



SENATE BILL No. 1024

February 16, 1994, Introduced by Senators DI NELLO, EMMONS
DE GROW, HOFFMAN, BOUCHARD GEAKE, VAN REGENMORTER, WARTNER,
GOUGEON, CARL, DILLINGHAM, GAST, CISKY, MC MANUS, ARTHURHULTZ,
DUNASKISS, WELBORN, SCHWARZ, PRIDNIA KOIVISTO, DINGELL,
KELLY and O'BRIEN and referred to the Committee on Finance

A bill to amend section 4 of Act No 331 of the Public Acts
of 1993, entitled

"State education tax act,"

being section 211 904 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 4 of Act No 331 of the Public Acts of
2 1993, being section 211 904 of the Michigan Compiled Laws, is
3 amended to read as follows

4 Sec 4 (1) If the sales tax is levied at a rate of 4-
5 under the sales tax act, the education finance authority is
6 created

7 (2) The education finance authority is a public corporate
8 body and is an authority under section 6 of article IX of the
9 state constitution of 1963

1 (3) The authority has all the powers necessary to carry out
2 the purposes of this act, including, but not limited to, the
3 following

4 (a) To levy the tax described in section 5

5 (b) To distribute the proceeds of the tax

6 (4) The governing body of the authority shall be the educa-
7 tion finance authority board consisting of the state treasurer,
8 the auditor general and the superintendent of public
9 instruction The board has all the powers necessary to carry out
10 the purposes of this act, including, but not limited to the
11 following

12 (a) To assure the collection of the tax

13 (b) To facilitate the receipt by the authority and distri-
14 bution of the proceeds, of the tax

15 (5) Beginning in 1994, the authority shall levy an education
16 finance authority tax on all property not exempt under subsection
17 (6), not exempt by law from ad valorem property taxes, or not
18 subject to a tax levied under Act No 282 of the Public Acts of
19 1905, being sections 207 1 to 207 21 of the Michigan Compiled
20 Laws, levied at a rate of 12 mills

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

25 (7) The owner of property may claim an exemption under this
26 section by filing before ~~March 1 every 2 years~~ MAY 1 FOR AN
27 EXEMPTION BEGINNING WITH THE SUMMER TAX COLLECTION, IF ANY, OR

1 BEFORE OCTOBER 1 FOR AN EXEMPTION BEGINNING WITH THE WINTER TAX
 2 COLLECTION an affidavit with the local tax collecting unit in
 3 which the property is located stating that the property is owned
 4 and occupied as a homestead by the owner of the property THE
 5 OWNER SHALL REAPPLY FOR THE EXEMPTION EVERY 2 YEARS The affida-
 6 vit shall be on a form prescribed and provided by the department
 7 of treasury IN 1994 AND 1995 ONLY, IF AN OWNER FILES A FORM
 8 AFTER THE APPLICABLE DATE FOR A TAX COLLECTION PROVIDED IN THIS
 9 SUBSECTION BUT BEFORE THE APPLICABLE DATE FOR A SUBSEQUENT TAX
 10 COLLECTION, THE OWNER CAN FILE A LATE EXEMPTION FORM PROVIDED BY
 11 THE DEPARTMENT OF TREASURY WITH THE DEPARTMENT OF TREASURY UPON
 12 RECEIPT OF THE LATE EXEMPTION FORM, THE DEPARTMENT OF TREASURY
 13 SHALL REIMBURSE THE OWNER FOR THE AMOUNT OF THE TAX PAID AT THE
 14 RATE OF 12 MILLS PURSUANT TO ONLY THE TAX BILL FOR WHICH THE LATE
 15 EXEMPTION FORM WAS FILED IF THE PROPERTY WAS THE HOMESTEAD OF THE
 16 OWNER ON THE APPLICABLE DATE FOR WHICH THE ORIGINAL FILING WAS
 17 LATE THE DEPARTMENT OF TREASURY SHALL NOTIFY THE LOCAL TAX COL-
 18 LECTING UNIT OF THE DETERMINATION OF THE HOMESTEAD EXEMPTION AND
 19 THAT UNIT SHALL GRANT THE HOMESTEAD EXEMPTION FOR THE REMAINDER
 20 OF THE 2-YEAR PERIOD

21 (8) Upon receipt of the notice of certification, the local
 22 tax collecting unit shall exempt the property from collection of
 23 the tax under this act for the period of ~~exemption under this~~
 24 ~~act~~ 2 YEARS or until the property is transferred or the owner
 25 rescinds the claim for exemption on a form prescribed and pro-
 26 vided by the department of treasury The owner of the property
 27 shall rescind the claim for exemption on a form prescribed and

1 provided by the department of treasury when the property is no
2 longer used as a homestead by the owner

3 (9) The local tax collecting unit shall forward all affida-
4 vits to the department of treasury The department of treasury
5 shall determine if the property is the homestead of the owner
6 If the department of treasury determines that the property is not
7 the homestead of the owner, the department shall send a notice to
8 the local tax collecting unit and to the owner of the property
9 The local tax collecting unit shall then place the property back
10 on the tax roll for the collection of the tax The notice to the
11 owner shall include a statement that the determination was made
12 that the property was not the homestead of the owner and that the
13 owner may appeal the determination directly to the tax tribunal,
14 without an appeal to the board of review, within 35 days after
15 the date of the notice

16 (10) If the homestead is part of a unit in a multiple-unit
17 dwelling or a dwelling unit in a multiple-unit structure, the
18 owner shall claim a portion of the total state equalized valua-
19 tion that is to be considered the homestead and the department of
20 treasury shall prescribe the manner in which the calculation
21 shall be made

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