

HOUSE BILL No. 4040

January 25, 2001, Introduced by Rep. Faunce and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157) by adding section 7gg.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7GG. (1) THE GOVERNING BODY OF A LOCAL TAX COLLECTING
2 UNIT MAY BY RESOLUTION EXEMPT FROM THE COLLECTION OF TAXES UNDER
3 THIS ACT ALL NEW CONSTRUCTION ON HOMESTEAD PROPERTY FOR THE
4 PERIOD PROVIDED IN SUBSECTION (2). BEFORE ACTING ON THE RESOLU-
5 TION, THE CLERK OF THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY IN
6 WRITING THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT AND THE
7 LEGISLATIVE BODY OF EACH TAXING UNIT THAT LEVIES AD VALOREM PROP-
8 ERTY TAXES IN THE LOCAL TAX COLLECTING UNIT AND SHALL AFFORD THE
9 ASSESSOR AND A REPRESENTATIVE OF THE AFFECTED TAXING UNITS AN
10 OPPORTUNITY FOR A HEARING ON THE PROPOSED RESOLUTION.

1 (2) THE EXEMPTION UNDER THIS SECTION IS EFFECTIVE ON THE
2 DECEMBER 31 IMMEDIATELY SUCCEEDING THE ADOPTION OF THE RESOLUTION
3 BY THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT. THE
4 EXEMPTION SHALL CONTINUE IN EFFECT UNTIL THE HOMESTEAD PROPERTY
5 IS TRANSFERRED OR FOR A PERIOD SPECIFIED IN THE RESOLUTION WHICH
6 SHALL NOT BE MORE THAN 5 YEARS, WHICHEVER IS SOONER. A COPY OF
7 THE RESOLUTION SHALL BE FILED WITH THE STATE TAX COMMISSION.

8 (3) AS USED IN THIS SECTION:

9 (A) "HOMESTEAD" MEANS THAT TERM AS DEFINED UNDER SECTION
10 7DD.

11 (B) "HOMESTEAD PROPERTY" MEANS A HOMESTEAD EXEMPT UNDER SEC-
12 TION 7CC FROM THE TAX LEVIED BY A LOCAL SCHOOL DISTRICT FOR
13 SCHOOL OPERATING PURPOSES TO THE EXTENT PROVIDED UNDER SECTION
14 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

15 (C) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION
16 34D(1)(B)(iii).

17 (D) "TRANSFERRED" MEANS A TRANSFER OF OWNERSHIP AS THAT TERM
18 IS DESCRIBED IN SECTION 27A.