

SENATE BILL NO. 176

March 14, 2023, Introduced by Senator SANTANA and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. (1) Real property used and owned as a homestead by a
2 ~~disabled veteran who was discharged from the armed forces of the~~
3 ~~United States under honorable conditions or by an individual~~
4 ~~described in subsection (2)~~ **any of the following individuals** is
5 exempt from the collection of taxes under this act: -

6 **(a) A disabled veteran.**

1 (b) A surviving spouse of a disabled veteran who, immediately
2 before death, was eligible for the exemption under this section. An
3 exemption under this subdivision continues as long as the surviving
4 spouse does not remarry, and the exemption applies to any property
5 used and owned as a homestead by the surviving spouse, including
6 homestead property acquired after the decedent's death.

7 (2) To obtain the exemption, **an individual described in**
8 **subsection (1) (a) or (b), or the individual's legal designee, must**
9 **file an affidavit-application, in a form and manner prescribed by**
10 **the state tax commission,** showing the facts required by this
11 section and a description of the real property ~~shall be filed by~~
12 ~~the property owner or his or her legal designee with the supervisor~~
13 ~~or other assessing officer during the period beginning with the tax~~
14 ~~day for each year and ending at the time of the final adjournment~~
15 ~~of the local board of review.~~ **for the local assessing unit after**
16 **January 1 and before December 31 of the calendar year for which the**
17 **exemption is claimed.** The ~~affidavit-application~~ when filed ~~shall be~~
18 ~~is~~ open to inspection. The county treasurer shall cancel taxes
19 subject to collection under this act for any year in which a
20 ~~disabled veteran~~ **an individual described in subsection (1) (a) or**
21 **(b) who is** eligible for the exemption under this section has
22 acquired title to real property exempt under this section. Upon
23 granting the exemption under this section, each local taxing unit
24 shall bear the loss of its portion of the taxes upon which the
25 exemption has been granted.

26 ~~(2) If a disabled veteran who is otherwise eligible for the~~
27 ~~exemption under this section dies, either before or after the~~
28 ~~exemption under this section is granted, the exemption shall remain~~
29 ~~available to or shall continue for his or her unremarried surviving~~

1 ~~spouse. The surviving spouse shall comply with the requirements of~~
2 ~~subsection (1) and shall indicate on the affidavit that he or she~~
3 ~~is the surviving spouse of a disabled veteran entitled to the~~
4 ~~exemption under this section. The exemption shall continue as long~~
5 ~~as the surviving spouse remains unremarried.~~

6 (3) An exemption granted under this section remains in effect,
7 without subsequent reapplication, until it is rescinded by the
8 individual who was granted the exemption or is denied by the
9 assessor, as follows:

10 (a) The individual shall file with the local assessing unit,
11 in a form and manner prescribed by the state tax commission, a form
12 rescinding the exemption within 45 days after either of the
13 following:

14 (i) The individual ceases to own or occupy the property for
15 which the exemption was granted.

16 (ii) The individual no longer meets the qualifications under
17 this section to receive the exemption.

18 (b) A local assessing unit must develop and implement an audit
19 program that includes, but is not limited to, the audit of all
20 information filed under subsection (2). If property is determined
21 to be ineligible for exemption as a result of an audit, the
22 individual who was granted the exemption under this section is
23 subject to repayment of additional taxes including interest to be
24 paid as provided in subdivisions (c) and (d).

25 (c) The assessor may deny a new claim, or an existing claim
26 following an audit, as further provided in subdivision (d).

27 (d) The assessor shall, in a form and manner prescribed by the
28 state tax commission, notify the individual of the denial of the
29 new or existing claim, the reason for the denial, and that the

1 denial may be appealed to the residential and small claims division
 2 of the tax tribunal within 35 days after the date of the notice.
 3 The assessor may deny a claim for exemption for the current year
 4 and for the 3 immediately preceding calendar years. If the tax roll
 5 is in the local tax collecting unit's possession, it shall amend
 6 the tax roll to reflect the removal of the exemption, and the local
 7 treasurer shall, within 30 days after the date of the discovery,
 8 issue a corrected tax bill for any additional taxes with interest
 9 at the rate of 1% per month or fraction of a month computed from
 10 the date the taxes were last payable without interest. If the tax
 11 roll is in the county treasurer's possession, the tax roll must be
 12 amended to reflect the removal of the exemption and the county
 13 treasurer shall, within 30 days after the date of the removal,
 14 prepare and submit a supplemental tax bill for any additional
 15 taxes, together with interest at the rate of 1% per month or
 16 fraction of a month computed from the date the taxes were last
 17 payable without interest. Interest on any tax set forth in a
 18 corrected or supplemental tax bill again begins to accrue 60 days
 19 after the date the corrected or supplemental tax bill is issued at
 20 the rate of 1% per month or fraction of a month. Taxes levied in a
 21 corrected or supplemental tax bill must be returned as delinquent
 22 on March 1 in the year immediately succeeding the year in which the
 23 corrected or supplemental tax bill is issued.

24 (4) ~~(3)~~ As used in this section: ~~,"disabled~~

25 (a) "Disabled veteran" means a ~~person~~ **veteran** who is a
 26 resident of this state and who meets 1 of the following criteria:

27 (i) ~~(a)~~ Has been determined by the United States ~~department of~~
 28 ~~veterans affairs~~ **Department of Veterans Affairs** to be permanently
 29 and totally disabled as a result of military service and entitled

1 to veterans' benefits at the 100% rate.

2 (ii) ~~(b)~~ Has a certificate from the United States ~~veterans'~~
3 ~~administration, or its successors,~~ **Department of Veterans Affairs**
4 certifying that ~~he or she~~ **the veteran** is receiving or has received
5 pecuniary assistance due to disability for specially adapted
6 housing.

7 (iii) ~~(c)~~ Has been rated by the United States ~~department of~~
8 ~~veterans affairs~~ **Department of Veterans Affairs** as individually
9 unemployable.

10 (b) "Veteran" means an individual who served in the United
11 **States Armed Forces, including the reserve components, and was**
12 **discharged or released under conditions other than dishonorable.**