

HOUSE BILL No. 4269

February 15, 2005, Introduced by Reps. Gaffney, Ward, Cushingberry, Hune, Vagnozzi, Cheeks, Nofs, Plakas and Virgil Smith and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157) by adding section 7jj.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7JJ. (1) IF THE OWNERSHIP OF AN ELIGIBLE HOMESTEAD IS
2 TRANSFERRED TO A QUALIFIED PURCHASER AND THE TAXABLE VALUE OF THE
3 ELIGIBLE HOMESTEAD IS ADJUSTED UNDER SECTION 27A(3), THE INCREASE
4 IN THE ELIGIBLE HOMESTEAD'S TAXABLE VALUE IS EXEMPT FROM THE
5 COLLECTION OF TAXES UNDER THIS ACT UNTIL THERE IS A SUBSEQUENT
6 TRANSFER OF OWNERSHIP OF THE ELIGIBLE HOMESTEAD.

7 (2) UPON THE TRANSFER OF OWNERSHIP OF AN ELIGIBLE HOMESTEAD
8 SUBJECT TO THE EXEMPTION UNDER SUBSECTION (1), THE TAXABLE VALUE OF
9 THE ELIGIBLE HOMESTEAD SHALL BE ADJUSTED PURSUANT TO SECTION

1 27A(3).

2 (3) AS USED IN THIS SECTION:

3 (A) "ELIGIBLE HOMESTEAD" MEANS A HOMESTEAD LOCATED IN THE SAME
4 LOCAL TAX COLLECTING UNIT IN WHICH A QUALIFIED PURCHASER HAD
5 PREVIOUSLY CLAIMED A HOMESTEAD, WHICH HOMESTEAD EXEMPTION WAS
6 RESCINDED UNDER SECTION 7CC(5) UPON THE PURCHASE OF THE ELIGIBLE
7 HOMESTEAD.

8 (B) "HOMESTEAD" MEANS PROPERTY SUBJECT TO A HOMESTEAD
9 EXEMPTION.

10 (C) "HOMESTEAD EXEMPTION" MEANS THE EXEMPTION FROM THE
11 COLLECTION OF TAXES LEVIED UNDER SECTION 1211 OF THE REVISED SCHOOL
12 CODE, 1976 PA 451, MCL 380.1211, PROVIDED UNDER SECTION 7CC.

13 (D) "QUALIFIED PURCHASER" MEANS A PERSON WHO MEETS ALL OF THE
14 FOLLOWING CONDITIONS:

15 (i) CLAIMED A HOMESTEAD EXEMPTION UNDER SECTION 7CC FOR
16 PROPERTY LOCATED IN THE SAME LOCAL TAX COLLECTING UNIT IN WHICH HIS
17 OR HER ELIGIBLE HOMESTEAD IS LOCATED FOR NOT LESS THAN 3 YEARS AND
18 RESCINDED THAT HOMESTEAD EXEMPTION PURSUANT TO SECTION 7CC(5) UPON
19 THE PURCHASE OF HIS OR HER ELIGIBLE HOMESTEAD.

20 (ii) CLAIMED A HOMESTEAD EXEMPTION FOR HIS OR HER ELIGIBLE
21 HOMESTEAD AS PROVIDED IN SECTION 7CC.

22 (E) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN
23 SECTION 27A.