

SENATE BILL No. 70

February 12, 1991, Introduced by Senators CARL, CRUCE, POSTHUMUS, WARTNER, EMMONS, ARTHURHULTZ, GEAKE, HONIGMAN, DI NELLO, KOIVISTO and DUNASKISS and referred to the Committee on Finance.

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 27b.

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 27b to read as follows:

4 SEC. 27B. (1) BEGINNING WITH THE 1991 TAX YEAR, THE HOME-
5 STEAD OF A SENIOR CITIZEN WITH A HOUSEHOLD INCOME IN THE PRIOR
6 YEAR NOT EXCEEDING THE INCOME AMOUNT AT WHICH THE HOMESTEAD
7 CREDIT IS REDUCED UNDER SECTION 520(8) OF THE INCOME TAX ACT OF
8 1967, ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTION
9 206.520 OF THE MICHIGAN COMPILED LAWS, IS EXEMPT FROM ALL OR A

1 PART OF THE TAXES LEVIED BY A SCHOOL DISTRICT FOR SCHOOL
2 OPERATING PURPOSES. THE FOLLOWING AMOUNT OF TAXES LEVIED FOR
3 SCHOOL OPERATING PURPOSES IS EXEMPT:

4 (A) FOR THE 1991 TAX YEAR, 50%.

5 (B) FOR THE 1992 TAX YEAR, 75%.

6 (C) FOR THE 1993 TAX YEAR AND EACH TAX YEAR AFTER 1993,
7 100%.

8 (2) NOT LATER THAN APRIL 15, 1991, THE STATE TREASURER SHALL
9 MAIL APPLICATIONS IN A FORM PRESCRIBED BY THE DEPARTMENT OF TREA-
10 SURY TO ALL TAXPAYERS THAT ARE ELIGIBLE FOR THE EXEMPTION ACCORD-
11 ING TO INCOME TAX RETURNS FROM THE PRECEDING YEAR AND SHALL MAKE
12 AVAILABLE ADDITIONAL APPLICATIONS FOR TAXPAYERS THAT MAY BECOME
13 ELIGIBLE FOR THE EXEMPTION. A TAXPAYER SHALL RETURN THE COM-
14 PLETED APPLICATION TO THE TREASURER OF THE LOCAL TAX COLLECTING
15 UNIT IN WHICH THE TAXPAYER'S HOMESTEAD IS LOCATED NOT LATER THAN
16 MAY 15, 1991. THE LOCAL TAX COLLECTING UNIT MAY ASSUME THAT IF
17 THE INFORMATION ON THE APPLICATION INDICATES THE TAXPAYER IS ELI-
18 GIBLE FOR THE EXEMPTION, THE TAXPAYER IS ELIGIBLE. AFTER PROVID-
19 ING FOR THE EXEMPTION UNDER SUBSECTION (4), THE TREASURER SHALL
20 FORWARD THE APPLICATION TO THE DEPARTMENT OF TREASURY FOR VERIFI-
21 CATION OF ELIGIBILITY. THE STATE SHALL REIMBURSE EACH LOCAL TAX
22 COLLECTING UNIT \$1.50 FOR EACH EXEMPTION APPLICATION PROCESSED IN
23 1991.

24 (3) FOR EACH YEAR AFTER 1991, THE TAXPAYER SHALL FILE AN
25 APPLICATION WITH THE STATE TREASURER NOT LATER THAN APRIL 15.
26 THE FILING FOR A HOMESTEAD PROPERTY TAX CREDIT FOR THE PRIOR YEAR
27 UNDER SECTIONS 520 AND 522 OF THE INCOME TAX ACT OF 1967, ACT

1 NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SECTIONS 206.520 AND
2 206.522 OF THE MICHIGAN COMPILED LAWS, NOT LATER THAN APRIL 15 IS
3 CONSIDERED AN APPLICATION FOR THE EXEMPTION UNDER THIS ACT. NOT
4 LATER THAN MAY 15 EACH YEAR, THE STATE TREASURER SHALL NOTIFY THE
5 TREASURER OF EACH LOCAL TAX COLLECTING UNIT OF EACH TAXPAYER ELI-
6 GIBLE FOR THE EXEMPTION AND EACH PREVIOUSLY ELIGIBLE TAXPAYER
7 THAT IS NOW INELIGIBLE FOR THE EXEMPTION.

8 (4) UPON RECEIPT OF AN APPLICATION UNDER SUBSECTION (2) OR
9 (3) OR NOTICE OF ELIGIBILITY FROM THE STATE TREASURER UNDER SUB-
10 SECTION (3), THE TREASURER OF EACH LOCAL TAX COLLECTING UNIT
11 SHALL EXEMPT THE APPROPRIATE AMOUNT UNDER SUBSECTION (1) FROM THE
12 TAXPAYER'S TAX BILL. IN THE 1991 TAX YEAR ONLY, IF A SCHOOL DIS-
13 TRICT LEVIES IN A CITY OR TOWNSHIP 50% OF ITS MILLAGE FOR OPERAT-
14 ING PURPOSES IN JULY AND 50% IN DECEMBER, THE TREASURER OF THE
15 TAX COLLECTING UNIT MAY EXEMPT THE FULL AMOUNT UNDER SUBSECTION
16 (1) AGAINST THE TAXES LEVIED IN DECEMBER.

17 (5) IF THE TAXPAYER IS FOUND TO BE INELIGIBLE FOR THE EXEMP-
18 TION UNDER THIS SECTION, THE LOCAL TAX COLLECTING UNIT SHALL BILL
19 THE AMOUNT THAT WAS EXEMPT ON THE NEXT TAX BILL, INCLUDING INTER-
20 EST AT THE RATE OF 3/4 OF 1% PER MONTH FROM THE DATE THE AMOUNT
21 THAT WAS EXEMPT WOULD HAVE FIRST BEEN DUE.

22 (6) THE LOCAL TAX COLLECTING UNIT SHALL SEND A STATEMENT TO
23 EACH SCHOOL DISTRICT LOCATED WITHIN THAT UNIT AND THE DEPARTMENT
24 OF TREASURY WITHIN 30 DAYS AFTER A TAX LEVY INDICATING THE TOTAL
25 AMOUNT OF TAXES EXEMPT UNDER THIS SECTION FOR EACH SCHOOL DIS-
26 TRICT IN THAT UNIT. THE STATE TREASURER SHALL REIMBURSE EACH
27 SCHOOL DISTRICT FOR TAXES EXEMPT UNDER THIS SECTION AS PROVIDED

1 IN THE STATE SCHOOL AID ACT OF 1979, ACT NO. 94 OF THE PUBLIC
2 ACTS OF 1979, BEING SECTIONS 388.1601 TO 388.1772 OF THE MICHIGAN
3 COMPILED LAWS.

4 (7) AS USED IN THIS SECTION AND SECTION 27D:

5 (A) "HOMESTEAD" MEANS THAT TERM AS DEFINED IN SECTION 508 OF
6 THE INCOME TAX ACT OF 1967, ACT NO. 281 OF THE PUBLIC ACTS OF
7 1967, BEING SECTION 206.508 OF THE MICHIGAN COMPILED LAWS.

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

11 (C) "SENIOR CITIZEN" MEANS THAT TERM AS DEFINED IN
12 SECTION 514 OF ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING
13 SECTION 206.514 OF THE MICHIGAN COMPILED LAWS.

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

16 Section 2. This amendatory act shall not take effect unless
17 Senate Bill No. 72

18 of the 86th Legislature is enacted into law.