

# HOUSE BILL NO. 6555

December 07, 2022, Introduced by Reps. Cavanagh, Young, Pohutsky, Aiyash, Morse, Sowerby, Haadsma, Tyrone Carter, Witwer, Steckloff, Breen, Neeley, Peterson, Coleman, O'Neal, Stone, Weiss and Whitsett and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7b. (1) Real property used and owned as a homestead by a  
2 ~~disabled veteran who was discharged from the armed forces of the~~  
3 ~~United States under honorable conditions or by an individual~~  
4 ~~described in subsection (2)~~ **either of the following individuals** is  
5 exempt from the collection of taxes under this act: -

6       **(a) A disabled veteran.**

(b) A surviving spouse of a disabled veteran who, immediately before death, was eligible for the exemption under this section. An exemption under this subdivision continues as long as the surviving spouse does not remarry.

(2) To obtain the exemption, an individual described in subsection (1) (a) or (b), or the individual's legal designee, must file an affidavit showing the facts required by this section and a description of the real property ~~shall be filed by the property owner or his or her legal designee with the supervisor or other~~ assessing officer for the local assessing unit during 1 of the following periods, at the option of the individual claiming the exemption:

(a) For an individual claiming the exemption for only a single tax year at a time, the period beginning with the tax day for each year and ending at the time of the final adjournment of the local board of review. An exemption granted pursuant to a filing under this subdivision does not continue for subsequent tax years and must be applied for anew for each subsequent tax year for which it is claimed.

(b) For an individual claiming the exemption on a continuing basis without application each year, the period beginning with the tax day and ending at the time of the final adjournment of the local board of review of the tax year in which the exemption is first claimed. An exemption granted pursuant to a filing under this subdivision continues until it is rescinded under subsection (4).

(3) ~~The~~ An affidavit ~~when filed shall be under subsection (2)~~ is open to inspection. The county treasurer shall cancel taxes subject to collection under this act for any year in which a ~~disabled veteran~~ an individual described in subsection (1) (a) or

1 (b) who is eligible for the exemption under this section has  
2 acquired title to real property exempt under this section. Upon  
3 granting the exemption under this section, each local taxing unit  
4 shall bear the loss of its portion of the taxes upon which the  
5 exemption has been granted.

6 ~~(2) If a disabled veteran who is otherwise eligible for the~~  
7 ~~exemption under this section dies, either before or after the~~  
8 ~~exemption under this section is granted, the exemption shall remain~~  
9 ~~available to or shall continue for his or her unremarried surviving~~  
10 ~~spouse. The surviving spouse shall comply with the requirements of~~  
11 ~~subsection (1) and shall indicate on the affidavit that he or she~~  
12 ~~is the surviving spouse of a disabled veteran entitled to the~~  
13 ~~exemption under this section. The exemption shall continue as long~~  
14 ~~as the surviving spouse remains unremarried.~~

15 (4) An exemption granted pursuant to a filing under subsection  
16 (2)(b) remains in effect, without subsequent reapplication, until  
17 it is rescinded by the individual who was granted the exemption or  
18 by the assessing officer for the local assessing unit, as follows:

19 (a) The individual shall file with the local assessing unit,  
20 in a form and manner prescribed by the state tax commission, a form  
21 rescinding the exemption within 45 days after either of the  
22 following:

23 (i) The individual ceases to own or occupy the property for  
24 which the exemption was granted. An individual subject to this  
25 subparagraph must apply anew pursuant to subsection (2) if the  
26 individual intends to claim the exemption under this section as to  
27 another homestead.

28 (ii) The individual no longer meets the qualifications under  
29 this section to receive the exemption.

1           (b) The local assessing unit shall develop and implement an  
2     audit program that includes, but is not limited to, the audit of  
3     all information filed under subsection (2)(b). The assessing  
4     officer for the local assessing unit shall, in a form and manner  
5     prescribed by the state tax commission, notify the individual of a  
6     rescission of the exemption resulting from an audit under this  
7     subdivision, the reason for the rescission, and that the rescission  
8     may be appealed to the residential and small claims division of the  
9     tax tribunal within 35 days after the date of the notice.

10          (c) If an exemption is rescinded as a result of a filing under  
11     subdivision (a) or an audit under subdivision (b), the individual  
12     who was granted the exemption under this section is subject to  
13     repayment of additional taxes including interest to be paid as  
14     provided in this subdivision. If the tax roll is in the local tax  
15     collecting unit's possession, the local tax collecting unit shall  
16     amend the tax roll to reflect the rescission of the exemption, and  
17     the local treasurer shall, within 30 days after the date of the  
18     rescission, issue a corrected tax bill for any additional taxes  
19     with interest at the rate of 1% per month or fraction of a month  
20     computed from the date the taxes were last payable without  
21     interest. If the tax roll is in the county treasurer's possession,  
22     the county treasurer shall amend the tax roll to reflect the  
23     rescission of the exemption and the county treasurer shall, within  
24     30 days after the date of the rescission, prepare and submit a  
25     supplemental tax bill for any additional taxes, together with  
26     interest at the rate of 1% per month or fraction of a month  
27     computed from the date the taxes were last payable without  
28     interest. Interest on any tax set forth in a corrected or  
29     supplemental tax bill again begins to accrue 60 days after the date

1 the corrected or supplemental tax bill is issued at the rate of 1%  
2 per month or fraction of a month. Taxes levied in a corrected or  
3 supplemental tax bill must be returned as delinquent on March 1 in  
4 the year immediately succeeding the year in which the corrected or  
5 supplemental tax bill was issued.

6 (5) ~~(3)~~ As used in this section, "disabled veteran" means a  
7 ~~person who~~ **an individual who was discharged from the Armed Forces**  
8 **of the United States under honorable conditions**, is a resident of  
9 this state, and ~~who~~ meets 1 of the following criteria:

10 (a) Has been determined by the United States ~~department of~~  
11 ~~veterans affairs~~ **Department of Veterans Affairs** to be permanently  
12 and totally disabled as a result of military service and entitled  
13 to veterans' benefits at the 100% rate.

14 (b) Has a certificate from the United States ~~veterans'~~  
15 ~~administration, or its successors,~~ **Department of Veterans Affairs**  
16 certifying that he or she is receiving or has received pecuniary  
17 assistance due to disability for specially adapted housing.

18 (c) Has been rated by the United States ~~department of veterans~~  
19 ~~affairs~~ **Department of Veterans Affairs** as individually  
20 unemployable.