

HOUSE BILL No. 4409

February 28, 1991, Introduced by Reps. Gire, DeBeaussaert, Harder, Kosteva, Ciaramitaro, Jondahl, Gubow, Jacobetti, Webb, Profit, Perry Bullard, Emerson, Leland, Kilpatrick, Saunders, Bennane, Stallworth, Joe Young, Sr. and Palamara and referred to the Committee on Taxation.

A bill to amend section 7k of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

being section 211.7k of the Michigan Compiled Laws; to add section 27b; and to repeal certain acts and parts of acts on specific dates.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7k of Act No. 206 of the Public Acts of
2 1893, being section 211.7k of the Michigan Compiled Laws, is
3 amended and section 27b is added to read as follows:

4 Sec. 7k. A facility for which an industrial facilities
5 exemption certificate issued pursuant to Act No. 198 of the
6 Public Acts of 1974, as amended, being sections 207.551 to
7 207.571 of the Michigan Compiled Laws, is in effect, but not the
8 land on which the new facility is located or to be located,

1 ~~shall be~~ IS exempt from taxation under this act for the period
2 beginning on the effective date of the certificate and continuing
3 as long as the industrial facilities exemption certificate is in
4 force IF THE OWNER OF THE FACILITY IS SUBJECT TO THE INDUSTRIAL
5 FACILITY TAX AS DETERMINED IN SECTION 14A OF ACT NO. 198 OF THE
6 PUBLIC ACTS OF 1974, BEING SECTIONS 207.561 AND 207.564A OF THE
7 MICHIGAN COMPILED LAWS.

8 SEC. 27B. (1) BEGINNING WITH THE 1991 TAX YEAR, A HOMESTEAD
9 IS EXEMPT FROM THE COLLECTION OF TAXES LEVIED BY A SCHOOL DIS-
10 TRICT FOR SCHOOL OPERATING PURPOSES UPON \$15,000.00 OF THE STATE
11 EQUALIZED VALUATION OF THE HOMESTEAD AS ADJUSTED UNDER SUBSECTION
12 (7) OR 50% OF THE STATE EQUALIZED VALUATION OF THE HOMESTEAD,
13 WHICHEVER IS LESS.

14 (2) NOT LATER THAN APRIL 20, 1991, THE STATE TREASURER SHALL
15 MAIL APPLICATIONS FOR THE EXEMPTION UNDER THIS SECTION IN A FORM
16 PRESCRIBED BY THE DEPARTMENT OF TREASURY TO ALL TAXPAYERS FILING
17 INCOME TAX RETURNS FROM THE PRECEDING YEAR AND SHALL MAKE AVAIL-
18 ABLE ADDITIONAL APPLICATIONS FOR TAXPAYERS THAT MAY BE ELIGIBLE
19 FOR THE EXEMPTION. A TAXPAYER WHOSE HOMESTEAD IS ELIGIBLE FOR
20 THE EXEMPTION SHALL RETURN THE COMPLETED APPLICATION TO THE TREA-
21 SURER OF THE TAX COLLECTING UNIT IN WHICH THE HOMESTEAD IS
22 LOCATED NOT LATER THAN MAY 15, 1991. IF AN APPLICATION IS FILED
23 AFTER MAY 15 BUT BEFORE SEPTEMBER 1, THE TAXPAYER IS ELIGIBLE FOR
24 THE EXEMPTION IN THE DECEMBER TAX BILL. THE TAX COLLECTING UNIT
25 MAY ASSUME THAT IF THE INFORMATION ON THE APPLICATION INDICATES
26 THE TAXPAYER'S HOMESTEAD IS ELIGIBLE FOR THE EXEMPTION, THE
27 TAXPAYER IS ELIGIBLE. AFTER PROVIDING FOR THE EXEMPTION UNDER

1 SUBSECTION (4), THE TREASURER SHALL FORWARD THE APPLICATION TO
2 THE DEPARTMENT OF TREASURY FOR VERIFICATION OF ELIGIBILITY. IF
3 THE TAXPAYER IS FOUND TO BE INELIGIBLE, THE TAX COLLECTING UNIT
4 SHALL BILL THE AMOUNT THAT WAS EXEMPT ON THE NEXT TAX BILL,
5 INCLUDING INTEREST AT THE RATE OF 3/4 OF 1% PER MONTH FROM THE
6 DATE THE EXEMPT AMOUNT WOULD HAVE FIRST BEEN DUE. THE STATE
7 SHALL REIMBURSE EACH TAX COLLECTING UNIT \$1.50 FOR EACH EXEMPTION
8 APPLICATION PROCESSED IN 1991.

9 (3) FOR EACH YEAR BEGINNING AFTER 1991, NOT LATER THAN
10 FEBRUARY 1, THE STATE TREASURER SHALL MAIL AN APPLICATION FOR THE
11 EXEMPTION UNDER THIS SECTION TO EACH TAXPAYER WHOSE HOMESTEAD WAS
12 ELIGIBLE FOR THE EXEMPTION IN THE PREVIOUS YEAR AND SHALL MAKE
13 AVAILABLE APPLICATIONS FOR TAXPAYERS THAT MAY BECOME ELIGIBLE FOR
14 THE EXEMPTION. A TAXPAYER SHALL RETURN A COMPLETED APPLICATION
15 TO THE DEPARTMENT OF TREASURY NOT LATER THAN APRIL 15. IF AN
16 APPLICATION IS FILED AFTER APRIL 15 BUT BEFORE SEPTEMBER 1, THE
17 TAXPAYER IS ELIGIBLE FOR THE EXEMPTION IN THE DECEMBER TAX BILL.
18 FOR EACH YEAR AFTER 1991, THE FILING FOR A HOMESTEAD PROPERTY TAX
19 CREDIT UNDER SECTIONS 520 AND 522 OF THE INCOME TAX ACT OF 1967,
20 ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.520
21 AND 206.522 OF THE MICHIGAN COMPILED LAWS, IS CONSIDERED AN
22 APPLICATION FOR THE EXEMPTION UNDER THIS ACT. NOT LATER THAN MAY
23 15 EACH YEAR OR FOR LATE FILED APPLICATIONS, OCTOBER 1, THE STATE
24 TREASURER SHALL NOTIFY THE TREASURER OF EACH TAX COLLECTING UNIT
25 OF EACH TAXPAYER WHOSE HOMESTEAD IS ELIGIBLE FOR THE EXEMPTION
26 AND EACH PREVIOUSLY ELIGIBLE HOMESTEAD THAT IS NOW INELIGIBLE FOR
27 THE EXEMPTION.

1 (4) UPON RECEIPT OF AN APPLICATION UNDER SUBSECTION (2) OR
2 NOTICE OF ELIGIBILITY FROM THE STATE TREASURER UNDER SUBSECTION
3 (3), THE TREASURER OF EACH TAX COLLECTING UNIT SHALL RETURN THE
4 TAX ROLL TO THE ASSESSOR WHO SHALL ENTER THE APPROPRIATE AMOUNT
5 OF THE EXEMPTION UNDER SUBSECTION (1) ON THE TAX ROLL AND RETURN
6 THE TAX ROLL TO THE TREASURER. THE TREASURER SHALL EXEMPT THE
7 APPROPRIATE AMOUNT UNDER SUBSECTION (1) FROM THE TAXPAYER'S TAX
8 BILL.

9 (5) WITHIN 30 DAYS AFTER THE LEVY OF A TAX, THE TAX COLLECT-
10 ING UNIT SHALL SEND A STATEMENT TO THE DEPARTMENT OF TREASURY
11 INDICATING THE TOTAL AMOUNT OF TAXES EXEMPT UNDER THIS SECTION
12 FOR EACH SCHOOL DISTRICT IN THAT UNIT. THE STATE SHALL REIMBURSE
13 EACH SCHOOL DISTRICT IN FULL AND IN A TIMELY MANNER AS PROVIDED
14 IN THE STATE SCHOOL AID ACT OF 1979, ACT NO. 94 OF THE PUBLIC
15 ACTS OF 1979, BEING SECTIONS 388.1601 TO 388.1772 OF THE MICHIGAN
16 COMPILED LAWS, FOR THE AMOUNT OF TAXES NOT RECEIVED AS A RESULT
17 OF THIS SECTION. HOWEVER, THE REIMBURSEMENT FOR A SUMMER TAX
18 LEVY SHALL OCCUR NOT EARLIER THAN OCTOBER 1. REIMBURSEMENT SHALL
19 BE BASED UPON THE NUMBER OF MILLS LEVIED FOR SCHOOL OPERATING
20 PURPOSES IN 1990 OR THE YEAR FOR WHICH THE REIMBURSEMENT IS BEING
21 MADE, WHICHEVER IS LESS.

22 (6) A PERSON WHO KNOWINGLY AND WILLFULLY FILES A FALSE
23 APPLICATION FOR EXEMPTION UNDER THIS SECTION IS GUILTY OF A MIS-
24 DEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR
25 BY A FINE OF NOT MORE THAN \$500.00, OR BOTH.

26 (7) THE AMOUNT OF THE EXEMPTION UNDER SUBSECTION (1) SHALL
27 BE ADJUSTED EACH YEAR BY THE INFLATION RATE AS DEFINED IN

1 SECTION 34D. THE STATE TAX COMMISSION SHALL PUBLISH THE AMOUNT
2 OF THE EXEMPTION UNDER THIS SECTION AT THE SAME TIME THE INFLA-
3 TION RATE IS PUBLISHED UNDER SECTION 34D.

4 (8) FOR EACH PARCEL OF PROPERTY SUBJECT TO THE EXEMPTION
5 UNDER THIS SECTION, THE TAX STATEMENT REQUIRED BY SECTION 44
6 SHALL INDICATE THE AMOUNT OF TAXES THAT ARE EXEMPT.

7 (9) AS USED IN THIS SECTION:

8 (A) "HOMESTEAD" MEANS THAT TERM AS DEFINED IN SECTION 508 OF
9 THE INCOME TAX ACT OF 1967, ACT NO. 281 OF THE PUBLIC ACTS OF
10 1967, BEING SECTION 206.508 OF THE MICHIGAN COMPILED LAWS.

11 (B) "SCHOOL DISTRICT" MEANS THAT TERM AS DEFINED IN SECTION
12 6 OF THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE PUBLIC ACTS OF
13 1976, BEING SECTION 380.6 OF THE MICHIGAN COMPILED LAWS.

14 (C) "OPERATING PURPOSES" MEANS PURPOSES INCLUDED IN THE
15 OPERATION COST OF A SCHOOL DISTRICT AS PRESCRIBED IN SECTION 7 OF
16 THE STATE SCHOOL AID ACT OF 1979, ACT NO. 94 OF THE PUBLIC ACTS
17 OF 1979, BEING SECTION 388.1607 OF THE MICHIGAN COMPILED LAWS.

18 (D) "TAXPAYER" MEANS THE OWNER OF THE PROPERTY UPON WHICH
19 THE TAX UNDER THIS ACT IS PAID.

20 Section 2. Sections 8 and 14 of Act No. 198 of the Public
21 Acts of 1974, being sections 207.558 and 207.564 of the Michigan
22 Compiled Laws, and section 23 of Act No. 228 of the Public Acts
23 of 1975, being section 208.23 of the Michigan Compiled Laws, are
24 repealed effective January 1, 1991.