

SENATE BILL NO. 196

March 20, 2025, Introduced by Senator SINGH and referred to Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2023 PA 150.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. (1) Real property used and owned as a homestead by
2 either of the following individuals is exempt from the collection
3 of taxes under this act:

4 (a) A disabled veteran.

5 (b) A surviving spouse of a disabled veteran who, immediately
6 before death, was eligible for the exemption under this section. An
7 exemption under this subdivision continues as long as the surviving

1 spouse does not remarry, and the exemption applies to any property
2 used and owned as a homestead by the surviving spouse, including
3 homestead property acquired after the decedent's death.

4 (2) To obtain the exemption, an individual described in
5 subsection (1)(a) or (b), or the individual's legal designee, must
6 file an application, in a form and manner prescribed by the state
7 tax commission, showing the facts required by this section and a
8 description of the real property with the assessing officer for the
9 local assessing unit after January 1 and before December 31 of the
10 calendar year for which the exemption is claimed. **The assessing
11 officer may, subject to guidance from the department of treasury,
12 require submission of additional application information for a
13 claim of exemption as to property held by a tenant stockholder
14 described in subsection (4)(b)(i), including information from a
15 cooperative housing corporation described in subsection (4)(b)(i).**

16 The application when filed is open to inspection. The taxes subject
17 to collection under this act ~~shall~~**must** be canceled for any year in
18 which an individual described in subsection (1)(a) or (b) who is
19 eligible for the exemption under this section has acquired title to
20 real property exempt under this section. Upon granting the
21 exemption under this section, each local taxing unit shall bear the
22 loss of its portion of the taxes upon which the exemption has been
23 granted. An exemption granted under this section as to taxes levied
24 on or after January 1, 2025 remains in effect, without subsequent
25 reapplication, until it is rescinded by the individual who was
26 granted the exemption or is denied by the assessor, as provided in
27 section 7c.

28 (3) An exemption once granted applies to all property taxes
29 for the current tax year that have been paid by the individual who

1 qualified for the exemption under subsection (1)(a) or (b) and all
2 property taxes for the current tax year that would have been owed
3 by that individual if the property was not exempt. If the
4 individual who qualified for the exemption under subsection (1)(a)
5 or (b) does not use and own the property as a homestead for the
6 entire tax year, the exemption must be prorated under 1 of the
7 following methods:

8 (a) Based on the closing or other purchase documents, if any,
9 executed by or on behalf of the individual who qualified for the
10 exemption under subsection (1)(a) or (b). That individual shall
11 provide a copy of the closing or other purchase documents with the
12 application claiming the exemption. The local treasurer shall use
13 the closing or other purchase documents when calculating the amount
14 of taxes to be exempted. There must be no refund of any property
15 taxes not levied in the current tax year paid pursuant to the
16 closing or other purchase documents to the seller by the individual
17 who qualified for the exemption under subsection (1)(a) or (b).

18 (b) If closing or other purchase documents are not provided
19 for the proration under subdivision (a), based on a proration under
20 which the local treasurer calculates the amount of property taxes
21 levied in the current tax year to be exempted by dividing the total
22 property taxes levied in the year by 365 and then multiplying that
23 number by the number of days the individual will use and own the
24 property as a homestead.

25 (c) Based on a proration that takes into account the effective
26 date of any removal of the exemption, which the assessor shall
27 designate as the date of the relevant conveyance or disposition.
28 Using that date, the local treasurer shall calculate the amount of
29 property taxes levied in the current tax year to be exempted by

1 dividing the total property taxes levied in the year by 365 and
2 then multiplying that number by the number of days the individual,
3 while qualified for the exemption, used and owned the property as a
4 homestead.

5 (4) As used in this section:

6 (a) "Disabled veteran" means a veteran who is a resident of
7 this state and who meets 1 of the following criteria:

8 (i) Has been determined by the United States Department of
9 Veterans Affairs to be permanently and totally disabled as a result
10 of military service and entitled to veterans' benefits at the 100%
11 rate.

12 (ii) Has a certificate from the United States Department of
13 Veterans Affairs certifying that the veteran is receiving or has
14 received pecuniary assistance due to disability for specially
15 adapted housing.

16 (iii) Has been rated by the United States Department of Veterans
17 Affairs as individually unemployable.

18 (b) "Own" or "owned" means 1 of the following:

19 (i) For an individual described in subsection (1)(a), legal
20 title to the property is held solely by that individual or jointly
21 by that individual and that individual's spouse. **As used in this**
22 **subparagraph and subparagraph (ii), "legal title to the property"**
23 **includes the interest of a tenant stockholder in a cooperative**
24 **housing corporation that holds legal title to the property.**

25 (ii) For an individual described in subsection (1)(b), legal
26 title to the property is held solely by that individual.

27 (c) "Veteran" means an individual who served in the United
28 States Armed Forces, including the reserve components, and was
29 discharged or released under honorable conditions.