



# SENATE BILL No. 681

June 8, 1993, Introduced by Senator POLLACK 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 1993 TAX YEAR, A HOMESTEAD  
5 IS EXEMPT FROM THE COLLECTION OF TAXES LEVIED BY A SCHOOL DIS-  
6 TRICT FOR SCHOOL OPERATING PURPOSES UPON \$25,000.00 OF THE STATE  
7 EQUALIZED VALUATION OF THE HOMESTEAD AS ADJUSTED UNDER SUBSECTION  
8 (6) OR 60% OF THE STATE EQUALIZED VALUATION OF THE HOMESTEAD,  
9 WHICHEVER IS LESS.

1       (2) NOT LATER THAN APRIL 20, 1993, THE STATE TREASURER SHALL  
2 MAIL APPLICATIONS FOR THE EXEMPTION UNDER THIS SECTION IN A FORM  
3 PRESCRIBED BY THE DEPARTMENT OF TREASURY TO ALL TAXPAYERS FILING  
4 INCOME TAX RETURNS FROM THE IMMEDIATELY PRECEDING YEAR AND SHALL  
5 MAKE AVAILABLE ADDITIONAL APPLICATIONS FOR TAXPAYERS THAT MAY BE  
6 ELIGIBLE FOR THE EXEMPTION. A TAXPAYER WHOSE HOMESTEAD IS ELIGI-  
7 BLE FOR THE EXEMPTION SHALL RETURN THE COMPLETED APPLICATION TO  
8 THE TREASURER OF THE TAX COLLECTING UNIT IN WHICH THE HOMESTEAD  
9 IS LOCATED NOT LATER THAN MAY 15, 1993. IF AN APPLICATION IS  
10 FILED AFTER MAY 15 BUT BEFORE SEPTEMBER 1, THE TAXPAYER IS ELIGI-  
11 BLE FOR THE EXEMPTION ON THE DECEMBER TAX BILL. THE TAX COLLECT-  
12 ING UNIT MAY ASSUME THAT IF THE INFORMATION ON THE APPLICATION  
13 INDICATES THE TAXPAYER'S HOMESTEAD IS ELIGIBLE FOR THE EXEMPTION,  
14 THE TAXPAYER IS ELIGIBLE. AFTER PROVIDING FOR THE EXEMPTION  
15 UNDER SUBSECTION (4), THE TREASURER SHALL FORWARD THE APPLICATION  
16 TO THE DEPARTMENT OF TREASURY FOR VERIFICATION OF ELIGIBILITY.  
17 IF THE TAXPAYER IS FOUND TO BE INELIGIBLE, THE TAX COLLECTING  
18 UNIT SHALL BILL THE AMOUNT THAT WAS EXEMPT ON THE NEXT TAX BILL,  
19 INCLUDING INTEREST AT THE RATE OF  $\frac{3}{4}$  OF 1% PER MONTH FROM THE  
20 DATE THE EXEMPT AMOUNT WOULD HAVE FIRST BEEN DUE. THE STATE  
21 SHALL REIMBURSE EACH TAX COLLECTING UNIT \$1.50 FOR EACH EXEMPTION  
22 APPLICATION PROCESSED IN 1993.

23       (3) FOR EACH YEAR BEGINNING AFTER 1993, NOT LATER THAN  
24 FEBRUARY 1, THE STATE TREASURER SHALL MAIL AN APPLICATION FOR THE  
25 EXEMPTION UNDER THIS SECTION TO EACH TAXPAYER WHOSE HOMESTEAD WAS  
26 ELIGIBLE FOR THE EXEMPTION IN THE IMMEDIATELY PRECEDING YEAR AND  
27 SHALL MAKE AVAILABLE APPLICATIONS FOR TAXPAYERS THAT MAY BECOME

1 ELIGIBLE FOR THE EXEMPTION. A TAXPAYER SHALL RETURN A COMPLETED  
2 APPLICATION TO THE DEPARTMENT OF TREASURY NOT LATER THAN APRIL  
3 15. IF AN APPLICATION IS FILED AFTER APRIL 15 BUT BEFORE  
4 SEPTEMBER 1, THE TAXPAYER IS ELIGIBLE FOR THE EXEMPTION ON THE  
5 DECEMBER TAX BILL. FOR EACH YEAR AFTER 1993, THE FILING FOR A  
6 HOMESTEAD AND RENTERS PROPERTY TAX CREDIT, OTHER THAN A FILING ON  
7 BEHALF OF A RENTER, UNDER SECTIONS 520 AND 522 OF THE INCOME TAX  
8 ACT OF 1967, ACT NO. 281 OF THE PUBLIC ACTS OF 1967, BEING SEC-  
9 TIONS 206.520 AND 206.522 OF THE MICHIGAN COMPILED LAWS, IS CON-  
10 sidered AN APPLICATION FOR THE EXEMPTION UNDER THIS ACT. NOT  
11 LATER THAN MAY 15 EACH YEAR OR FOR LATE FILED APPLICATIONS,  
12 OCTOBER 1, THE STATE TREASURER SHALL NOTIFY THE TREASURER OF EACH  
13 TAX COLLECTING UNIT OF EACH TAXPAYER WHOSE HOMESTEAD IS ELIGIBLE  
14 FOR THE EXEMPTION AND EACH PREVIOUSLY ELIGIBLE HOMESTEAD THAT IS  
15 NOW INELIGIBLE FOR THE EXEMPTION.

16 (4) UPON RECEIPT OF AN APPLICATION UNDER SUBSECTION (2) OR  
17 (3) OR NOTICE OF ELIGIBILITY FROM THE STATE TREASURER UNDER SUB-  
18 SECTION (3), THE TREASURER OF EACH TAX COLLECTING UNIT SHALL  
19 RETURN THE TAX ROLL TO THE ASSESSOR WHO SHALL ENTER THE APPROPRI-  
20 ATE AMOUNT OF THE EXEMPTION UNDER SUBSECTION (1) ON THE TAX ROLL  
21 AND RETURN THE TAX ROLL TO THE TREASURER. THE TREASURER SHALL  
22 EXEMPT THE APPROPRIATE AMOUNT UNDER SUBSECTION (1) FROM THE  
23 TAXPAYER'S TAX BILL.

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

1       (6) THE AMOUNT OF THE EXEMPTION UNDER SUBSECTION (1) SHALL  
2 BE ADJUSTED EACH YEAR BY THE INFLATION RATE AS DEFINED IN  
3 SECTION 34D. THE STATE TAX COMMISSION SHALL PUBLISH THE AMOUNT  
4 OF THE EXEMPTION UNDER THIS SECTION AT THE SAME TIME THE INFLA-  
5 TION RATE IS PUBLISHED UNDER SECTION 34D.

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

9       (8) AS USED IN THIS SECTION:

10       (A) "HOMESTEAD" MEANS A DWELLING OR UNIT IN A MULTIPLE-UNIT  
11 DWELLING THAT IS SUBJECT TO AD VALOREM TAXES, OWNED AND OCCUPIED  
12 AS A PRINCIPAL RESIDENCE BY THE OWNER OF THE DWELLING OR UNIT,  
13 INCLUDING ALL UNOCCUPIED REAL PROPERTY NOT CLASSIFIED FOR AD  
14 VALOREM TAX PURPOSES AS COMMERCIAL, INDUSTRIAL, RESIDENTIAL, OR  
15 TIMBER CUTOVER, OWNED BY THE OWNER OF THE HOMESTEAD.

16       (B) "SCHOOL DISTRICT" MEANS THAT TERM AS DEFINED IN SECTION  
17 6 OF THE SCHOOL CODE OF 1976, ACT NO. 451 OF THE PUBLIC ACTS OF  
18 1976, BEING SECTION 380.6 OF THE MICHIGAN COMPILED LAWS.

19       (C) "OPERATING PURPOSES" MEANS PURPOSES INCLUDED IN THE  
20 OPERATING COST OF A SCHOOL DISTRICT AS PRESCRIBED IN SECTION 7 OF  
21 THE STATE SCHOOL AID ACT OF 1979, ACT NO. 94 OF THE PUBLIC ACTS  
22 OF 1979, BEING SECTION 388.1607 OF THE MICHIGAN COMPILED LAWS.

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

25       Section 2. This amendatory act shall not take effect unless  
26 Senate Bill No. 682

27                   of the 87th Legislature is enacted into law.