

# HOUSE BILL No. 5178

November 29, 2011, Introduced by Reps. Tlaib, Liss, Howze, Hobbs, Geiss, Ananich, Cavanagh, Santana, Jackson, Stapleton, Olumba, Barnett, Heise, Irwin, Wayne Schmidt, Foster, Constan, Meadows and Oakes and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7u (MCL 211.7u), as amended by 2003 PA 140.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7u. (1) The principal residence of persons who, in the  
2 judgment of the supervisor and board of review, by reason of  
3 poverty, are unable to contribute toward the public charges is  
4 eligible for exemption in whole or in part from taxation under this  
5 act. This section does not apply to the property of a corporation.

6       (2) To be eligible for exemption under this section, a person  
7 shall do all of the following on an annual basis:

8       (a) Be an owner of and occupy as a principal residence the  
9 property for which an exemption is requested.

10       (b) File a claim with the supervisor or board of review on a

1 form provided by the local assessing unit, accompanied by federal  
2 and state income tax returns for all persons residing in the  
3 principal residence, including any property tax credit returns,  
4 filed in the immediately preceding year or in the current year.

5 **FEDERAL AND STATE INCOME TAX RETURNS ARE NOT REQUIRED FOR A PERSON**  
6 **RESIDING IN THE PRINCIPAL RESIDENCE IF THAT PERSON WAS NOT REQUIRED**  
7 **TO FILE A FEDERAL OR STATE INCOME TAX RETURN IN THE TAX YEAR IN**  
8 **WHICH THE EXEMPTION UNDER THIS SECTION IS CLAIMED OR IN THE**  
9 **IMMEDIATELY PRECEDING TAX YEAR. IF A PERSON WAS NOT REQUIRED TO**  
10 **FILE A FEDERAL OR STATE INCOME TAX RETURN IN THE TAX YEAR IN WHICH**  
11 **THE EXEMPTION UNDER THIS SECTION IS CLAIMED OR IN THE IMMEDIATELY**  
12 **PRECEDING TAX YEAR, AN AFFIDAVIT IN A FORM PRESCRIBED BY THE STATE**  
13 **TAX COMMISSION MAY BE ACCEPTED IN PLACE OF THE FEDERAL OR STATE**  
14 **INCOME TAX RETURN.** The filing of a claim under this subsection  
15 constitutes an appearance before the board of review for the  
16 purpose of preserving the claimant's right to appeal the decision  
17 of the board of review regarding the claim.

18 (c) Produce a valid driver's license or other form of  
19 identification if requested by the supervisor or board of review.

20 (d) Produce a deed, land contract, or other evidence of  
21 ownership of the property for which an exemption is requested if  
22 required by the supervisor or board of review.

23 (e) Meet the federal poverty guidelines updated annually in  
24 the federal register by the United States department of health and  
25 human services under authority of section 673 of subtitle B of  
26 title VI of the omnibus budget reconciliation act of 1981, Public  
27 Law 97-35, 42 ~~U.S.C.~~ **USC** 9902, or alternative guidelines adopted by

1 the governing body of the local assessing unit provided the  
2 alternative guidelines do not provide income eligibility  
3 requirements less than the federal guidelines.

4 (3) The application for an exemption under this section shall  
5 be filed after January 1 but before the day prior to the last day  
6 of the board of review.

7 (4) The governing body of the local assessing unit shall  
8 determine and make available to the public the policy and  
9 guidelines the local assessing unit uses for the granting of  
10 exemptions under this section. The guidelines shall include but not  
11 be limited to the specific income and asset levels of the claimant  
12 and total household income and assets.

13 (5) The board of review shall follow the policy and guidelines  
14 of the local assessing unit in granting or denying an exemption  
15 under this section unless the board of review determines there are  
16 substantial and compelling reasons why there should be a deviation  
17 from the policy and guidelines and the substantial and compelling  
18 reasons are communicated in writing to the claimant.

19 (6) A person who files a claim under this section is not  
20 prohibited from also appealing the assessment on the property for  
21 which that claim is made before the board of review in the same  
22 year.

23 (7) As used in this section, "principal residence" means  
24 principal residence or qualified agricultural property as those  
25 terms are defined in section 7dd.