for exemption is received not
12 later than 5 days prior to the date of the December board of
13 review, the local tax collecting unit shall convene a December
14 board of review and consider the appeal pursuant to this section
15 and section 53b. An owner of property for which a claim of
16 exemption is rescinded may appeal the decision of the board of
17 review to the residential and small claims division of the
18 Michigan tax tribunal within 35 days of that decision.

19 (11) If the ~~homestead~~ PROPERTY is part of a unit in a
20 multiple-unit dwelling or a dwelling unit in a multiple-purpose
21 structure, an owner shall claim an exemption for only that por-
22 tion of the total taxable value of the property used as the
23 ~~homestead~~ PRINCIPAL RESIDENCE of that owner in a manner pre-
24 scribed by the department of treasury. If a portion of a parcel
25 for which the owner claims an exemption is used for a purpose
26 other than as a ~~homestead~~ PRINCIPAL RESIDENCE, the owner shall
27 claim an exemption for only that portion of the taxable value of

1 the property used as the ~~homestead~~ PRINCIPAL RESIDENCE of that
2 owner in a manner prescribed by the department of treasury.

3 (12) When a county register of deeds records a transfer of
4 ownership of a property, he or she shall notify the local tax
5 collecting unit in which the property is located of the
6 transfer.

7 (13) The department of treasury shall make available the
8 affidavit forms and the forms to rescind an exemption, which may
9 be on the same form, to all city and township assessors, county
10 equalization officers, county registers of deeds, and closing
11 agents. A person who prepares a closing statement for the sale
12 of property shall provide affidavit and rescission forms to the
13 buyer and seller at the closing and, if requested by the buyer or
14 seller after execution by the buyer or seller, shall file the
15 forms with the local tax collecting unit in which the property is
16 located. If a closing statement preparer fails to provide
17 ~~homestead~~ exemption affidavit and rescission forms to the buyer
18 and seller, or fails to file the affidavit and rescission forms
19 with the local tax collecting unit if requested by the buyer or
20 seller, the buyer may appeal to the department of treasury within
21 30 days of notice to the buyer that an exemption was not
22 recorded. If the department of treasury determines that the
23 buyer qualifies for the exemption, the department of treasury
24 shall notify the assessor of the local tax collecting unit that
25 the exemption is granted and the assessor of the local tax col-
26 lecting unit or, if the tax roll is in the possession of the
27 county treasurer, the county treasurer shall correct the tax roll

1 to reflect the exemption. This subsection does not create a
2 cause of action at law or in equity against a closing statement
3 preparer who fails to provide ~~homestead~~ exemption affidavit and
4 rescission forms to a buyer and seller or who fails to file the
5 affidavit and rescission forms with the local tax collecting unit
6 when requested to do so by the buyer or seller.

7 (14) An owner who owned and occupied a ~~homestead~~ PRINCIPAL
8 RESIDENCE on May 1 for which the exemption was not on the tax
9 roll may file an appeal with the July board of review in the year
10 for which the exemption was claimed or the immediately succeeding
11 year or with the December board of review in the year for which
12 the exemption was claimed or the immediately succeeding year. If
13 an appeal of a claim for exemption that was not on the tax roll
14 is received not later than 5 days prior to the date of the
15 December board of review, the local tax collecting unit shall
16 convene a December board of review and consider the appeal pursu-
17 ant to this section and section 53b.

18 (15) In 1994 only, an owner who owns and occupies a
19 ~~homestead~~ PRINCIPAL RESIDENCE after May 1 and before October 3
20 for which an affidavit was not filed in 1994 may file an affida-
21 vit as provided in subsection (2) not later than October 3,
22 1994. Upon receipt, the assessor shall exempt the property from
23 50% of the number of mills levied in 1994 under section 1211 of
24 ~~Act No. 451 of the Public Acts of 1976~~ THE REVISED SCHOOL CODE,
25 1976 PA 451, MCL 380.1211, from which ~~homesteads are~~ A PRINCI-
26 PAL RESIDENCE IS exempt, not to exceed 50% of the total number of
27 mills from which ~~homesteads are~~ A PRINCIPAL RESIDENCE IS exempt

1 in 1994, on the December tax roll. If there is not a December
2 levy of the tax under section 1211 of ~~Act No. 451 of the Public~~
3 ~~Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211,
4 the owner may appear in person or by mail before the December
5 board of review and obtain a rebate as provided in section 53b of
6 50% of the number of mills levied in 1994 under section 1211 of
7 ~~Act No. 451 of the Public Acts of 1976~~ THE REVISED SCHOOL CODE,
8 1976 PA 451, MCL 380.1211, from which ~~homesteads are~~ A PRINCI-
9 PAL RESIDENCE IS exempt, not to exceed 50% of the total number of
10 mills from which ~~homesteads are~~ A PRINCIPAL RESIDENCE IS exempt
11 in 1994. If an affidavit is not filed as provided in this sub-
12 section, the owner may appear in person or by mail before the
13 July or December board of review in 1994 or the July or December
14 board of review in 1995 and obtain a rebate of 50% of the number
15 of mills levied in 1994 under section 1211 of ~~Act No. 451 of the~~
16 ~~Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL
17 380.1211, from which ~~homesteads are~~ A PRINCIPAL RESIDENCE IS
18 exempt, not to exceed 50% of the total number of mills from which
19 ~~homesteads are~~ A PRINCIPAL RESIDENCE IS exempt in 1994. This
20 subsection does not apply unless the 1994 assessment of the prop-
21 erty is based on the valuation of a ~~homestead~~ PRINCIPAL
22 RESIDENCE or a portion of a structure that has become a
23 ~~homestead~~ PRINCIPAL RESIDENCE. An affidavit filed under this
24 subsection is subject to all the provisions of this section.

25 (16) An owner who owns and occupies a ~~homestead~~ PRINCIPAL
26 RESIDENCE for which the exemption was on the tax roll in 1995 and
27 each year after 1995 and for which an exemption was not on the

1 tax roll in 1994 may appeal to the department of treasury before
2 December 31, 1997 to have an exemption placed on the 1994 tax
3 roll if all of the following conditions are satisfied:

4 (a) The owner owned and occupied that ~~homestead~~ PRINCIPAL
5 RESIDENCE on May 1, 1994 or the owner owned and occupied that
6 ~~homestead~~ PRINCIPAL RESIDENCE after May 1, 1994 but before
7 October 3, 1994.

8 (b) If a claim of exemption was denied in 1994, the owner
9 did not timely appeal that denial as provided in this section.

10 (c) The owner has owned and occupied that ~~homestead~~
11 PRINCIPAL RESIDENCE since 1994.

12 (17) If the department of treasury grants a claim of exemp-
13 tion for 1994 under subsection (16), the county treasurer with
14 possession of the tax roll being adjusted shall amend the 1994
15 tax roll to reflect the exemption and shall issue a corrected tax
16 bill as follows:

17 (a) If the owner owned and occupied that ~~homestead~~
18 PRINCIPAL RESIDENCE on May 1, 1994, that ~~homestead~~ PRINCIPAL
19 RESIDENCE is exempt from the tax levied in 1994 for school oper-
20 ating purposes to the extent provided under section 1211 of ~~Act~~
21 ~~No. 451 of the Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976
22 PA 451, MCL 380.1211, pursuant to subsection (1).

23 (b) If the owner owned and occupied that ~~homestead~~
24 PRINCIPAL RESIDENCE after May 1, 1994 but before October 3, 1994,
25 that ~~homestead~~ PRINCIPAL RESIDENCE is exempt from 50% of the
26 number of mills levied in 1994 under section 1211 of ~~Act No. 451~~

1 ~~of the Public Acts of 1976 pursuant to subsection (14)~~ THE
2 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

3 (18) If the department of treasury denies a claim of exemp-
4 tion for 1994 under subsection (16), an owner may appeal that
5 denial to the residential and small claims division of the
6 Michigan tax tribunal within 35 days of that denial.

7 (19) If the assessor or treasurer of the local tax collect-
8 ing unit believes that the department of treasury erroneously
9 denied a claim for exemption, the assessor or treasurer may
10 submit written information supporting the owner's claim for
11 exemption to the department of treasury within 35 days of the
12 owner's receipt of the notice denying the claim for exemption.
13 If, after reviewing the information provided, the department of
14 treasury determines that the claim for exemption was erroneously
15 denied, the department of treasury shall grant the exemption and
16 the tax roll shall be amended to reflect the exemption.

17 (20) If granting the exemption under this section results in
18 an overpayment of the tax, a rebate, including any interest paid,
19 shall be made to the taxpayer by the local tax collecting unit if
20 the local tax collecting unit has possession of the tax roll or
21 by the county treasurer if the county has possession of the tax
22 roll within 30 days of the date the exemption is granted. The
23 rebate shall be without interest.

24 (21) If an exemption under this section is erroneously
25 granted, an owner may request in writing that the department of
26 treasury withdraw the exemption. If an owner requests that an
27 exemption be withdrawn, the department of treasury shall issue an

1 order notifying the local assessor that the exemption issued
2 under this section has been denied based on the owner's request.
3 If an exemption is withdrawn, the property that had been subject
4 to that exemption shall be immediately placed on the tax roll by
5 the local tax collecting unit if the local tax collecting unit
6 has possession of the tax roll or by the county treasurer if the
7 county has possession of the tax roll as though the exemption had
8 not been granted. A corrected tax bill shall be issued for the
9 tax year being adjusted by the local tax collecting unit if the
10 local tax collecting unit has possession of the tax roll or by
11 the county treasurer if the county has possession of the tax
12 roll. If an owner requests that an exemption under this section
13 be withdrawn before that owner is contacted in writing by either
14 the local assessor or the department of treasury regarding that
15 owner's eligibility for the exemption and that owner pays the
16 corrected tax bill issued under this subsection within 30 days
17 after the corrected tax bill is issued, that owner is not liable
18 for any penalty or interest on the additional tax. An owner who
19 pays a corrected tax bill issued under this subsection more than
20 30 days after the corrected tax bill is issued is liable for the
21 penalties and interest that would have accrued if the exemption
22 had not been granted from the date the taxes were originally
23 levied.

24 (22) For tax years beginning on and after January 1, 1994, a
25 cooperative housing corporation is entitled to a full or partial
26 exemption under this section for the tax year in which the
27 cooperative housing corporation files all of the following with

1 the local tax collecting unit in which the cooperative housing
2 corporation is located if filed on or before May 1 of the tax
3 year, or for the tax year following the year in which all of the
4 following are filed if filed after May 1 of the tax year:

5 (a) An affidavit form.

6 (b) A statement of the total number of units owned by the
7 cooperative housing corporation and occupied as the principal
8 residence of a tenant stockholder as of the date of the filing
9 under this subsection.

10 (c) A list that includes the name, address, and social
11 security number of each tenant stockholder of the cooperative
12 housing corporation occupying a unit in the cooperative housing
13 corporation as his or her principal residence as of the date of
14 the filing under this subsection.

15 (d) A statement of the total number of units of the coopera-
16 tive housing corporation on which an exemption under this section
17 was claimed and that were transferred in the tax year immediately
18 preceding the tax year in which the filing under this section was
19 made.

20 Sec. 7dd. As used in sections 7cc and 7ee:

21 ~~-(a) "Homestead" means that portion of a dwelling or unit in~~
22 ~~a multiple-unit dwelling that is subject to ad valorem taxes and~~
23 ~~is owned and occupied as a principal residence by an owner of the~~
24 ~~dwelling or unit. Homestead also includes all of an owner's~~
25 ~~unoccupied property classified as residential that is adjoining~~
26 ~~or contiguous to the dwelling subject to ad valorem taxes and~~
27 ~~that is owned and occupied as a principal residence by the~~

1 owner. ~~Contiguity is not broken by a road, a right-of-way, or~~
2 ~~property purchased or taken under condemnation proceedings by a~~
3 ~~public utility for power transmission lines if the 2 parcels sep-~~
4 ~~arated by the purchased or condemned property were a single~~
5 ~~parcel prior to the sale or condemnation. Homestead also~~
6 ~~includes any portion of a principal residence of an owner that is~~
7 ~~rented or leased to another person as a residence as long as that~~
8 ~~portion of the principal residence that is rented or leased is~~
9 ~~less than 50% of the total square footage of living space in that~~
10 ~~principal residence. Homestead also includes a life care facil-~~
11 ~~ity registered under the living care disclosure act, Act No. 440~~
12 ~~of the Public Acts of 1976, being sections 554.801 to 554.844 of~~
13 ~~the Michigan Compiled Laws. Homestead also includes property~~
14 ~~owned by a cooperative housing corporation and occupied as a~~
15 ~~principal residence by tenant stockholders.~~

16 (A) ~~(b)~~ "Owner" means any of the following:

17 (i) A person who owns property or who is purchasing property
18 under a land contract.

19 (ii) A person who is a partial owner of property.

20 (iii) A person who owns property as a result of being a ben-
21 eficiary of a will or trust or as a result of intestate
22 succession.

23 (iv) A person who owns or is purchasing a dwelling on leased
24 land.

25 (v) A person holding a life lease in property previously
26 sold or transferred to another.

1 (vi) A grantor who has placed the property in a revocable
2 trust or a qualified personal residence trust.

3 (vii) A cooperative housing corporation.

4 (viii) A facility registered under ~~Act No. 440 of the~~
5 ~~Public Acts of 1976~~ THE LIVING CARE DISCLOSURE ACT, 1976 PA 440,
6 MCL 554.801 TO 554.844.

7 (B) ~~(c)~~ "Person", for purposes of defining owner as used
8 in section 7cc, means an individual and for purposes of defining
9 owner as used in section 7ee means an individual, partnership,
10 corporation, limited liability company, association, or other
11 legal entity.

12 (C) ~~(d)~~ "Principal residence" means the 1 place where a
13 person has his or her true, fixed, and permanent home to which,
14 whenever absent, he or she intends to return and that shall con-
15 tinue as a principal residence until another principal residence
16 is established. PRINCIPAL RESIDENCE INCLUDES ONLY THAT PORTION
17 OF A DWELLING OR UNIT IN A MULTIPLE-UNIT DWELLING THAT IS SUBJECT
18 TO AD VALOREM TAXES AND THAT IS OWNED AND OCCUPIED BY AN OWNER OF
19 THE DWELLING OR UNIT. PRINCIPAL RESIDENCE ALSO INCLUDES ALL OF
20 AN OWNER'S UNOCCUPIED PROPERTY CLASSIFIED AS RESIDENTIAL THAT IS
21 ADJOINING OR CONTIGUOUS TO THE DWELLING SUBJECT TO AD VALOREM
22 TAXES AND THAT IS OWNED AND OCCUPIED BY THE OWNER. CONTIGUITY IS
23 NOT BROKEN BY A ROAD, A RIGHT-OF-WAY, OR PROPERTY PURCHASED OR
24 TAKEN UNDER CONDEMNATION PROCEEDINGS BY A PUBLIC UTILITY FOR
25 POWER TRANSMISSION LINES IF THE 2 PARCELS SEPARATED BY THE PUR-
26 CHASED OR CONDEMNED PROPERTY WERE A SINGLE PARCEL PRIOR TO THE
27 SALE OR CONDEMNATION. PRINCIPAL RESIDENCE ALSO INCLUDES ANY

1 PORTION OF A DWELLING OR UNIT OF AN OWNER THAT IS RENTED OR
2 LEASED TO ANOTHER PERSON AS A RESIDENCE AS LONG AS THAT PORTION
3 OF THE DWELLING OR UNIT THAT IS RENTED OR LEASED IS LESS THAN 50%
4 OF THE TOTAL SQUARE FOOTAGE OF LIVING SPACE IN THAT DWELLING OR
5 UNIT. PRINCIPAL RESIDENCE ALSO INCLUDES A LIFE CARE FACILITY
6 REGISTERED UNDER THE LIVING CARE DISCLOSURE ACT, 1976 PA 440, MCL
7 554.801 TO 554.844. PRINCIPAL RESIDENCE ALSO INCLUDES PROPERTY
8 OWNED BY A COOPERATIVE HOUSING CORPORATION AND OCCUPIED BY TENANT
9 STOCKHOLDERS.

10 (D) ~~(e)~~ "Qualified agricultural property" means unoccupied
11 property and related buildings classified as agricultural, or
12 other unoccupied property and related buildings located on that
13 property devoted primarily to agricultural use as defined in sec-
14 tion 36101 of ~~part 361 (farmland and open space preservation)~~
15 ~~of the natural resources and environmental protection act, Act~~
16 ~~No. 451 of the Public Acts of 1994, being section 324.36101 of~~
17 ~~the Michigan Compiled Laws~~ 1994 PA 451, MCL 324.36101. Related
18 buildings include a residence occupied by a person employed in or
19 actively involved in the agricultural use and who has not claimed
20 a ~~homestead~~ PRINCIPAL RESIDENCE exemption on other property.
21 Property used for commercial storage, commercial processing, com-
22 mercial distribution, commercial marketing, or commercial ship-
23 ping operations or other commercial or industrial purposes is not
24 qualified agricultural property. A parcel of property is devoted
25 primarily to agricultural use only if more than 50% of the
26 parcel's acreage is devoted to agricultural use. An owner shall
27 not receive an exemption for that portion of the total state

1 equalized valuation of the property that is used for a commercial
2 or industrial purpose or that is a residence that is not a
3 related building.

4 Sec. 7u. (1) The ~~homestead~~ PRINCIPAL RESIDENCE of persons
5 who, in the judgment of the supervisor and board of review, by
6 reason of poverty, are unable to contribute toward the public
7 charges is eligible for exemption in whole or in part from taxa-
8 tion under this act. This section does not apply to the property
9 of a corporation.

10 (2) To be eligible for exemption under this section, a
11 person shall do all of the following on an annual basis:

12 (a) Be an owner of and occupy as a ~~homestead~~ PRINCIPAL
13 RESIDENCE the property for which an exemption is requested.

14 (b) File a claim with the supervisor or board of review on a
15 form provided by the local assessing unit, accompanied by federal
16 and state income tax returns for all persons residing in the
17 ~~homestead~~ PRINCIPAL RESIDENCE, including any property tax
18 credit returns, filed in the immediately preceding year or in the
19 current year. The filing of a claim under this subsection con-
20 stitutes an appearance before the board of review for the purpose
21 of preserving the claimant's right to appeal the decision of the
22 board of review regarding the claim.

23 (c) Produce a valid driver's license or other form of iden-
24 tification if requested by the supervisor or board of review.

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

1 (e) Meet the federal poverty income standards as defined and
2 determined annually by the United States office of management and
3 budget or alternative guidelines adopted by the governing body of
4 the local assessing unit provided the alternative guidelines do
5 not provide income eligibility requirements less than the federal
6 guidelines.

7 (3) The application for an exemption under this section
8 shall be filed after January 1 but before the day prior to the
9 last day of the board of review.

10 (4) The governing body of the local assessing unit shall
11 determine and make available to the public the policy and guide-
12 lines the local assessing unit uses for the granting of exemp-
13 tions under this section. The guidelines shall include but not
14 be limited to the specific income and asset levels of the claim-
15 ant and total household income and assets.

16 (5) The board of review shall follow the policy and guide-
17 lines of the local assessing unit in granting or denying an
18 exemption under this section unless the board of review deter-
19 mines there are substantial and compelling reasons why there
20 should be a deviation from the policy and guidelines and the sub-
21 stantial and compelling reasons are communicated in writing to
22 the claimant.

23 (6) A person who files a claim under this section is not
24 prohibited from also appealing the assessment on the property for
25 which that claim is made before the board of review in the same
26 year.

1 (7) As used in this section, ~~"homestead"~~ "PRINCIPAL
2 RESIDENCE" means ~~homestead~~ PRINCIPAL RESIDENCE or qualified
3 agricultural property as those terms are defined in section 7dd.

4 Sec. 24c. (1) The assessor shall give to each owner or
5 person or persons listed on the assessment roll of the property a
6 notice by first-class mail of an increase in the tentative state
7 equalized valuation or the tentative taxable value for the year.
8 The notice shall specify each parcel of property, the tentative
9 taxable value for the current year and, beginning in 1996, the
10 taxable value for the immediately preceding year. The notice
11 shall also specify the time and place of the meeting of the board
12 of review. Beginning in 1996, the notice shall also specify the
13 difference between the property's tentative taxable value in the
14 current year and the property's taxable value in the immediately
15 preceding year.

16 (2) The notice shall include, in addition to the information
17 required by subsection (1), all of the following:

18 (a) The state equalized valuation for the immediately pre-
19 ceding year.

20 (b) The tentative state equalized valuation for the current
21 year.

22 (c) The net change between the tentative state equalized
23 valuation for the current year and the state equalized valuation
24 for the immediately preceding year.

25 (d) The classification of the property as defined by section
26 34c.

1 (e) The inflation rate for the immediately preceding year as
2 defined in section 34d.

3 (f) A statement provided by the state tax commission
4 explaining the relationship between state equalized valuation and
5 taxable value. Beginning in 1996, if the assessor believes that
6 a transfer of ownership has occurred in the immediately preceding
7 year, the statement shall state that the ownership was trans-
8 ferred and that the taxable value of that property is the same as
9 the state equalized valuation of that property.

10 (3) When required by the income tax act of 1967, ~~Act~~
11 ~~No. 281 of the Public Acts of 1967, being sections 206.1 to~~
12 ~~206.532 of the Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO
13 206.532, the assessment notice shall include or be accompanied by
14 information or forms prescribed by ~~Act No. 281 of the Public~~
15 ~~Acts of 1967~~ THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1
16 TO 206.532.

17 (4) The assessment notice shall be addressed to the owner
18 according to the records of the assessor and mailed not less than
19 10 days before the meeting of the board of review. The failure
20 to send or receive an assessment notice does not invalidate an
21 assessment roll or an assessment on that property.

22 (5) The tentative state equalized valuation shall be calcu-
23 lated by multiplying the assessment by the tentative equalized
24 valuation multiplier. If the assessor has made assessment
25 adjustments that would have changed the tentative multiplier, the
26 assessor may recalculate the multiplier for use in the notice.

1 (6) The state tax commission shall prepare a model
2 assessment notice form that shall be made available to local
3 units of government.

4 (7) Beginning in 1995, the assessment notice under subsec-
5 tion (1) shall include the following statement:

6 "If you purchased your ~~homestead~~ PRINCIPAL
7 RESIDENCE after May 1 last year, to claim the
8 ~~homestead~~ PRINCIPAL RESIDENCE exemption, if you
9 have not already done so, you are required to file an
10 affidavit before May 1."

11 Sec. 27d. Not later than the fourth Monday in June in each
12 year, the county equalization director for each county shall
13 report all of the following to the state tax commission on a form
14 prepared by the state tax commission:

15 (a) Total taxable value of all property in the county as of
16 the fourth Monday in May in that year.

17 (b) Taxable value for each separately equalized class of
18 property.

19 (c) Total taxable value of all property in the county for
20 which a ~~homestead~~ PRINCIPAL RESIDENCE exemption is granted
21 under section 7cc or a qualified agricultural property exemption
22 is granted under section 7ee.

23 (d) Total taxable value of all property in the county for
24 which a ~~homestead~~ PRINCIPAL RESIDENCE exemption has not been
25 granted under section 7cc and a qualified agricultural property
26 exemption has not been granted under section 7ee.

1 Sec. 120. (1) A person claiming an exemption under
2 section 7cc shall not do any of the following:

3 (a) Make a false or fraudulent affidavit claiming an exemp-
4 tion or a false statement on an affidavit claiming an exemption.

5 (b) Aid, abet, or assist another in an attempt to wrongfully
6 obtain an exemption.

7 (c) Make or permit to be made for himself or herself or for
8 any other person a false affidavit claiming an exemption or a
9 false statement on an affidavit claiming an exemption, either in
10 whole or in part.

11 (d) Fail to rescind an exemption after the property subject
12 to that exemption is no longer a ~~homestead~~ PRINCIPAL RESIDENCE
13 as defined in section 7dd.

14 (2) A person who violates a provision of subsection (1) with
15 the intent to wrongfully obtain or attempt to obtain an exemption
16 under section 7cc is guilty of a misdemeanor punishable by
17 imprisonment of not more than 1 year and punishable by a fine of
18 not more than \$5,000.00 or public service of not more than 1,500
19 hours, or both.

20 (3) In addition to the penalties provided in subsection (2),
21 a person who knowingly swears to or verifies an affidavit claim-
22 ing an exemption under section 7cc, or an affidavit claiming any
23 exemption under section 7cc that contains a false or fraudulent
24 statement, with the intent to aid, abet, or assist in defrauding
25 this state or a political subdivision of this state, is guilty of
26 perjury, a misdemeanor punishable by imprisonment of not more

1 than 1 year and punishable by a fine of not more than \$5,000.00
2 or public service of not more than 1,500 hours, or both.

3 (4) A person who does not violate a provision of
4 subsection (1), but who knowingly violates any other provision of
5 this act with the intent to defraud this state or a political
6 subdivision of this state, is guilty of a misdemeanor punishable
7 by a fine of not more than \$1,000.00 or public service of not
8 more than 500 hours, or both.

9 (5) The attorney general and the prosecuting attorney of
10 each county of this state have concurrent power to enforce this
11 act.

12 (6) The penalty provisions set forth in subsections (2),
13 (3), and (4) do not apply to a violation of subsection (1) or any
14 other provision of this act occurring before December 31, 1995.

15 Enacting section 1. This amendatory act does not take
16 effect unless all of the following bills of the 91st Legislature
17 are enacted into law:

18 (a) Senate Bill No. _____ or House Bill No. 6286 (request
19 no. 07067'02 a).

20 (b) Senate Bill No. _____ or House Bill No. 6278 (request
21 no. 07067'02 b).

22 (c) Senate Bill No. _____ or House Bill No. 6279 (request
23 no. 07067'02 c).

24 (d) Senate Bill No. _____ or House Bill No. 6282 (request
25 no. 07067'02 d).

26 (e) Senate Bill No. _____ or House Bill No. 6285 (request
27 no. 07067'02 e).

1 (f) Senate Bill No. _____ or House Bill No. 6277 (request
2 no. 07067'02 f).

3 (g) Senate Bill No. _____ or House Bill No. 6276 (request
4 no. 07067'02 g).