

HOUSE BILL No. 6162

May 22, 2008, Introduced by Reps. Tobocman, Byrnes, Hopgood, Scott, Accavitti, Melton, Ball, Johnson, Miller, Leland, Robert Jones, Sak, Jackson, Kathleen Law, Condino, Alma Smith, Bennett, Bieda, Gonzales, Farrah, Dean, Polidori, Bauer, Meadows and Clemente and referred to the Committee on Intergovernmental, Urban and Regional Affairs.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 7nn; and to repeal acts
and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7NN. (1) THE PRINCIPAL RESIDENCE OF A QUALIFIED TAXPAYER
2 IS ELIGIBLE FOR EXEMPTION FROM THE COLLECTION OF TAXES UNDER THIS
3 ACT AS PROVIDED IN THIS SECTION. THIS SECTION DOES NOT APPLY TO THE
4 PROPERTY OF A CORPORATION.

5 (2) THE APPLICATION AND RENEWAL AFFIDAVIT FOR AN EXEMPTION
6 UNDER THIS SECTION SHALL BE IN A FORM PRESCRIBED BY THE DEPARTMENT
7 OF TREASURY. THE DEPARTMENT OF TREASURY SHALL DESIGN THE
8 APPLICATION AND RENEWAL AFFIDAVIT TO ENSURE UNIFORMITY, CLARITY,
9 SIMPLICITY, AND EASE OF USE BY APPLICANTS.

10 (3) THE APPLICATION FOR AN EXEMPTION UNDER THIS SECTION SHALL
11 BE FILED AFTER JANUARY 1 BUT BEFORE THE DAY PRIOR TO THE LAST DAY

1 OF THE BOARD OF REVIEW. IF A QUALIFIED TAXPAYER IS GRANTED AN
2 EXEMPTION UNDER THIS SECTION FOR A TAX YEAR, THAT QUALIFIED
3 TAXPAYER MAY SUBMIT A RENEWAL AFFIDAVIT TO CLAIM AN EXEMPTION IN
4 THE IMMEDIATELY SUCCEEDING TAX YEAR.

5 (4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR AN EXEMPTION UNDER
6 THIS SECTION, THE BOARD OF REVIEW SHALL GRANT THE EXEMPTION FOR THE
7 TAX YEAR IN WHICH THE APPLICATION IS FILED AND THE IMMEDIATELY
8 PRECEDING TAX YEAR IF THE QUALIFIED TAXPAYER WOULD HAVE BEEN
9 ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION IF THE QUALIFIED
10 TAXPAYER HAD CLAIMED AN EXEMPTION UNDER THIS SECTION. IF A
11 QUALIFIED TAXPAYER IS ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION
12 AND THE BOARD OF REVIEW GRANTS THE EXEMPTION FOR THE IMMEDIATELY
13 PRECEDING TAX YEAR, ANY EXEMPTED AND UNPAID TAXES, INTEREST,
14 PENALTIES, AND FEES FOR THE IMMEDIATELY PRECEDING TAX YEAR FOR
15 WHICH THE EXEMPTION IS GRANTED SHALL BE EXTINGUISHED.

16 (5) THE EXEMPTION UNDER THIS SECTION SHALL BE APPLIED AS
17 FOLLOWS:

18 (A) IF THE PERSON CLAIMING THE EXEMPTION UNDER THIS SECTION IS
19 A QUALIFIED TAXPAYER THROUGH APPLICATION OF THE HOUSEHOLD INCOME
20 REQUIREMENT SET FORTH IN SUBSECTION (9) (B) (v) (A), 100% OF THE
21 TAXABLE VALUE OF THE PRINCIPAL RESIDENCE.

22 (B) IF THE PERSON CLAIMING THE EXEMPTION UNDER THIS SECTION IS
23 A QUALIFIED TAXPAYER THROUGH APPLICATION OF THE HOUSEHOLD INCOME
24 REQUIREMENT SET FORTH IN SUBSECTION (9) (B) (v) (B), 50% OF THE TAXABLE
25 VALUE OF THE PRINCIPAL RESIDENCE.

26 (6) THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT SHALL
27 MAKE AVAILABLE TO THE PUBLIC THE ELIGIBILITY REQUIREMENTS FOR THE

1 EXEMPTION UNDER THIS SECTION AND APPLICATION FORMS AND RENEWAL
2 AFFIDAVITS. IF A QUALIFIED TAXPAYER IS GRANTED AN EXEMPTION UNDER
3 THIS SECTION FOR A TAX YEAR, THE LOCAL TAX COLLECTING UNIT SHALL
4 MAIL A RENEWAL AFFIDAVIT TO THAT QUALIFIED TAXPAYER IN THE
5 IMMEDIATELY SUCCEEDING TAX YEAR. THE LOCAL TAX COLLECTING UNIT
6 SHALL PUBLISH NOTICE OF THE AVAILABILITY OF, AND THE ELIGIBILITY
7 REQUIREMENTS FOR, THE EXEMPTION UNDER THIS SECTION IN A NEWSPAPER
8 OF GENERAL CIRCULATION WITHIN THE LOCAL TAX COLLECTING UNIT.

9 (7) THE BOARD OF REVIEW MAY DENY AN EXEMPTION UNDER THIS
10 SECTION FOR 1 OR MORE OF THE FOLLOWING REASONS:

11 (A) THE BOARD OF REVIEW DETERMINES THAT THE PERSON CLAIMING
12 THE EXEMPTION IS NOT A QUALIFIED TAXPAYER.

13 (B) THE BOARD OF REVIEW DETERMINES THAT THE CLAIM FOR
14 EXEMPTION IS BASED ON FRAUD.

15 (C) THE BOARD OF REVIEW DETERMINES THAT THE QUALIFIED TAXPAYER
16 CLAIMING THE EXEMPTION UNDER THIS SECTION HAS NO INTEREST IN THE
17 PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED AND THE CLAIM FOR
18 EXEMPTION IS AN ATTEMPT TO AVOID THE COLLECTION OF TAXES UNDER THIS
19 ACT.

20 (D) THE STATE EQUALIZED VALUATION OF THE PRINCIPAL RESIDENCE
21 FOR WHICH AN EXEMPTION IS CLAIMED UNDER THIS SECTION IS 200% OR
22 MORE GREATER THAN THE MEDIAN VALUE OF A PRINCIPAL RESIDENCE IN THE
23 LOCAL TAX COLLECTING UNIT.

24 (8) FILING AN APPLICATION FOR EXEMPTION OR A RENEWAL AFFIDAVIT
25 UNDER THIS SUBSECTION IS AN APPEARANCE BEFORE THE BOARD OF REVIEW
26 AND PRESERVES THE APPLICANT'S RIGHT TO APPEAL THE DECISION OF THE
27 BOARD OF REVIEW REGARDING THE CLAIM FOR EXEMPTION. A QUALIFIED

1 TAXPAYER WHO FILES AN APPLICATION FOR EXEMPTION OR A RENEWAL
2 AFFIDAVIT UNDER THIS SECTION MAY ALSO APPEAL THE ASSESSMENT ON THE
3 PROPERTY FOR WHICH THE EXEMPTION IS CLAIMED BEFORE THE BOARD OF
4 REVIEW IN THE SAME TAX YEAR.

5 (9) AS USED IN THIS SECTION:

6 (A) "PRINCIPAL RESIDENCE" MEANS PRINCIPAL RESIDENCE OR
7 QUALIFIED AGRICULTURAL PROPERTY AS THOSE TERMS ARE DEFINED IN
8 SECTION 7DD.

9 (B) "QUALIFIED TAXPAYER" MEANS A PERSON WHO MEETS ALL OF THE
10 FOLLOWING REQUIREMENTS:

11 (i) OWNS AND OCCUPIES AS A PRINCIPAL RESIDENCE THE PROPERTY FOR
12 WHICH AN EXEMPTION IS CLAIMED.

13 (ii) FILES AN APPLICATION FOR EXEMPTION WITH THE SUPERVISOR OR
14 BOARD OF REVIEW, ACCOMPANIED BY FEDERAL AND STATE INCOME TAX
15 RETURNS FOR ALL PERSONS RESIDING IN THE PRINCIPAL RESIDENCE,
16 INCLUDING ANY PROPERTY TAX CREDIT RETURNS, FILED IN THE IMMEDIATELY
17 PRECEDING TAX YEAR OR IN THE CURRENT TAX YEAR.

18 (iii) PRODUCES A VALID DRIVER LICENSE, STATE PERSONAL
19 IDENTIFICATION CARD, OR OTHER FORM OF IDENTIFICATION, IF REQUESTED
20 BY THE SUPERVISOR OR BOARD OF REVIEW.

21 (iv) PRODUCES A DEED, LAND CONTRACT, OR OTHER EVIDENCE OF
22 OWNERSHIP OF THE PROPERTY FOR WHICH AN EXEMPTION IS REQUESTED, IF
23 REQUESTED BY THE SUPERVISOR OR BOARD OF REVIEW.

24 (v) HAS HOUSEHOLD INCOME THAT MEETS 1 OF THE FOLLOWING
25 REQUIREMENTS:

26 (A) IS 200% OR LESS OF THE FEDERAL POVERTY GUIDELINES
27 PUBLISHED ANNUALLY IN THE FEDERAL REGISTER BY THE UNITED STATES

1 DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER ITS AUTHORITY TO
2 REVISE THE POVERTY LINE UNDER 42 USC 9902.

3 (B) IS NOT GREATER THAN ALTERNATIVE INCOME GUIDELINES ADOPTED
4 BY THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT. ALTERNATIVE
5 INCOME GUIDELINES SHALL NOT PROVIDE AN INCOME ELIGIBILITY
6 REQUIREMENT THAT IS LESS THAN THE INCOME ELIGIBILITY REQUIREMENT
7 SET FORTH IN SUB-SUBPARAGRAPH (A) .

8 (vi) A LOCAL TAX COLLECTING UNIT MAY ESTABLISH AN ASSET LEVEL
9 AS A CRITERION FOR EXEMPTION UNDER THIS SECTION. IF THE LOCAL TAX
10 COLLECTING UNIT HAS ESTABLISHED AN ASSET LEVEL AS A CRITERION FOR
11 EXEMPTION UNDER THIS SECTION, THE ASSET LEVEL OF THE PERSON
12 CLAIMING AN EXEMPTION UNDER THIS SECTION DOES NOT EXCEED THAT ASSET
13 LEVEL. A LOCAL TAX COLLECTING UNIT SHALL NOT CONSIDER ANY OF THE
14 FOLLOWING IN CALCULATING THE ASSET LEVEL OF A PERSON CLAIMING AN
15 EXEMPTION UNDER THIS SECTION:

16 (A) THE STATE EQUALIZED VALUATION OF THE PRINCIPAL RESIDENCE
17 OF THE PERSON CLAIMING AN EXEMPTION UNDER THIS SECTION.

18 (B) ANY INDIVIDUAL ITEM OF TANGIBLE PERSONAL PROPERTY WITH A
19 VALUE OF LESS THAN \$5,000.00, EXCLUDING CASH, STOCKS, BONDS, AND
20 SIMILAR ITEMS OF VALUE.

21 (C) CASH, STOCKS, BONDS, AND SIMILAR ITEMS OF VALUE WITH AN
22 AGGREGATE VALUE OF LESS THAN \$5,000.00.

23 (C) "HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED IN SECTION
24 508 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508.

25 Enacting section 1. Section 7u of the general property tax
26 act, 1893 PA 206, MCL 211.7u, is repealed.