

HOUSE JOINT RESOLUTION J

April 5, 2007, Introduced by Rep. Stakoe and referred to the Committee on Tax Policy.

A joint resolution proposing an amendment to the state constitution of 1963, by amending section 3 of article IX, to restrict the rate of increase in the taxable value of a principal residence following a transfer of ownership.

Resolved by the Senate and House of Representatives of the state of Michigan, That the following amendment to the state constitution of 1963, to restrict the rate of increase in the taxable value of a principal residence following a transfer of ownership, is proposed, agreed to, and submitted to the people of the state:

ARTICLE IX

Sec. 3. The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not

1 exempt by law except for taxes levied for school operating
2 purposes. The legislature shall provide for the determination of
3 true cash value of such property; the proportion of true cash value
4 at which such property shall be uniformly assessed, which shall
5 not, after January 1, 1966, exceed 50 percent; and for a system of
6 equalization of assessments. For taxes levied in 1995 and each year
7 thereafter, the legislature shall provide that the taxable value of
8 each parcel of property adjusted for additions and losses, shall
9 not increase each year by more than the increase in the immediately
10 preceding year in the general price level, as defined in section 33
11 of this article, or 5 percent, whichever is less until ownership of
12 the parcel of property is transferred. When ownership of the parcel
13 of property is transferred as defined by law, the parcel shall be
14 assessed at the applicable proportion of current true cash value.
15 **HOWEVER, FOR TAXES LEVIED IN 2007 AND EACH YEAR THEREAFTER, WHEN**
16 **OWNERSHIP OF A PRINCIPAL RESIDENCE, AS DEFINED BY LAW, IS**
17 **TRANSFERRED, AS DEFINED BY LAW, 1/3 OF ANY INCREASE IN THE ASSESSED**
18 **VALUE OF THAT PRINCIPAL RESIDENCE SHALL BE APPLIED TO THAT**
19 **PRINCIPAL RESIDENCE IN EACH OF THE IMMEDIATELY SUCCEEDING THREE**
20 **YEARS.** The legislature may provide for alternative means of
21 taxation of designated real and tangible personal property in lieu
22 of general ad valorem taxation. Every tax other than the general ad
23 valorem property tax shall be uniform upon the class or classes on
24 which it operates. A law that increases the statutory limits in
25 effect as of February 1, 1994 on the maximum amount of ad valorem
26 property taxes that may be levied for school district operating
27 purposes requires the approval of 3/4 of the members elected to and

1 serving in the Senate and in the House of Representatives.

2 Resolved further, That the foregoing amendment shall be
3 submitted to the people of the state at the next general election
4 in the manner provided by law.