

SUBSTITUTE FOR
SENATE BILL NO. 6

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~~**SUBJECT TO SUBSECTIONS (2) TO (4),**
2 **RESIDENTIAL REAL** property **OR AGRICULTURAL REAL PROPERTY** used and
3 owned as a homestead by ~~a~~**ANY OF THE FOLLOWING INDIVIDUALS IS**
4 **EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT:**

5 **(A)** A disabled veteran who was discharged from the armed
6 forces of the United States under honorable conditions. ~~or by an~~
7 ~~individual described in subsection (2) is exempt from the~~
8 ~~collection of taxes under this act. To obtain the exemption,~~

9 **(B) FOR AS LONG AS HE OR SHE REMAINS UNREMARRIED, THE**

1 UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN WHO, IMMEDIATELY
2 BEFORE DEATH, WAS ELIGIBLE FOR THE EXEMPTION UNDER THIS SECTION.

3 (C) FOR AS LONG AS HE OR SHE REMAINS UNREMARIED, THE
4 UNREMARIED SURVIVING SPOUSE OF A DECEASED MICHIGAN VETERAN WHO
5 DIED FROM SERVICE-CONNECTED CAUSES WHILE ON ACTIVE DUTY IN THE
6 ARMED FORCES OF THE UNITED STATES.

7 (2) TO CLAIM AN EXEMPTION UNDER THIS SECTION, AN INDIVIDUAL
8 DESCRIBED IN SUBSECTION (1) (A), (B), OR (C), OR HIS OR HER LEGAL
9 DESIGNEE, SHALL ANNUALLY FILE WITH THE LOCAL TAX COLLECTING UNIT IN
10 WHICH THE PROPERTY IS LOCATED an affidavit ~~showing~~ ON A FORM
11 PRESCRIBED BY THE STATE TAX COMMISSION DESCRIBING THE REAL PROPERTY
12 FOR WHICH THE EXEMPTION IS CLAIMED AND ATTESTING TO the facts
13 required by ~~this section and a description of the real property~~
14 ~~shall be filed by the property owner or his or her legal designee~~
15 ~~with the supervisor or other assessing officer during the period~~
16 ~~beginning with the tax day for each year and ending at the time of~~
17 ~~the final adjournment of the local board of review.~~ SUBSECTION (1)
18 AS OF THE DATE THAT THE AFFIDAVIT IS SIGNED. THE AFFIDAVIT SHALL BE
19 FILED ON OR BEFORE JUNE 1 TO CLAIM THE EXEMPTION FOR THE
20 IMMEDIATELY SUCCEEDING SUMMER AND WINTER TAX LEVIES OR ON OR BEFORE
21 NOVEMBER 1 TO CLAIM THE EXEMPTION FOR THE IMMEDIATELY SUCCEEDING
22 WINTER TAX LEVY. NOTWITHSTANDING THE TAX DAY PROVIDED IN SECTION 2,
23 THE STATUS OF PROPERTY AS EXEMPT UNDER THIS SECTION SHALL BE
24 DETERMINED ON THE DATE THE AFFIDAVIT CLAIMING AN EXEMPTION IS
25 FILED. The affidavit when filed shall be open to inspection. The
26 ~~county treasurer shall cancel taxes subject to collection under~~
27 ~~this act for any year in which a disabled veteran eligible for the~~

1 ~~exemption under this section has acquired title to real property~~
2 ~~exempt under this section. Upon granting the exemption under this~~
3 ~~section, each local taxing unit shall bear the loss of its portion~~
4 ~~of the taxes upon which the exemption has been granted.~~

5 ~~—— (2) If a disabled veteran who is otherwise eligible for the~~
6 ~~exemption under this section dies, either before or after the~~
7 ~~exemption under this section is granted, the exemption shall remain~~
8 ~~available to or shall continue for his or her unremarried surviving~~
9 ~~spouse. The surviving spouse shall comply with the requirements of~~
10 ~~subsection (1) and shall indicate on the affidavit that he or she~~
11 ~~is the surviving spouse of a disabled veteran entitled to the~~
12 ~~exemption under this section. The exemption shall continue as long~~
13 ~~as the surviving spouse remains unremarried.~~

14 (3) AFTER THE AFFIDAVIT IS FILED, THE ASSESSOR FOR THE LOCAL
15 TAX COLLECTING UNIT SHALL DETERMINE WHETHER THE REQUIREMENTS OF
16 THIS SECTION ARE MET. IF THE REQUIREMENTS ARE MET, THE ASSESSOR
17 SHALL GRANT THE EXEMPTION. IF GRANTED, THE EXEMPTION APPLIES UNTIL
18 DECEMBER 31 OF THE YEAR THAT THE AFFIDAVIT WAS FILED.

19 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION APPLIES ONLY TO
20 TAXES COLLECTED UNDER THIS ACT AND NOT TO ANY SPECIAL ASSESSMENT
21 UNLESS THE ACT PROVIDING FOR THE SPECIAL ASSESSMENT PROVIDES
22 OTHERWISE.

23 (5) IF THE TOTAL AMOUNT OF ALL TAXES COLLECTED BY A LOCAL TAX
24 COLLECTING UNIT IS REDUCED IN EXCESS OF 5% BY EXEMPTIONS GRANTED
25 UNDER THIS SECTION, THE STATE SHALL, UPON APPROPRIATION, PROVIDE
26 REIMBURSEMENT IN AN AMOUNT EQUAL TO THAT EXCESS.

27 (6) ~~(3)~~As used in this section: ~~/~~"disabled

1 (A) "AGRICULTURAL REAL PROPERTY" MEANS THAT TERM AS DEFINED IN
2 SECTION 34C.

3 (B) "ARMED FORCES OF THE UNITED STATES" MEANS THE ARMED FORCES
4 OF THE UNITED STATES AND THEIR RESERVE COMPONENTS.

5 (C) "DECEASED MICHIGAN VETERAN" MEANS AN INDIVIDUAL WHO,
6 IMMEDIATELY BEFORE DEATH, SERVED IN THE ARMED FORCES OF THE UNITED
7 STATES AND WAS A LEGAL RESIDENT OF THIS STATE.

8 (D) "DISABLED veteran" means a person who is a **LEGAL** resident
9 of this state and who meets 1 of the following criteria:

10 (i) ~~(a)~~ Has been determined by the United States ~~department of~~
11 ~~veterans affairs~~ **DEPARTMENT OF VETERANS AFFAIRS** to be permanently
12 and totally disabled as a result of military service and entitled
13 to veterans' benefits at the 100% rate.

14 (ii) ~~(b)~~ Has a certificate from the United States ~~veterans~~
15 ~~administration~~, **VETERANS ADMINISTRATION**, or its successors,
16 certifying that he or she is receiving or has received pecuniary
17 assistance due to disability for specially adapted housing.

18 (iii) ~~(c)~~ Has been rated by the United States ~~department of~~
19 ~~veterans affairs~~ **DEPARTMENT OF VETERANS AFFAIRS** as individually
20 unemployable.

21 (E) "HOMESTEAD" MEANS THE 1 PLACE OWNED AND OCCUPIED BY A
22 LEGAL RESIDENT OF THIS STATE AS HIS OR HER TRUE, FIXED, AND
23 PERMANENT HOME TO WHICH, WHENEVER ABSENT, HE OR SHE INTENDS TO
24 RETURN AND THAT SHALL CONTINUE AS A PRIMARY RESIDENCE UNTIL ANOTHER
25 PRIMARY RESIDENCE IS ESTABLISHED. EXCEPT AS OTHERWISE PROVIDED IN
26 THIS SUBDIVISION, HOMESTEAD INCLUDES ONLY THAT PORTION OF A
27 DWELLING OR UNIT IN A MULTIPLE-UNIT DWELLING THAT WOULD BE SUBJECT

1 TO AD VALOREM TAXES ABSENT THE EXEMPTION UNDER THIS SECTION AND
2 THAT IS OWNED AND OCCUPIED BY AN OWNER OF THE DWELLING OR UNIT.
3 HOMESTEAD ALSO INCLUDES ALL OF AN OWNER'S UNOCCUPIED PROPERTY
4 CLASSIFIED AS RESIDENTIAL REAL PROPERTY OR AGRICULTURAL REAL
5 PROPERTY THAT IS ADJOINING OR CONTIGUOUS TO THE DWELLING, THAT
6 WOULD BE SUBJECT TO AD VALOREM TAXES ABSENT THE EXEMPTION UNDER
7 THIS SECTION, AND THAT IS OWNED AND OCCUPIED BY THE OWNER.
8 CONTIGUITY IS NOT BROKEN BY BOUNDARY BETWEEN LOCAL TAX COLLECTING
9 UNITS, A ROAD, A RIGHT-OF-WAY, OR PROPERTY PURCHASED OR TAKEN UNDER
10 CONDEMNATION PROCEEDINGS BY A PUBLIC UTILITY FOR POWER TRANSMISSION
11 LINES IF THE 2 PARCELS SEPARATED BY THE PURCHASED OR CONDEMNED
12 PROPERTY WERE A SINGLE PARCEL PRIOR TO THE SALE OR CONDEMNATION.
13 EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, HOMESTEAD ALSO
14 INCLUDES ANY PORTION OF A DWELLING OR UNIT OF AN OWNER THAT IS
15 RENTED OR LEASED TO ANOTHER PERSON AS A RESIDENCE AS LONG AS THAT
16 PORTION OF THE DWELLING OR UNIT THAT IS RENTED OR LEASED IS LESS
17 THAN 50% OF THE TOTAL SQUARE FOOTAGE OF LIVING SPACE IN THAT
18 DWELLING OR UNIT. FOR PURPOSES OF THIS SUBDIVISION, PROPERTY
19 PREVIOUSLY OCCUPIED AS A HOMESTEAD BY AN INDIVIDUAL WHO NOW RESIDES
20 IN A NURSING HOME OR ASSISTED LIVING FACILITY REMAINS THAT
21 INDIVIDUAL'S HOMESTEAD IF HE OR SHE MANIFESTS AN INTENT TO RETURN
22 TO THAT PROPERTY BY SATISFYING ALL OF THE FOLLOWING CONDITIONS:

23 (i) HE OR SHE CONTINUES TO OWN THAT PROPERTY WHILE RESIDING IN
24 THE NURSING HOME OR ASSISTED LIVING FACILITY.

25 (ii) HE OR SHE HAS NOT ESTABLISHED A NEW HOMESTEAD.

26 (iii) HE OR SHE MAINTAINS OR PROVIDES FOR THE MAINTENANCE OF
27 THAT PROPERTY WHILE RESIDING IN THE NURSING HOME OR ASSISTED LIVING

1 FACILITY.

2 (iv) THAT PROPERTY IS NOT OCCUPIED, IS NOT LEASED, AND IS NOT
3 USED FOR ANY BUSINESS OR COMMERCIAL PURPOSE.

4 (F) "OWN" MEANS ANY OF THE FOLLOWING:

5 (i) SOLE OWNERSHIP BY A DISABLED VETERAN.

6 (ii) JOINT OWNERSHIP OR CO-OWNERSHIP BY A DISABLED VETERAN AND
7 1 OR MORE OF THE FOLLOWING INDIVIDUALS:

8 (A) HIS OR HER SPOUSE, INCLUDING AS TENANTS BY THE ENTIRETY.

9 (B) HIS OR HER SON, DAUGHTER, ADOPTED SON, OR ADOPTED
10 DAUGHTER.

11 (iii) SOLE OWNERSHIP BY AN UNREMARIED SURVIVING SPOUSE OF A
12 DECEASED DISABLED VETERAN OR A DECEASED MICHIGAN VETERAN WHO DIED
13 FROM SERVICE-CONNECTED CAUSES WHILE ON ACTIVE DUTY IN THE ARMED
14 FORCES OF THE UNITED STATES.

15 (G) "RESIDENTIAL REAL PROPERTY" MEANS THAT TERM AS DEFINED IN
16 SECTION 34C.

17 (H) "UNREMARIED SURVIVING SPOUSE" MEANS EITHER OF THE
18 FOLLOWING:

19 (i) AN INDIVIDUAL WHO WAS MARRIED TO A DISABLED VETERAN WHEN
20 THAT VETERAN DIED AND WHO, SINCE THE TIME OF THAT SPOUSE'S DEATH,
21 HAS NEVER BEEN REMARRIED.

22 (ii) AN INDIVIDUAL WHO WAS MARRIED TO A DECEASED MICHIGAN
23 VETERAN WHEN THAT VETERAN DIED FROM SERVICE-CONNECTED CAUSES WHILE
24 ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES AND WHO,
25 SINCE THE TIME OF THAT SPOUSE'S DEATH, HAS NEVER BEEN REMARRIED.