

HOUSE BILL No. 4270

February 15, 2005, Introduced by Reps. Gaffney, Ward, Cushingberry, Hune, Vagnozzi, Cheeks, Rocca, 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 A PRINCIPAL RESIDENCE IS
2 TRANSFERRED TO A QUALIFIED PURCHASER AND THE TAXABLE VALUE OF THE
3 PRINCIPAL RESIDENCE IS ADJUSTED UNDER SECTION 27A(3), THE INCREASE
4 IN THE PRINCIPAL RESIDENCE'S TAXABLE VALUE IS EXEMPT FROM THE
5 COLLECTION OF TAXES UNDER THIS ACT UNTIL THERE IS A SUBSEQUENT
6 TRANSFER OF OWNERSHIP OF THAT PRINCIPAL RESIDENCE.

7 (2) UPON THE TRANSFER OF OWNERSHIP OF A PRINCIPAL RESIDENCE
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) "PRINCIPAL RESIDENCE" MEANS PROPERTY EXEMPT FROM THE
4 COLLECTION OF TAXES LEVIED UNDER SECTION 1211 OF THE REVISED SCHOOL
5 CODE, 1976 PA 451, MCL 380.1211, AS PROVIDED UNDER SECTION 7CC.

6 (B) "QUALIFIED PURCHASER" MEANS A PERSON WHO MEETS ALL OF THE
7 FOLLOWING CONDITIONS:

8 (i) IS 65 YEARS OF AGE OR OLDER.

9 (ii) CLAIMED AN EXEMPTION FOR A PRINCIPAL RESIDENCE UNDER
10 SECTION 7CC FOR PROPERTY LOCATED IN THIS STATE FOR NOT LESS THAN 3
11 YEARS AND RESCINDED THAT EXEMPTION PURSUANT TO SECTION 7CC(5) UPON
12 THE PURCHASE OF HIS OR HER PRINCIPAL RESIDENCE FOR WHICH AN
13 EXEMPTION IS CLAIMED UNDER THIS SECTION.

14 (iii) CLAIMED AN EXEMPTION AS PROVIDED IN SECTION 7CC FOR THE
15 PRINCIPAL RESIDENCE FOR WHICH AN EXEMPTION IS CLAIMED UNDER THIS
16 SECTION.

17 (C) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN
18 SECTION 27A.