

HOUSE BILL No. 6115

September 22, 1992, Introduced by Rep. Bryant and referred to the Committee on Taxation.

A bill to amend 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, by adding section 51a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 206 of the Public Acts of 1893, as
2 amended, being sections 211.1 to 211.157 of the Michigan Compiled
3 Laws, is amended by adding section 51a to read as follows:

4 SEC. 51A. (1) THE BOARD OF A LOCAL SCHOOL DISTRICT BY RESO-
5 LUTION MAY CREATE A PROPERTY TAX APPRECIATION PROGRAM THAT ALLOWS
6 PERSONS WHO ARE SENIOR CITIZENS TO VOLUNTEER THEIR TIME IN THE
7 SCHOOL DISTRICT IN RETURN FOR FORGIVENESS BY THE SCHOOL DISTRICT
8 OF A PORTION OF THE TAXES LEVIED BY THE LOCAL SCHOOL DISTRICT
9 UNDER THIS ACT UPON THEIR HOMESTEAD.

1 (2) THE RESOLUTION SHALL INCLUDE ALL OF THE FOLLOWING:

2 (A) PROCEDURES FOR APPLICATION FOR PARTICIPATION IN THE
3 PROGRAM.

4 (B) THE MAXIMUM NUMBER OF SENIOR CITIZENS ALLOWED IN THE
5 PROGRAM AND THE MANNER OF SELECTION IF NECESSARY.

6 (C) THE MAXIMUM AMOUNT OF TAXES ALLOWED TO BE FORGIVEN FOR
7 EACH SENIOR CITIZEN.

8 (D) PROCEDURES FOR VERIFICATION OF THE NUMBER OF HOURS
9 VOLUNTEERED.

10 (E) OTHER PROVISIONS CONSIDERED NECESSARY FOR THE IMPLEMEN-
11 TATION AND OPERATION OF THE PROGRAM.

12 (3) TO QUALIFY FOR THE PROPERTY TAX APPRECIATION PROGRAM,
13 THE FOLLOWING APPLY:

14 (A) THE PERSON SHALL BE A SENIOR CITIZEN OR SHALL BECOME A
15 SENIOR CITIZEN DURING THE CALENDAR YEAR IN WHICH APPLICATION IS
16 MADE.

17 (B) THE PROPERTY IS THE HOMESTEAD OF THE SENIOR CITIZEN.

18 (C) THE PROPERTY IS NOT INCOME PRODUCING.

19 (4) THE AMOUNT OF PROPERTY TAXES TO BE FORGIVEN SHALL BE
20 BASED ON THE NUMBER OF HOURS VOLUNTEERED MULTIPLIED BY AN AMOUNT
21 NOT TO EXCEED THE FEDERAL MINIMUM WAGE, SUBJECT TO THE MAXIMUM
22 ALLOWED IN THE RESOLUTION.

23 (5) AT THE CLOSE OF THE SCHOOL YEAR, THE LOCAL SCHOOL DIS-
24 TRICT SHALL CALCULATE THE AMOUNT OF TAXES TO BE FORGIVEN FOR EACH
25 PARTICIPATING SENIOR CITIZEN AND SHALL ISSUE AND FORWARD A CREDIT
26 FOR THAT AMOUNT TO THE APPROPRIATE TAX COLLECTING UNIT. THE TAX

1 COLLECTING UNIT SHALL NOT ADD A PROPERTY TAX ADMINISTRATION FEE
2 ON THE AMOUNT CREDITED UNDER THIS SUBSECTION.

3 (6) THIS CREDIT IS AN ACKNOWLEDGMENT OF THE INABILITY OF A
4 LOCAL SCHOOL DISTRICT TO RECOGNIZE THE NEEDS OF SENIOR CITIZENS
5 BY REDUCING THEIR EFFECTIVE ASSESSMENT BY EXEMPTION OR TO TANGI-
6 BLY ACKNOWLEDGE THE MANY YEARS SENIOR CITIZENS ARE SUBJECT TO
7 LOCAL SCHOOL DISTRICT MILLAGES.

8 (7) ALL PENALTIES AND INTEREST SHALL BE WAIVED ON THE AMOUNT
9 PAID UNDER SUBSECTION (5) IF DELINQUENT.

10 (8) THE RELATIONSHIP CREATED UNDER THIS SECTION BETWEEN THE
11 TAXPAYER AND THE LOCAL SCHOOL DISTRICT DOES NOT CONSTITUTE AN
12 EMPLOYEE AND EMPLOYER RELATIONSHIP AND THE CREDIT OF A PORTION OF
13 PROPERTY TAXES IS NOT CONSIDERED INCOME FOR PURPOSES OF INCOME
14 TAXATION.

15 (9) A LOCAL SCHOOL DISTRICT THAT CREATES A PROPERTY TAX
16 APPRECIATION PROGRAM SHALL MAKE AVAILABLE TO THE PUBLIC ALL
17 INFORMATION REGARDING THE PROGRAM.

18 (10) AS USED IN THIS SECTION:

19 (A) "HOMESTEAD" MEANS THOSE TERMS AS DEFINED IN CHAPTER 9 OF
20 THE INCOME TAX ACT OF 1967, ACT NO. 281 OF THE PUBLIC ACTS OF
21 1967, BEING SECTIONS 206.501 TO 206.532 OF THE MICHIGAN COMPILED
22 LAWS.

23 (B) "PROGRAM" MEANS THE PROPERTY TAX APPRECIATION PROGRAM.