

SENATE BILL No. 1335

May 12, 2010, Introduced by Senators BROWN, BASHAM, OLSHOVE, JACOBS, CHERRY, ALLEN and HUNTER and referred to the Committee on Senior Citizens and Veterans Affairs.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 700.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 700. (1) BEGINNING DECEMBER 31, 2010, IF THE OWNERSHIP OF
2 AN ELIGIBLE PRINCIPAL RESIDENCE IS TRANSFERRED TO A QUALIFIED
3 PURCHASER AND THE TAXABLE VALUE OF THE ELIGIBLE PRINCIPAL RESIDENCE
4 IS ADJUSTED UNDER SECTION 27A(3), THE INCREASE IN THE ELIGIBLE
5 PRINCIPAL RESIDENCE'S TAXABLE VALUE IN EXCESS OF THE ADJUSTED
6 TAXABLE VALUE OF THE QUALIFIED PURCHASER'S CURRENT PRINCIPAL
7 RESIDENCE IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT
8 UNTIL THERE IS A SUBSEQUENT TRANSFER OF OWNERSHIP OF THE ELIGIBLE
9 PRINCIPAL RESIDENCE.

10 (2) UPON THE TRANSFER OF OWNERSHIP OF AN ELIGIBLE PRINCIPAL

1 RESIDENCE SUBJECT TO THE EXEMPTION UNDER SUBSECTION (1), THE
2 TAXABLE VALUE OF THE ELIGIBLE PRINCIPAL RESIDENCE SHALL BE ADJUSTED
3 PURSUANT TO SECTION 27A(3).

4 (3) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1) FOR AN ELIGIBLE
5 PRINCIPAL RESIDENCE, AN OWNER SHALL FILE AN AFFIDAVIT CLAIMING THE
6 EXEMPTION WITH THE LOCAL TAX COLLECTING UNIT BY MAY 1. THE
7 AFFIDAVIT SHALL BE IN A FORM PRESCRIBED BY THE DEPARTMENT OF
8 TREASURY.

9 (4) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (3),
10 THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT SHALL DETERMINE IF
11 THE PROPERTY IS AN ELIGIBLE PRINCIPAL RESIDENCE. IF THE ASSESSOR
12 DETERMINES THAT THE PROPERTY IS AN ELIGIBLE PRINCIPAL RESIDENCE,
13 THE ASSESSOR SHALL EXEMPT THE PROPERTY AS PROVIDED IN SUBSECTION
14 (1).

15 (5) AN OWNER OF PROPERTY THAT IS AN ELIGIBLE PRINCIPAL
16 RESIDENCE ON MAY 1 FOR WHICH AN EXEMPTION WAS NOT ON THE TAX ROLL
17 MAY FILE AN APPEAL WITH THE JULY OR DECEMBER BOARD OF REVIEW IN THE
18 YEAR THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY SUCCEEDING YEAR.
19 AN OWNER OF PROPERTY THAT IS AN ELIGIBLE PRINCIPAL RESIDENCE ON MAY
20 1 FOR WHICH AN EXEMPTION WAS DENIED BY THE ASSESSOR IN THE YEAR THE
21 AFFIDAVIT WAS FILED MAY APPEAL THAT DENIAL TO THE JULY BOARD OF
22 REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT A SUMMER LEVY, TO THE
23 DECEMBER BOARD OF REVIEW.

24 (6) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
25 THAT PROPERTY FOR WHICH AN EXEMPTION HAS BEEN GRANTED IS NOT AN
26 ELIGIBLE PRINCIPAL RESIDENCE, THE ASSESSOR MAY DENY OR MODIFY AN
27 EXISTING EXEMPTION BY NOTIFYING THE PERSON CLAIMING THE EXEMPTION

1 IN WRITING AT THE TIME REQUIRED FOR PROVIDING A NOTICE UNDER
2 SECTION 24C. A TAXPAYER MAY APPEAL THE ASSESSOR'S DETERMINATION TO
3 THE BOARD OF REVIEW MEETING UNDER SECTION 30. A DECISION OF THE
4 BOARD OF REVIEW MAY BE APPEALED TO THE RESIDENTIAL AND SMALL CLAIMS
5 DIVISION OF THE MICHIGAN TAX TRIBUNAL.

6 (7) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,
7 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT
8 WITHDRAW THE EXEMPTION. IF AN OWNER REQUESTS THAT AN EXEMPTION BE
9 WITHDRAWN, THE LOCAL ASSESSOR SHALL NOTIFY THE OWNER THAT THE
10 EXEMPTION ISSUED UNDER THIS SECTION HAS BEEN DENIED BASED ON THAT
11 OWNER'S REQUEST. IF AN EXEMPTION IS WITHDRAWN, THE PROPERTY THAT
12 HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED ON
13 THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX
14 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
15 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH
16 THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE
17 ISSUED FOR THE TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING
18 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX
19 ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE
20 TAX ROLL. IF AN OWNER REQUESTS THAT AN EXEMPTION UNDER THIS SECTION
21 BE WITHDRAWN BEFORE THAT OWNER IS CONTACTED IN WRITING BY THE LOCAL
22 ASSESSOR REGARDING THAT OWNER'S ELIGIBILITY FOR THE EXEMPTION AND
23 THAT OWNER PAYS THE CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
24 WITHIN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED, THAT OWNER
25 IS NOT LIABLE FOR ANY PENALTY OR INTEREST ON THE ADDITIONAL TAX. AN
26 OWNER WHO PAYS A CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
27 MORE THAN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED IS LIABLE

1 FOR THE PENALTIES AND INTEREST THAT WOULD HAVE ACCRUED IF THE
2 EXEMPTION HAD NOT BEEN GRANTED FROM THE DATE THE TAXES WERE
3 ORIGINALLY LEVIED.

4 (8) A HUSBAND AND WIFE WHO ARE REQUIRED TO FILE OR WHO DO FILE
5 A JOINT MICHIGAN INCOME TAX RETURN ARE ENTITLED TO NOT MORE THAN 1
6 EXEMPTION UNDER THIS SECTION. HOWEVER, ONLY 1 SPOUSE IS REQUIRED TO
7 BE A QUALIFIED PURCHASER.

8 (9) AS USED IN THIS SECTION:

9 (A) "ADJUSTED TAXABLE VALUE" MEANS THE TAXABLE VALUE OF A
10 QUALIFIED PURCHASER'S CURRENT PRINCIPAL RESIDENCE IN THE YEAR IN
11 WHICH OWNERSHIP OF AN ELIGIBLE PRINCIPAL RESIDENCE IS TRANSFERRED
12 TO THE QUALIFIED PURCHASER, ADJUSTED AS PROVIDED IN SECTION 27A(3).

13 (B) "CURRENT PRINCIPAL RESIDENCE" MEANS THE PRINCIPAL
14 RESIDENCE OF A QUALIFIED PURCHASER FOR WHICH AN EXEMPTION WAS
15 RESCINDED BY THE QUALIFIED PURCHASER UNDER SECTION 7CC(5) IN THE
16 YEAR IN WHICH OWNERSHIP OF AN ELIGIBLE PRINCIPAL RESIDENCE WAS
17 TRANSFERRED TO THE QUALIFIED PURCHASER.

18 (C) "ELDER-FRIENDLY DWELLING" MEANS A RESIDENTIAL DWELLING
19 THAT INCLUDES 1 OR MORE OF THE FOLLOWING:

20 (i) NO STEP ENTRIES.

21 (ii) ONE-LEVEL LIVING.

22 (iii) DOOR WIDTHS THAT ARE 32 INCHES OR GREATER.

23 (iv) HALLWAYS THAT ARE 36 INCHES IN WIDTH OR GREATER.

24 (v) DOOR THRESHOLDS THAT ARE FLUSH WITH THE FLOOR.

25 (vi) USE OF LEVER DOOR HANDLES AND ROCKER-TYPE LIGHT SWITCHES.

26 (D) "ELIGIBLE PRINCIPAL RESIDENCE" MEANS AN ELDER-FRIENDLY
27 DWELLING LOCATED IN A NEIGHBORHOOD ENTERPRISE ZONE CREATED UNDER

1 THE NEIGHBORHOOD ENTERPRISE ZONE ACT, 1992 PA 147, MCL 207.771 TO
2 207.786, FOR WHICH A PRINCIPAL RESIDENCE EXEMPTION IS CLAIMED BY A
3 QUALIFIED PURCHASER.

4 (E) "PRINCIPAL RESIDENCE EXEMPTION" MEANS THE EXEMPTION FROM
5 THE COLLECTION OF TAXES LEVIED UNDER SECTION 1211 OF THE REVISED
6 SCHOOL CODE, 1976 PA 451, MCL 380.1211, PROVIDED UNDER SECTION 7CC.

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

9 (i) IS A PERSON TO WHOM OWNERSHIP OF AN ELIGIBLE PRINCIPAL
10 RESIDENCE IS TRANSFERRED.

11 (ii) IS AT LEAST 65 YEARS OF AGE IN THE YEAR IN WHICH OWNERSHIP
12 OF AN ELIGIBLE PRINCIPAL RESIDENCE IS TRANSFERRED.

13 (G) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN
14 SECTION 27A.