

SENATE BILL No. 336

March 5, 2009, Introduced by Senators HUNTER and THOMAS and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7u and 28 (MCL 211.7u and 211.28), section 7u as amended by 2003 PA 140 and section 28 as amended by 2006 PA 143.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7u. (1) The principal residence of ~~persons~~**A PERSON** who,
2 in the judgment of the supervisor and board of review, by reason of
3 poverty, ~~are~~**IS** unable to contribute toward the public charges is
4 eligible for exemption in whole or in part from ~~taxation~~**THE**
5 **COLLECTION OF TAXES** under this act. This section does not apply to
6 the property of a corporation.

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

9 (a) ~~Be an owner of~~**OWN** and occupy as a principal residence the
10 property for which an exemption is requested. **AN EXEMPTION UNDER**

1 THIS SECTION IS NOT AVAILABLE FOR A PRINCIPAL RESIDENCE WITH A
2 TAXABLE VALUE GREATER THAN \$200,000.00. A PERSON IS NOT ELIGIBLE
3 FOR AN EXEMPTION UNDER THIS SECTION IF THAT PERSON HAS AN OWNERSHIP
4 INTEREST IN ANY PROPERTY OTHER THAN THE PRINCIPAL RESIDENCE FOR
5 WHICH AN EXEMPTION IS REQUESTED.

6 (b) File a claim with the supervisor or board of review on a
7 form provided by the local ~~assessing~~-**TAX COLLECTING** unit,
8 accompanied by federal and state income tax returns for all persons
9 residing in the principal residence, including any property tax
10 credit returns, filed in the immediately preceding year or in the
11 current year. The filing of a claim under this subsection
12 constitutes an appearance before the board of review for the
13 purpose of preserving the claimant's right to appeal the decision
14 of the board of review regarding the claim.

15 (c) Produce a valid driver's license or other form of
16 identification if requested by the supervisor or board of review.

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

20 (e) Meet the federal poverty guidelines ~~updated~~-**PUBLISHED**
21 annually in the federal register by the United States department of
22 health and human services under **ITS** authority ~~of section 673 of~~
23 ~~subtitle B of title VI of the omnibus budget reconciliation act of~~
24 ~~1981, Public Law 97-35, 42 U.S.C. TO REVISE THE POVERTY LINE UNDER~~
25 **42 USC** 9902, or alternative guidelines adopted by the governing
26 body of the local ~~assessing~~-**TAX COLLECTING** unit provided the
27 alternative guidelines do not provide income eligibility

1 requirements less than the federal guidelines.

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

5 (4) The governing body of the local ~~assessing~~**TAX COLLECTING**
6 unit shall determine and make available to the public the policy
7 and guidelines the local assessing unit uses for the granting of
8 exemptions under this section. The guidelines shall include but **ARE**
9 not ~~be~~ limited to the specific income and asset levels of the
10 claimant and total household income and assets.

11 (5) The board of review shall follow the policy and guidelines
12 of the local ~~assessing~~**TAX COLLECTING** unit in granting or denying
13 an exemption under this section unless the board of review
14 determines there are substantial and compelling reasons why there
15 should be a deviation from the policy and guidelines and the
16 substantial and compelling reasons are communicated in writing to
17 the claimant.

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

22 **(7) A PERSON WHO FILES A FRAUDULENT CLAIM FOR EXEMPTION UNDER**
23 **THIS SECTION IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE OF NOT**
24 **MORE THAN \$5,000.00 OR IMPRISONMENT FOR NOT MORE THAN 1 YEAR, OR**
25 **BOTH.**

26 **(8) THE LOCAL TAX COLLECTING UNIT MAY REVIEW EXEMPTIONS**
27 **GRANTED UNDER THIS SECTION FOR THE 5 IMMEDIATELY PRECEDING YEARS.**

1 IF THE LOCAL TAX COLLECTING UNIT DETERMINES THAT AN EXEMPTION UNDER
2 THIS SECTION WAS ERRONEOUSLY GRANTED, THE ASSESSOR SHALL REMOVE THE
3 EXEMPTION OF THE PROPERTY AND, IF THE TAX ROLL IS IN THE LOCAL TAX
4 COLLECTING UNIT'S POSSESSION, AMEND THE TAX ROLL TO REFLECT THE
5 DENIAL AND THE LOCAL TREASURER SHALL WITHIN 30 DAYS OF THE DATE OF
6 THE DENIAL ISSUE A CORRECTED TAX BILL FOR ANY ADDITIONAL TAXES WITH
7 INTEREST AT THE RATE OF 1.25% PER MONTH OR FRACTION OF A MONTH AND
8 PENALTIES COMPUTED FROM THE DATE THE TAXES WERE LAST PAYABLE
9 WITHOUT INTEREST OR PENALTY. IF THE TAX ROLL IS IN THE COUNTY
10 TREASURER'S POSSESSION, THE TAX ROLL SHALL BE AMENDED TO REFLECT
11 THE DENIAL AND THE COUNTY TREASURER SHALL WITHIN 30 DAYS OF THE
12 DATE OF THE DENIAL PREPARE AND SUBMIT A SUPPLEMENTAL TAX BILL FOR
13 ANY ADDITIONAL TAXES, TOGETHER WITH INTEREST AT THE RATE OF 1.25%
14 PER MONTH OR FRACTION OF A MONTH AND PENALTIES COMPUTED FROM THE
15 DATE THE TAXES WERE LAST PAYABLE WITHOUT INTEREST OR PENALTY.
16 INTEREST ON ANY TAX SET FORTH IN A CORRECTED OR SUPPLEMENTAL TAX
17 BILL SHALL AGAIN BEGIN TO ACCRUE 60 DAYS AFTER THE DATE THE
18 CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED AT THE RATE OF 1.25%
19 PER MONTH OR FRACTION OF A MONTH. TAXES LEVIED IN A CORRECTED OR
20 SUPPLEMENTAL TAX BILL SHALL BE RETURNED AS DELINQUENT ON THE MARCH
21 1 IN THE YEAR IMMEDIATELY SUCCEEDING THE YEAR IN WHICH THE
22 CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED. HOWEVER, IF THE
23 PROPERTY HAS BEEN TRANSFERRED TO A BONA FIDE PURCHASER BEFORE
24 ADDITIONAL TAXES WERE BILLED TO THE SELLER AS A RESULT OF THE
25 DENIAL OF A CLAIM FOR EXEMPTION, THE TAXES, INTEREST, AND PENALTIES
26 SHALL NOT BE A LIEN ON THE PROPERTY AND SHALL NOT BE BILLED TO THE
27 BONA FIDE PURCHASER, AND THE LOCAL TAX COLLECTING UNIT IF THE LOCAL

1 TAX COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR THE COUNTY
2 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL SHALL NOTIFY
3 THE DEPARTMENT OF TREASURY OF THE AMOUNT OF TAX DUE, INTEREST, AND
4 PENALTIES THROUGH THE DATE OF THAT NOTIFICATION. THE DEPARTMENT OF
5 TREASURY SHALL THEN ASSESS THE OWNER WHO CLAIMED THE EXEMPTION
6 UNDER THIS SECTION FOR THE TAX, INTEREST, AND PENALTIES ACCRUING AS
7 A RESULT OF THE DENIAL OF THE CLAIM FOR EXEMPTION, IF ANY, AS FOR
8 UNPAID TAXES PROVIDED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND
9 SHALL DEPOSIT ANY TAX, PENALTY, OR INTEREST COLLECTED INTO THE
10 STATE SCHOOL AID FUND. THE DENIAL SHALL BE MADE ON A FORM
11 PRESCRIBED BY THE DEPARTMENT OF TREASURY.

12 (9) ~~(7)~~—As used in this section, "principal residence" means
13 principal residence or qualified agricultural property as those
14 terms are defined in section 7dd.

15 Sec. 28. (1) Those electors of the township appointed by the
16 township board shall constitute a board of review for the township.
17 At least 2/3 of the members shall be property taxpayers of the
18 township. Members appointed to the board of review shall serve for
19 terms of 2 years beginning at noon on January 1 of each odd-
20 numbered year. Each member of the board of review shall qualify by
21 taking the constitutional oath of office within 10 days after
22 appointment. The township board may fill any vacancy that occurs in
23 the membership of the board of review. A member of the township
24 board is not eligible to serve on the board or to fill any vacancy.
25 A spouse, mother, father, sister, brother, son, or daughter,
26 including an adopted child, of the assessor is not eligible to
27 serve on the board or to fill any vacancy. A majority of the board

1 of review constitutes a quorum for the transaction of business, but
2 a lesser number may adjourn and a majority vote of those present
3 shall decide all questions. At least 2 members of a 3-member board
4 of review shall be present to conduct any business or hearings of
5 the board of review.

6 (2) The township board may appoint 3, 6, or 9 electors of the
7 township, who shall constitute a board of review for the township.
8 If 6 or 9 members are appointed as provided in this subsection, the
9 membership of the board of review shall be divided into board of
10 review committees consisting of 3 members each for the purpose of
11 hearing and deciding issues protested pursuant to section 30. Two
12 of the 3 members of a board of review committee constitute a quorum
13 for the transaction of the business of the committee. All meetings
14 of the members of the board of review and committees shall be held
15 during the same hours of the same day and at the same location.

16 (3) A township board may appoint not more than 2 alternate
17 members for the same term as regular members of the board of
18 review. Each alternate member shall be a property taxpayer of the
19 township. Alternate members shall qualify by taking the
20 constitutional oath of office within 10 days after appointment. The
21 township board may fill any vacancy that occurs in the alternate
22 membership of the board of review. A member of the township board
23 is not eligible to serve as an alternate member or to fill any
24 vacancy. A spouse, mother, father, sister, brother, son, or
25 daughter, including an adopted child, of the assessor is not
26 eligible to serve as an alternate member or to fill any vacancy. An
27 alternate member may be called to perform the duties of a regular

1 member of the board of review in the absence of a regular member.
2 An alternate member may also be called to perform the duties of a
3 regular member of the board of review for the purpose of reaching a
4 decision in issues protested in which a regular member has
5 abstained for reasons of conflict of interest.

6 (4) ~~The~~**SUBJECT TO SUBSECTION (5), THE** size, composition, and
7 manner of appointment of the board of review of a city may be
8 prescribed by the charter of a city. In the absence of or in place
9 of a charter provision **AND SUBJECT TO SUBSECTION (5)**, the governing
10 body of the city, by ordinance, may establish the city board of
11 review in the same manner and for the same purposes as provided by
12 this section for townships.

13 (5) **IN ADDITION TO ANY OTHER REQUIREMENTS PRESCRIBED BY**
14 **CHARTER OR ORDINANCE, A PERSON SHALL MEET ALL OF THE FOLLOWING**
15 **REQUIREMENTS IN ORDER TO SERVE ON THE BOARD OF REVIEW FOR A CITY:**

16 (A) **SATISFACTORILY COMPLETE A CRIMINAL BACKGROUND CHECK**
17 **CONDUCTED BY THE POLICE DEPARTMENT OF THAT CITY.**

18 (B) **HAVE NO OUTSTANDING LIENS FOR DELINQUENT PROPERTY TAXES IN**
19 **THAT CITY.**

20 (C) **IS NOT RELATED TO ANY MEMBER OF THE CITY COUNCIL.**

21 (6) **A MEMBER OF THE BOARD OF REVIEW FOR A CITY SHALL NOT**
22 **PARTICIPATE IN ANY DECISION REGARDING AN EXEMPTION UNDER SECTION 7U**
23 **IF THAT BOARD OF REVIEW MEMBER KNOWS THE PERSON CLAIMING THE**
24 **EXEMPTION OR KNOWS ANY PERSON RELATED TO OR AFFILIATED IN ANY WAY**
25 **WITH THE PERSON CLAIMING THE EXEMPTION.**

26 (7) ~~(5)~~**A majority of the entire board of review membership**
27 **shall indorse the assessment roll as provided in section 30. The**

1 duties and responsibilities of the board contained in section 29
2 shall be carried out by the entire membership of the board of
3 review and a majority of the membership constitutes a quorum for
4 those purposes.