

Act No. 30
Public Acts of 1994
Approved by the Governor
March 01, 1994
Filed with the Secretary of State
March 02, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Reps Palamara Anthony Freeman Profit O'Neill Porreca Griffin Agee, Baade DeMars Varga Yokich Parks Stallworth Dobronski Llewellyn Willard, Cropsey Byrum Rivers Kaza Olshove Harder Curtis Wetters Barns Walberg Rocca Bullard Randall Dolan Mathieu Gilmer Allen Brackenridge, Middaugh Points Johnson McBryde Owen Schroer Keith Berman Gire, Pitoniak Gubow Richard A Young Gagliardi Whyman Galloway Vorva Kukuk Jamuan Hill Rhead, Bodem Jersevic Bobier Lowe McManus Goschka Ciaramitaro Oxender Martin Weeks Leland Bender London Nye Hood Murphy Bankes Sikkema Crissman Saunders Wallace Jaye and Bennane
Reps Alley Bandstra Bryant Dalman DeLange, Dobb Emerson Fitzgerald Gernaat Gnodtke Hammerstrom Horton, Jacobetti Jondahl, Kilpatrick, LeTarte McNutt Middleton Munsell Scott Shugars Stille Voorhees and Joe Young Jr named co sponsors

ENROLLED HOUSE BILL No. 5340

AN ACT to amend section 4 of Act No 331 of the Public Acts of 1993, entitled An act to provide for the levy and collection of a state education tax to create the education finance authority and board to prescribe the powers and duties of the authority and the board to provide for the levy of a tax by the authority and the distribution of the tax and to prescribe the duties of certain state officers being section 211 904 of the Michigan Compiled Laws

The People of the State of Michigan enact

Section 1 Section 4 of Act No 331 of the Public Acts of 1993 being section 211 904 of the Michigan Compiled Laws is amended to read as follows

- Sec 4 (1) If the sales tax is levied at a rate of 4% under the sales tax act the education finance authority is created
- (2) The education finance authority is a public corporate body and is an authority under section 6 of article IX of the state constitution of 1963
- (3) The authority has all the powers necessary to carry out the purposes of this act including but not limited to the following
- (a) To levy the tax described in section 5
 - (b) To distribute the proceeds of the tax
- (4) The governing body of the authority shall be the education finance authority board consisting of the state treasurer the auditor general and the superintendent of public instruction The board has all the powers necessary to carry out the purposes of this act including but not limited to the following
- (a) To assure the collection of the tax
 - (b) To facilitate the receipt by the authority and distribution of the proceeds of the tax

(5) Beginning in 1994 the authority shall levy an education finance authority tax on all property not exempt under subsection (6) not exempt by law from ad valorem property taxes or not subject to a tax levied under Act No 282 of the Public Acts of 1905 being sections 207 1 to 207 21 of the Michigan Compiled Laws levied at a rate of 12 mills

(6) Property that is used as a homestead by an owner of the property is exempt from the tax under subsection (5) as long as the property is used as a homestead by that owner if that owner of the property claims an exemption as provided in this section

(7) An owner of property may claim an exemption under this section by filing before May 1 every 2 years an affidavit with the local tax collecting unit in which the property is located stating that the property is owned and occupied as a homestead by that owner of the property on the date that the affidavit is signed The affidavit shall be on a form prescribed and provided by the department of treasury

(8) Upon receipt of an affidavit filed under subsection (7) the local tax collecting unit shall exempt the property from collection of the tax under this act for the period of exemption under this act or until the calendar year following the year in which property is transferred or the owner rescinds the claim for exemption on a form prescribed and provided by the department of treasury The owner that claimed an exemption of the property shall rescind the claim for exemption on a form prescribed and provided by the department of treasury when that property is no longer used as a homestead by that owner

(9) The local tax collecting unit shall forward all affidavits to the department of treasury The department of treasury shall determine if the property is the homestead of the owner that claimed the exemption If the department of treasury determines that the property is not the homestead of that owner the department shall send a notice to the local tax collecting unit and to that owner of the property The local tax collecting unit shall then place the property back on the tax roll for the collection of the tax The notice to the owner shall include a statement that the determination was made that the property was not the homestead of the owner that claimed the exemption and that the owner may appeal the determination directly to the tax tribunal without an appeal to the board of review within 35 days after the date of the notice

(10) If the homestead is part of a unit in a multiple unit dwelling or a dwelling unit in a multiple unit structure an owner shall claim a portion of the total state equalized valuation that is to be considered the homestead of the owner that claimed the exemption and the department of treasury shall prescribe the manner in which the calculation shall be made

(11) If a person claims an exemption to which the person is not entitled the department of treasury shall assess the tax with penalties and interest according to the provisions of Act No 122 of the Public Acts of 1941 being sections 205 1 to 205 31 of the Michigan Compiled Laws

This act is ordered to take immediate effect

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor