

HOUSE BILL No. 4362

February 21, 1991, Introduced by Rep. Rocca and referred to the Committee on Taxation.

A bill to amend the title of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws; and to add section 7cc.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 206 of the Public Acts of
2 1893, as amended, being sections 211.1 to 211.157 of the Michigan
3 Compiled Laws, is amended and section 7cc is added to read as
4 follows:

5 TITLE

6 An act to provide for the assessment of rights and inter-
7 ests, including leasehold interests, in property, ~~and~~ the levy
8 ~~and collection~~ of taxes thereon, and for the collection of
9 taxes levied; TO PROVIDE FOR THE ESTABLISHMENT OF RESIDENTIAL

1 PROPERTY TAX EXEMPTION DISTRICTS AND CERTAIN EXEMPTIONS; making
2 ~~such~~ THE taxes a lien on the property taxed, establishing and
3 continuing the lien, providing for the sale and conveyance of
4 property delinquent for taxes, and for the inspection and dispo-
5 sition of lands bid off to the state and not redeemed or pur-
6 chased; to provide for the establishment of a delinquent tax
7 revolving fund, ~~and~~ the borrowing of money by counties, and the
8 issuance of notes; to define and limit the jurisdiction of the
9 courts in proceedings in connection therewith; to limit the time
10 within which actions may be brought; to prescribe certain limita-
11 tions with respect to rates of taxation; to prescribe certain
12 powers and duties of certain officers, departments, agencies, and
13 political subdivisions of this state; to provide for certain
14 reimbursements of certain expenses incurred by units of local
15 government; to provide penalties for the violation of this act;
16 and to repeal certain acts and parts of acts in anywise contra-
17 vening any of the provisions of this act.

18 SEC. 7CC. (1) THE GOVERNING BODY OF A LOCAL GOVERNMENTAL
19 UNIT BY RESOLUTION MAY ELECT TO ACCEPT APPLICATIONS AND PROVIDE
20 FOR THE GRANTING OF RESIDENTIAL PROPERTY TAX EXEMPTIONS. BEFORE
21 CONSIDERATION OF ANY EXEMPTION, THE GOVERNING BODY OF THE LOCAL
22 GOVERNMENTAL UNIT SHALL BY RESOLUTION DETERMINE THE CRITERIA TO
23 BE USED IN DETERMINING THE APPROVAL OF AN EXEMPTION AND THE TIME
24 PERIOD OF AN EXEMPTION, AND SHALL MAKE THAT INFORMATION AVAILABLE
25 TO APPLICANTS.

26 (2) THE OWNER OF A RESIDENTIAL DWELLING THAT IS MORE THAN 3
27 YEARS OLD AND IS USED AS THE PRIMARY RESIDENCE BY THE OWNER OR A

1 LESSEE WHO MAKES AN IMPROVEMENT OR AN ADDITION, OR BOTH, TO THAT
2 RESIDENTIAL DWELLING THAT INCREASES THE TRUE CASH VALUE OF THE
3 PROPERTY BY NOT LESS THAN \$1,500.00 MAY APPLY FOR AND IF APPROVED
4 CLAIM A RESIDENTIAL PROPERTY TAX EXEMPTION IN AN AMOUNT EQUAL TO
5 THE INCREASE IN THE TRUE CASH VALUE ATTRIBUTABLE TO THE IMPROVE-
6 MENT OR ADDITION. THE IMPROVEMENT OR ADDITION MAY INCLUDE, BUT
7 IS NOT LIMITED TO, 1 OR MORE OF THE FOLLOWING:

8 (A) A NEW GARAGE.

9 (B) ENLARGEMENT OF AN EXISTING GARAGE.

10 (C) AN ADDITION TO THE RESIDENTIAL DWELLING ONLY IF THE
11 ADDITION IS PHYSICALLY ATTACHED TO THE EXISTING DWELLING.

12 (D) A WOOD OR CEMENT PATIO OR DECK, WITH OR WITHOUT AN OVER-
13 HEAD COVERING, THAT IS NOT ATTACHED TO THE RESIDENTIAL DWELLING.

14 (E) A PORCH OR STEPS ATTACHED TO THE RESIDENTIAL DWELLING.

15 (3) THE EXEMPTION ALLOWED UNDER SUBSECTION (2) DOES NOT
16 APPLY TO AN IMPROVEMENT OR ADDITION THAT INCREASES THE LIVING
17 AREA OF A RESIDENTIAL DWELLING BY MORE THAN 75%.

18 (4) AN OWNER OF A RESIDENTIAL DWELLING WHO WISHES TO CLAIM A
19 RESIDENTIAL PROPERTY TAX EXEMPTION SHALL FILE AN APPLICATION FOR
20 THE EXEMPTION WITH THE ASSESSOR FOR THE LOCAL GOVERNMENTAL UNIT
21 ON A FORM PRESCRIBED BY THE STATE TAX COMMISSION. THE APPLICA-
22 TION SHALL INCLUDE THE COST AND A DESCRIPTION OF THE IMPROVEMENT,
23 ADDITION, OR BOTH. THE APPLICATION SHALL BE FILED BEFORE
24 DECEMBER 31 OF THE CALENDAR YEAR PRECEDING THE TAX YEAR FOR WHICH
25 THE EXEMPTION IS CLAIMED.

26 (5) NOT MORE THAN 30 DAYS AFTER RECEIPT OF THE APPLICATION,
27 THE ASSESSOR SHALL DETERMINE IF THE IMPROVEMENT, ADDITION, OR

1 BOTH INCREASES THE ASSESSMENT OF THE PROPERTY AND BY WHAT
2 AMOUNT. IF THE ASSESSOR FINDS THAT THE ASSESSED TRUE CASH VALUE
3 OF THE PROPERTY IS INCREASED, THE ASSESSOR SHALL SEND THE APPLI-
4 CATION WITH HIS OR HER FINDINGS TO THE GOVERNING BODY OF THE
5 LOCAL GOVERNMENTAL UNIT.

6 (6) NOT MORE THAN 60 DAYS AFTER RECEIPT OF THE APPLICATION
7 PURSUANT TO SUBSECTION (5), THE GOVERNING BODY OF THE LOCAL GOV-
8 ERNMENTAL UNIT BY RESOLUTION SHALL EITHER APPROVE OR DISAPPROVE
9 THE APPLICATION FOR A RESIDENTIAL PROPERTY TAX EXEMPTION. IF
10 DISAPPROVED, THE REASONS SHALL BE SET FORTH IN WRITING IN THE
11 RESOLUTION. IF APPROVED, THE RESOLUTION SHALL SET FORTH THE
12 EFFECTIVE DATE AND THE DURATION FOR WHICH THE EXEMPTION IS GRANT-
13 ED, WHICH SHALL NOT EXCEED 12 YEARS AFTER THE EFFECTIVE DATE OF
14 THE EXEMPTION. THE CLERK OF THE GOVERNING BODY OF THE LOCAL GOV-
15 ERNMENTAL UNIT SHALL SEND A COPY OF THE RESOLUTION TO THE APPLI-
16 CANT AND THE ASSESSOR.

17 (7) AN OWNER MAY APPEAL THE DECISION OF THE GOVERNING BODY
18 OF THE LOCAL GOVERNMENTAL UNIT TO THE LOCAL BOARD OF REVIEW,
19 WHICH SHALL BE A FINAL DETERMINATION IN THE MATTER.

20 (8) THE ASSESSOR SHALL REFLECT AN EXEMPTION GRANTED UNDER
21 THIS SECTION ON THE TAX ROLL IN THE SAME MANNER AS ANY OTHER
22 EXEMPTION FROM TRUE CASH VALUE UNDER SECTION 27 UNTIL THE EXEMP-
23 TION EXPIRES OR THE PROPERTY IS SOLD, WHICHEVER OCCURS FIRST.

24 (9) THE ASSESSOR SHALL DEDUCT THE VALUE OF AN EXEMPTION
25 UNDER THIS SECTION FROM THE SALE PRICE OF THE RESIDENTIAL DWELL-
26 ING IF THE PROPERTY IS SOLD BEFORE THE EXPIRATION DATE OF THE
27 EXEMPTION BEFORE USING THE SALE PRICE FOR A SALES RATIO STUDY.

1 (10) THE GOVERNING BODY OF A LOCAL GOVERNMENTAL UNIT BY
2 RESOLUTION MAY ESTABLISH RESIDENTIAL PROPERTY TAX EXEMPTION DIS-
3 TRICTS WHICH MAY CONSIST OF 1 OR MORE PARCELS OR TRACTS OF LAND,
4 OR A PORTION THEREOF, FOR THE PURPOSE OF ENCOURAGING TAXPAYERS TO
5 IMPROVE RESIDENTIAL PROPERTY. BEFORE ADOPTING A RESOLUTION
6 ESTABLISHING A RESIDENTIAL PROPERTY TAX EXEMPTION DISTRICT, THE
7 GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT SHALL HOLD A PUBLIC
8 HEARING ON THE QUESTION OF THE ESTABLISHMENT OF THE DISTRICT AND
9 THE RESIDENTS OR TAXPAYERS OF THE LOCAL GOVERNMENTAL UNIT SHALL
10 HAVE A RIGHT TO APPEAR AND BE HEARD. IF A RESIDENTIAL PROPERTY
11 TAX EXEMPTION DISTRICT IS ESTABLISHED, THE GOVERNING BODY OF THE
12 LOCAL GOVERNMENTAL UNIT BY RESOLUTION SHALL SET FORTH THE CRI-
13 TERIA TO BE USED IN DETERMINING THE APPROVAL OF AN EXEMPTION AND
14 THE TIME PERIOD OF THE EXEMPTION, AND SHALL MAKE THAT INFORMATION
15 AVAILABLE TO APPLICANTS. THE CRITERIA SHALL INCLUDE BUT IS NOT
16 LIMITED TO THE REQUIREMENTS OF SUBSECTIONS (2) AND (3).

17 (11) IF THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT
18 ESTABLISHES A RESIDENTIAL PROPERTY TAX EXEMPTION DISTRICT PURSU-
19 ANT TO SUBSECTION (10), AN OWNER OF A RESIDENTIAL DWELLING THAT
20 IS MORE THAN 3 YEARS OLD MAY APPLY FOR A RESIDENTIAL PROPERTY TAX
21 EXEMPTION, IF THE CRITERIA ESTABLISHED PURSUANT TO SUBSECTION
22 (10) IS MET, BY FILING AN APPLICATION FOR THE EXEMPTION IN THE
23 SAME MANNER AND TIME AS REQUIRED IN SUBSECTION (4). WITHIN 60
24 DAYS AFTER RECEIPT OF THE APPLICATION, THE ASSESSOR SHALL DETER-
25 MINE IF THE OWNER QUALIFIES FOR THE EXEMPTION UNDER SUBSECTION
26 (10). IF THE OWNER QUALIFIES, THE ASSESSOR SHALL GRANT A
27 RESIDENTIAL PROPERTY TAX EXEMPTION IN ACCORDANCE WITH THE

1 CRITERIA ESTABLISHED PURSUANT TO SUBSECTION (10). AN OWNER MAY
2 APPEAL THE DECISION OF THE ASSESSOR TO THE GOVERNING BODY OF THE
3 LOCAL GOVERNMENTAL UNIT AND THEN TO THE LOCAL BOARD OF REVIEW,
4 WHICH SHALL BE A FINAL DETERMINATION IN THE MATTER.

5 (12) AS USED IN THIS SECTION:

6 (A) "LOCAL GOVERNMENTAL UNIT" MEANS A CITY, VILLAGE, OR
7 TOWNSHIP.

8 (B) "OWNER" MEANS THE PERSON WHO LEGALLY OWNS A RESIDENTIAL
9 DWELLING. IN THE CASE OF A LAND CONTRACT, OWNER MEANS THE PARTY
10 LIABLE UNDER THE TERMS OF THE CONTRACT FOR PAYMENT OF AD VALOREM
11 REAL PROPERTY TAXES.

12 (C) "RESIDENTIAL DWELLING" MEANS A HOUSE, BUILDING, OR
13 STRUCTURE THAT IS OCCUPIED SOLELY BY 1 FAMILY AS A PERMANENT
14 LIVING OR SLEEPING PLACE, THAT IS DESIGNED AND ARRANGED TO PRO-
15 VIDE COOKING AND KITCHEN ACCOMMODATIONS FOR 1 FAMILY, AND THAT IS
16 CLASSIFIED AS RESIDENTIAL PROPERTY OR IS A RESIDENTIAL HOMESTEAD
17 UPON PROPERTY CLASSIFIED AS AGRICULTURAL PROPERTY.

18 (13) THIS SECTION SHALL BE KNOWN AND MAY BE CITED AS THE
19 "RESIDENTIAL PROPERTY TAX EXEMPTION ACT".