

# HOUSE BILL NO. 5449

February 14, 2024, Introduced by Reps. Bezotte, Wozniak, DeBoyer, Thompson, Mueller, Martin, Kunse, Roth, Paquette, Price, Smit, Aragona and Bruck and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7b (MCL 211.7b), as amended by 2023 PA 150.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7b. (1) Real property used and owned as a homestead by  
2 ~~either~~**any** of the following individuals is exempt from the  
3 collection of taxes under this act:

4           (a) A disabled veteran.

5           (b) A surviving spouse of a disabled veteran who, immediately  
6 before death, was eligible for the exemption under this section. An

1 exemption under this subdivision **and subdivision (c)** continues as  
2 long as the surviving spouse does not remarry, and the exemption  
3 applies to any property used and owned as a homestead by the  
4 surviving spouse, including homestead property acquired after the  
5 decedent's death.

6 **(c) The surviving spouse of a veteran or member of the United**  
7 **States Armed Forces, including the reserve components, if the**  
8 **United States Department of Veterans Affairs has determined that**  
9 **the surviving spouse is entitled to dependency and indemnity**  
10 **compensation under 38 USC 1310 to 1318 because the decedent's death**  
11 **occurred while the decedent was on active duty, active duty for**  
12 **training, or inactive duty training, or occurred as the result of a**  
13 **service-connected disability.**

14 (2) To obtain the exemption, an individual described in  
15 subsection ~~(1)(a) or (b)~~, **(1)**, or the individual's legal designee,  
16 must file an application, in a form and manner prescribed by the  
17 state tax commission, showing the facts required by this section  
18 and a description of the real property with the assessing officer  
19 for the local assessing unit after January 1 and before December 31  
20 of the calendar year for which the exemption is claimed. The  
21 application when filed is open to inspection. The taxes subject to  
22 collection under this act shall be canceled for any year in which  
23 an individual described in subsection ~~(1)(a) or (b)~~ **(1)** who is  
24 eligible for the exemption under this section has acquired title to  
25 real property exempt under this section. Upon granting the  
26 exemption under this section, each local taxing unit shall bear the  
27 loss of its portion of the taxes upon which the exemption has been  
28 granted. An exemption granted under this section as to taxes levied  
29 on or after January 1, 2025 remains in effect, without subsequent

1 reapplication, until it is rescinded by the individual who was  
2 granted the exemption or is denied by the assessor, as provided in  
3 section 7c.

4 (3) An exemption once granted applies to all property taxes  
5 for the current tax year that have been paid by the individual who  
6 qualified for the exemption under subsection ~~(1)(a) or (b)~~ **(1)** and  
7 all property taxes for the current tax year that would have been  
8 owed by that individual if the property was not exempt. If the  
9 individual who qualified for the exemption under subsection ~~(1)(a)~~  
10 ~~or (b)~~ **(1)** does not use and own the property as a homestead for the  
11 entire tax year, the exemption must be prorated under 1 of the  
12 following methods:

13 (a) Based on the closing or other purchase documents, if any,  
14 executed by or on behalf of the individual who qualified for the  
15 exemption under subsection ~~(1)(a) or (b)~~ **(1)**. That individual  
16 shall provide a copy of the closing or other purchase documents  
17 with the application claiming the exemption. The local treasurer  
18 shall use the closing or other purchase documents when calculating  
19 the amount of taxes to be exempted. There must be no refund of any  
20 property taxes not levied in the current tax year paid pursuant to  
21 the closing or other purchase documents to the seller by the  
22 individual who qualified for the exemption under subsection ~~(1)(a)~~  
23 ~~or (b)~~ **(1)**.

24 (b) If closing or other purchase documents are not provided  
25 for the proration under subdivision (a), based on a proration under  
26 which the local treasurer calculates the amount of property taxes  
27 levied in the current tax year to be exempted by dividing the total  
28 property taxes levied in the year by 365 and then multiplying that  
29 number by the number of days the individual will use and own the

1 property as a homestead.

2 (c) Based on a proration that takes into account the effective  
3 date of any removal of the exemption, which the assessor shall  
4 designate as the date of the relevant conveyance or disposition.  
5 Using that date, the local treasurer shall calculate the amount of  
6 property taxes levied in the current tax year to be exempted by  
7 dividing the total property taxes levied in the year by 365 and  
8 then multiplying that number by the number of days the individual,  
9 while qualified for the exemption, used and owned the property as a  
10 homestead.

11 (4) As used in this section:

12 (a) "Disabled veteran" means a veteran who is a resident of  
13 this state and who meets 1 of the following criteria:

14 (i) Has been determined by the United States Department of  
15 Veterans Affairs to be permanently and totally disabled as a result  
16 of military service and entitled to veterans' benefits at the 100%  
17 rate.

18 (ii) Has a certificate from the United States Department of  
19 Veterans Affairs certifying that the veteran is receiving or has  
20 received pecuniary assistance due to disability for specially  
21 adapted housing.

22 (iii) Has been rated by the United States Department of Veterans  
23 Affairs as individually unemployable.

24 (b) "Own" or "owned" means 1 of the following:

25 (i) For an individual described in subsection (1)(a), legal  
26 title to the property is held solely by that individual or jointly  
27 by that individual and that individual's spouse.

28 (ii) For an individual described in subsection ~~(1)(b)~~, **(1)(b)**  
29 **or (c)**, legal title to the property is held solely by that

1 individual.

2 (c) "Veteran" means an individual who served in the United  
3 States Armed Forces, including the reserve components, and was  
4 discharged or released under honorable conditions.