

SENATE BILL NO. 539

June 16, 2021, Introduced by Senator MCBROOM and referred to the Committee on Finance.

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~~ **Armed**
3 **Forces** of the United States under honorable conditions or by an
4 individual described in subsection (2) is exempt from the
5 collection of taxes under this act. To obtain the exemption, **the**

1 **property owner or his or her legal designee must file** an affidavit
2 showing the facts required by this section and a description of the
3 real property ~~shall be filed by the property owner or his or her~~
4 ~~legal designee~~ with the supervisor or other assessing officer
5 during the period beginning with the tax day for each year and
6 ending at the time of the final adjournment of the local board of
7 review. The affidavit when filed ~~shall be~~ **is** open to inspection.
8 The county treasurer shall cancel taxes subject to collection under
9 this act for any year in which a disabled veteran eligible for the
10 exemption under this section has acquired title to real property
11 exempt under this section. Upon granting the exemption under this
12 section, each local taxing unit shall bear the loss of its portion
13 of the taxes upon which the exemption has been granted.

14 (2) If a disabled veteran who is otherwise eligible for the
15 exemption under this section dies, either before or after the
16 exemption under this section is granted, the exemption ~~shall remain~~
17 **remains** available to or ~~shall continue~~ **continues** for his or her
18 unremarried surviving spouse. The surviving spouse shall comply
19 with the requirements of subsection (1) and shall indicate on the
20 affidavit that he or she is the surviving spouse of a disabled
21 veteran entitled to the exemption under this section. The exemption
22 ~~shall continue~~ **continues** as long as the surviving spouse remains
23 unremarried.

24 (3) **To claim a right to reimbursement under section**
25 **17(4) (a) (ix) of the local community stabilization authority act,**
26 **2014 PA 86, MCL 123.1357, for loss of taxes due to exemptions**
27 **granted under this section, the local tax collecting unit in which**
28 **the exempt property is located must report to the department of**
29 **treasury, in the time and manner prescribed by the department of**

1 treasury, all of the following for the tax year in which the loss
2 was sustained:

3 (a) For each exemption granted under this section in the tax
4 year, all of the following:

5 (i) A copy of the affidavit and all supporting documentation
6 submitted by the property owner or his or her legal designee to
7 obtain the exemption.

8 (ii) A certified copy of the board of review resolution in
9 support of granting the exemption.

10 (iii) The parcel identification number and address of the exempt
11 property.

12 (iv) The taxable value of the exempt property and, if the
13 property was exempt under this section for a portion of the tax
14 year, documentation to support the proration of its taxable value
15 between the current and previous owners.

16 (v) A list indicating, by individual local taxing unit, each
17 millage that would have been levied by each local taxing unit on
18 the property if the property had not been exempt under this
19 section, and the amount of tax for that millage that would have
20 been owed on the property based on the taxable value reported under
21 subparagraph (iv) if the property had not been exempt under this
22 section. Subject to guidelines provided by the department of
23 treasury, calculations under this subparagraph must take into
24 account the availability of an exemption under section 7cc if an
25 exemption under section 7cc would have been available for the
26 property had it not been exempt under this section.

27 (vi) If taxes paid on the property were refunded as a result of
28 a subsequent grant of the exemption under this section,
29 documentation to support granting the refund and the amount of the

refund, including a list of the specific millages that resulted in the refunded amount.

(b) A list of the individual local taxing units to which the reimbursement is expected to be distributed, the amount of each local taxing unit's anticipated distribution based on all taxes foregone by the local taxing unit on properties described in subdivision (a)(v) and all refunds provided by the local taxing unit for properties described in subdivision (a)(vi), and, if applicable to a local taxing unit, a further listing of beneficiary entities to whom the anticipated distribution must be redistributed and the amount of each anticipated redistribution. As used in this subdivision, "beneficiary entity" means a local governmental entity ultimately entitled to some or all of the tax revenue attributable to a millage levied by a local taxing unit.

(4) ~~(3)~~ As used in this section, "disabled veteran" means a ~~person~~**an individual** who is a resident of this state and who meets 1 of the following criteria:

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

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

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

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 540 of the 101st Legislature is enacted into

1 law.