



HOUSE BILL No. 5732

September 13 1994 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 UPON THEIR HOMESTEAD UNDER THE

1 STATE EDUCATION TAX ACT ACT NO 331 OF THE PUBLIC ACTS OF 1993
2 BEING SECTIONS 211 901 TO 211 906 OF THE MICHIGAN COMPILED LAWS,
3 AND DISTRIBUTED TO THE LOCAL SCHOOL DISTRICT UNDER THIS ACT

4 (2) THE RESOLUTION SHALL INCLUDE ALL OF THE FOLLOWING

5 (A) PROCEDURES FOR APPLICATION FOR PARTICIPATION IN THE
6 PROGRAM

7 (B) THE MAXIMUM NUMBER OF SENIOR CITIZENS ALLOWED IN THE
8 PROGRAM AND THE MANNER OF SELECTION IF NECESSARY

9 (C) THE MAXIMUM AMOUNT OF TAXES ALLOWED TO BE FORGIVEN FOR
10 EACH SENIOR CITIZEN

11 (D) PROCEDURES FOR VERIFICATION OF THE NUMBER OF HOURS
12 VOLUNTEERED

13 (E) OTHER PROVISIONS CONSIDERED NECESSARY FOR THE IMPLEMEN-
14 TATION AND OPERATION OF THE PROGRAM

15 (3) TO QUALIFY FOR THE PROPERTY TAX APPRECIATION PROGRAM
16 THE FOLLOWING APPLY

17 (A) THE PERSON SHALL BE A SENIOR CITIZEN OR SHALL BECOME A
18 SENIOR CITIZEN DURING THE CALENDAR YEAR IN WHICH APPLICATION IS
19 MADE

20 (B) THE PROPERTY IS THE HOMESTEAD OF THE SENIOR CITIZEN

21 (C) THE PROPERTY IS NOT INCOME PRODUCING

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

26 (5) AT THE CLOSE OF THE SCHOOL YEAR THE LOCAL SCHOOL
27 DISTRICT SHALL CALCULATE THE AMOUNT OF TAXES TO BE FORGIVEN FOR

1 EACH PARTICIPATING SENIOR CITIZEN AND SHALL ISSUE AND FORWARD A
2 STATEMENT FOR THE AMOUNT OF TAXES TO BE FORGIVEN TO THE APPROPRI-
3 ATE TAX COLLECTING UNIT THE TAX COLLECTING UNIT SHALL REFLECT
4 THE AMOUNT FORGIVEN ON THE NEXT TAX BILL AND NOT ADD A PROPERTY
5 TAX ADMINISTRATION FEE ON THAT AMOUNT

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

11 (7) ALL PENALTIES AND INTEREST SHALL BE WAIVED ON THE AMOUNT
12 FORGIVEN UNDER SUBSECTION (5) IF THAT AMOUNT IS NOT PAID AND
13 BECOMES DELINQUENT

14 (8) THE RELATIONSHIP CREATED UNDER THIS SECTION BETWEEN THE
15 TAXPAYER AND THE LOCAL SCHOOL DISTRICT DOES NOT CONSTITUTE AN
16 EMPLOYEE AND EMPLOYER RELATIONSHIP AND THE CREDIT OF A PORTION OF
17 PROPERTY TAXES IS NOT CONSIDERED INCOME FOR PURPOSES OF INCOME
18 TAXATION

19 (9) A LOCAL SCHOOL DISTRICT THAT CREATES A PROPERTY TAX
20 APPRECIATION PROGRAM SHALL MAKE AVAILABLE TO THE PUBLIC ALL
21 INFORMATION REGARDING THE PROGRAM

22 (10) AS USED IN THIS SECTION

23 (A) "HOMESTEAD" MEANS THAT TERM AS DEFINED IN SECTION 7DD

24 (B) 'PROGRAM' MEANS THE PROPERTY TAX APPRECIATION PROGRAM