

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7a Definitions; exemption affidavit; mailing; return; notice of availability; failure to send or receive exemption affidavit; payment to local unit required to mail exemption affidavits; reimbursement claim for expenses.

Sec. 7a. (1) As used in this section:

(a) "Exemption affidavit" means the form prescribed by the department of treasury upon which the owner certifies that the property is the homestead of the owner. The information which shall be required on an exemption affidavit shall include the name and address of the owner of the property, an identification of whether the property is an integral part of a larger assessment unit or of a multipurpose or multidwelling building, the social security numbers of the owner signing the exemption affidavit and each resident in the homestead with an ownership interest, an identification by address or legal description of the property for which the exemption affidavit is filed, and the parcel identification number.

(b) "Domicile" means a place where an individual has his or her true, fixed, and permanent home, to which, whenever absent therefrom, the individual intends to return.

(c) "Homestead" means a dwelling or a unit in a multipurpose or multidwelling building which is subject to ad valorem taxes and which is owned and occupied as the principal domicile by the owner thereof.

When a homestead is an integral part of a larger unit of assessment such as commercial, industrial, developmental, residential, timber cutover, or a multipurpose or multidwelling building, the tax on the homestead shall be the same proportion of the total property tax as the proportion of the value of the homestead is to the total value of the assessed property.

(d) "Owner" means the holder of legal title if a land contract does not exist, or the most recent land contract vendee.

(2) Each city and township shall cause to be mailed, on or before May 1, 1981, an exemption affidavit to the occupant of each piece of property within the city or township which is classified as residential or agricultural property and which contains a dwelling suitable for occupancy. Exemption affidavits shall be returned on or before May 22, 1981 to the local official of the city or township who shall be designated on the exemption affidavit. Exemption affidavits shall also be made available at each local unit of government after April 30, 1981. Each city and township may publish individually or jointly on or before May 10, 1981, in a newspaper of general circulation, notice of the availability of the exemption affidavit, that these exemption affidavits must be returned by May 22, 1981 in order to be eligible for the reduction of a 1981 property tax bill if Proposal A at the May 19, 1981 special election is approved, and that, if Proposal A at the May 19, 1981 special election is approved, an eligible owner of a homestead who fails to file an exemption affidavit by May 22, 1981 may submit a claim for a refund of taxes paid that were eligible to be exempted with the state department of treasury. The failure to send or receive the exemption affidavit shall not invalidate an ad valorem property tax levy on the property.

(3) The state treasurer shall cause to be paid on June 1, 1981 to each local unit required to make a mailing of exemption affidavits pursuant to subsection (2) the sum of 1 of the following:

(a) Thirty cents per exemption affidavit required to be mailed pursuant to subsection (2) if the local unit uses a state supplied exemption affidavit.

(b) Thirty-five cents per exemption affidavit required to be mailed pursuant to subsection (2) if the local unit does not use a state supplied exemption affidavit.

(4) Each local unit required to make a mailing of exemption affidavits pursuant to subsection (2) shall submit a reimbursement claim to the state treasurer by May 15, 1981 for the expenses described in subsection (3) related to this required mailing.

(5) On or before June 8, 1981, each local property tax collecting unit that is required to mail exemption affidavits shall submit a reimbursement claim of \$1.00 for each homestead on which ad valorem property taxes will be exempt from collection under the exemption provided by section 3 of article 9 of the state constitution of 1963, as amended by the voters on May 19, 1981. If more than 1 local treasurer collects ad valorem property taxes in the same calendar year on a homestead for which a claim is submitted under this subsection, each local property tax collecting unit which does not receive the \$1.00 per homestead reimbursement under this subsection, shall submit, on or before June 8, 1981 for each of these local property tax collecting units that collect a summer tax levy and on or before November 1, 1981 for each of these local property tax collecting units that collect a winter tax levy, a reimbursement claim of 10 cents for each homestead on which ad valorem property taxes will be exempt from collection under the exemption provided by section 3 of article 9 of the state constitution of 1963, as amended by the voters on May 19, 1981. The state treasurer shall require disbursements to be made by June 20, 1981 if the claim is required on or before June 8,

1981 or by November 20, 1981 if the claim is required on or before November 1, 1981, for the amount of the qualified claims submitted under this subsection, which amount shall be for the necessary costs of implementation of the exemptions provided by the exemption provided by section 3 of article 9 of the state constitution of 1963, as amended by the voters on May 19, 1981.

(6) If, in 1981 only, a local property tax collecting unit seeks reimbursement for any additional necessary administrative costs in excess of the amounts provided in subsections (3) and (5), the local property tax collecting unit shall file a claim pursuant to Act No. 101 of the Public Acts of 1979, being sections 21.231 to 21.244 of the Michigan Compiled Laws.

History: Add. 1981, Act 6, Imd. Eff. Apr. 16, 1981.

Compiler's note: Section 2 of Act 6 of 1981 provides: "Section 7a(5) and (6) shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been approved by the voters."

Section 3 of Act 6 of 1981 provides: "Sections 7a(1), (2), (5), and (6), 34d(13), and 44a shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters."

Proposal A, referred to in Sections 2 and 3 of Act 6 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27, 1981, that Proposal A had been rejected by the voters.

Sec. 7a, as added by Act 6 of 1981, was amended by Act 41 of 1981 to read as follows:

"Sec. 7a.

(1) After application of section 34d, the remaining ad valorem property taxes imposed for operating purposes pursuant to this act on the homestead of an individual who is a resident of this state which is subject to assessment, equalization, and the levy of a tax pursuant to this act shall be exempt from collection in an amount equal to 50% of the taxes imposed for operating purposes upon the homestead up to a maximum of \$1,400.00 as adjusted pursuant to subsection (6).

"(2) As used in this section:

"(a) "Exemption affidavit" means the form prescribed pursuant to subsection (5) by the department of treasury upon which the owner certifies that the property is the homestead of the owner.

"(b) "Domicile" means a place where an individual has his or her true, fixed, and permanent home, to which, whenever absent therefrom, the individual intends to return.

"(c) "Homestead" means a dwelling or a unit in a multipurpose or multidwelling building, which is subject to ad valorem taxes and which is owned and occupied as the principal domicile by the owner thereof. A homestead shall include a portion of cooperatively owned housing in which a person is residing, if the cooperatively owned housing is owned either by a nonprofit cooperative organization or by a cooperative organization in which more than 50% of the organization's shares are owned by occupants in the organization's cooperatively owned housing.

"When a homestead is located on leased land and is listed as personal property on the assessment roll, or is an integral part of a larger unit of assessment such as commercial, industrial, developmental, residential, timber cutover, or a multipurpose or multidwelling building, the tax on the homestead shall be the same proportion of the total property tax as the proportion of the value of the homestead is to the total value of the assessed property. A homestead shall include all of the adjacent and contiguous unoccupied real property not classified for ad valorem property tax purposes as agricultural and all unoccupied real property classified for ad valorem tax purposes as agricultural, regardless of whether the owner of this property also is the owner of a domicile, except that, if the gross receipts of the agricultural or horticultural operations in the previous year or the average annual gross receipts in the previous 3 years do not exceed the household income of the owner in the previous year, or if there are no gross receipts in the previous year, all of the adjacent and contiguous unoccupied agricultural or horticultural lands shall be considered a homestead.

"(d) "Household income" means that term as defined by section 508(4) of Act No. 281 of the Public Acts of 1967, as amended, being section 206.508 of the Michigan Compiled Laws.

"(e) "Owner" means the holder of legal title, except that if the holder of legal title is also a land contract vendor for the property the owner shall be the most recent land contract vendee, or if the holder of legal title is an estate or a trust, the owner shall be the beneficiary of the estate or trust.

"(f) "Taxes imposed for operating purposes" means all ad valorem property taxes other than ad valorem property taxes specifically levied to repay the principal and interest due on the following types of obligations of the unit of local government.

"(i) A bond or note issued to fund capital expenses that is subject to or incurred pursuant to the procedures or authorization of Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws.

"(ii) A bond or note, other than a judgment obligation or a tax anticipation note, issued to fund past or future operating expenses, if and to the extent ad valorem property taxes levied to repay principal and interest are in addition to charter or statutory limitations as authorized by section 1a of Chapter VII of Act No. 202 of the Public Acts of 1943, as amended, being section 137.1a of the Michigan Compiled Laws.

"(3) Except as provided by subsections (4) and (9), to qualify to receive the benefit of the exemption provided by subsection (1) reflected in a reduction in a tax bill a taxpayer eligible to elect an exemption under subsection (1) annually shall file an exemption affidavit, which shall be included with or as part of the assessment notice under section 24c, on or before April 15 or a later date specified by the local tax collecting unit, with the local official designated by the taxpayer's tax collecting unit. A local tax collecting unit shall not reduce pursuant to this section the ad valorem property tax levy against a piece of property for which an exemption affidavit is filed if the local tax collecting unit has knowledge that the property does not qualify for an exemption under this section. The failure of an individual to receive or of the unit of local government to send the exemption affidavit shall not invalidate an ad valorem property tax levy on the property.

"(4) If a tax payer who is eligible to receive the benefit of an exemption under subsection (1) fails to make a timely filing of an exemption affidavit pursuant to subsection (3) or (9), the taxpayer may file for an exemption refund from the department of treasury for the amount of tax levied that was eligible for exemption. A filing may be made pursuant to this subsection within 4 years after the December 31 which follows the date on which the tax was due and payable. The department of treasury shall refund to a qualified taxpayer the tax levied that was eligible for exemption less any amount allowed the taxpayer as an income tax credit under section 520 of

Act No. 281 of the Public Acts of 1967, as amended, being section 206.520 of the Michigan Compiled Laws, for the year for which an exemption refund is filed in excess of the income tax credit for that year under section 520 of Act No. 281 of the Public Acts of 1967, as amended, calculated using property taxes as reduced by the amount of the exemption refund for that year. An exemption refund made by the department of treasury under this subsection or subsection (9) shall be considered a refund to an individual who, by paying the tax eligible for exemption, has made a payment or return of a reimbursement to units of local government on behalf of the state for the exemption provided by this section.

“(5) The department of treasury shall prescribe the information required on the exemption affidavit to each assessing officer and shall prepare sample exemption affidavits. The information which shall be required on an exemption affidavit shall include the name and address of the owner of the property, an identification of whether the property is an integral part of a larger assessment unit or of a multipurpose or multidwelling building, the social security numbers of the owner who signs the exemption affidavit and each resident in the homestead with an ownership interest, an identification by address or legal description of the property for which the exemption affidavit is filed, the parcel identification number, and a statement requiring the signature of the owner to certify that the property qualified for the exemption provided by this section. In 1982 and each year thereafter the assessing officer shall mail the exemption affidavit with or as part of the notice required by section 24c. Exemption affidavits shall also be made available at each local unit of government.

“(6) The maximum amount of taxes which may be exempt under subsection (1) shall be adjusted by the state tax commission on the second Monday in May in 1982 and each year thereafter, pursuant to the percentage increase or decrease in the state equalized value of property in this state, excluding new construction and improvements, classified as residential and agricultural real property. The adjustment shall be made by multiplying the percentage increase or decrease in the state equalized value of property in this state, excluding new construction and improvements, classified as residential and agricultural real property by the amount of the prior year's maximum tax exemption. The resultant product shall be added to the prior year's maximum tax exemption and then rounded down to the nearest multiple of \$10.00. This figure shall be the new maximum amount of taxes which may be exempt for tax levies in the then current calendar year and shall be certified to the treasurer of each unit of local government by the state tax commission.

“(7) An individual who files an exemption affidavit pursuant to subsection (3) or (9) for purposes of exempting taxes on the individual's homestead from collection shall not be qualified either to file for another exemption affidavit pursuant to subsection (3) or (9) for tax levies in the same calendar year or to file for an exemption refund pursuant to subsection (4) for tax levies in the same calendar year. Upon filing of a qualified exemption affidavit pursuant to subsection (3) or (9) the taxes on the homestead to which the exemption affidavit applied shall be eligible for the exemption from collection provided by subsection (1) for tax levies in the year the qualified exemption affidavit was filed, regardless of any subsequent transfer, sale, or use of the property in that year.

“(8) A person who knowingly files an exemption affidavit pursuant to subsection (3) or (9) or an application for a refund under subsection (4) for tax levies in the same calendar year for more than 1 homestead, or who knowingly files an exemption affidavit pursuant to subsection (3) or (9) or an application for a refund under subsection (4) for which the taxpayer is not qualified or eligible, is guilty of a misdemeanor. A person who files, with an intent to defraud, an exemption affidavit pursuant to subsection (3) or (9) or an application for a refund under subsection (4) either for tax levies in the same calendar year for more than 1 homestead, or for a refund or exemption for which the person is not qualified or eligible, is guilty of a felony, punishable by imprisonment for not more than 5 years, or a fine of not more than \$5,000.00, or both.

“(9) Each city and township shall cause to be mailed, on or before May 1, 1981, an exemption affidavit to the occupant of each piece of property within the city or township which is classified as residential or agricultural property and, if determinable by the city or township, which contains a dwelling suitable for occupancy. In order to receive the benefit of an exemption provided by subsection (1) reflected as a reduction in their 1981 ad valorem property tax bill, an individual's exemption affidavit shall be returned on or before May 22, 1981, or a later date specified by the city or township, to the local official of the city or township who shall be designated on the exemption affidavit. Exemption affidavits shall also be made available at each local unit of government after April 30, 1981. Each city and township may publish individually or jointly on or before May 10, 1981, in a newspaper of general circulation, notice of the availability of the exemption affidavit, that these exemption affidavits must be returned by May 22, 1981 or the later date specified by the city or township in order to be eligible for the reduction of a 1981 property tax bill if Proposal A at the May 19, 1981 special election is approved, and that, if Proposal A at the May 19, 1981 special election is approved, an eligible owner of a homestead who fails to file an exemption affidavit by May 22, 1981 or the later date specified by the city or township may submit a claim for a refund of taxes paid that were eligible to be exempted with the state department of treasury. The failure to send or receive the exemption affidavit shall not invalidate an ad valorem property tax levy on the property. For ad valorem property tax levies in 1981 and each year thereafter, if an exemption affidavit includes an identification of the property as a unit in cooperatively owned housing, or as an integral part of a larger assessment unit or of a multipurpose or multidwelling building, the local tax collecting unit that received the exemption affidavit shall either determine that portion of the property which is considered a homestead under this section or, if the property is a unit in cooperatively owned housing, solicit additional information from the individual filing the exemption affidavit of that portion of the ad valorem property taxes to be levied in the calendar year against the cooperatively owned housing which will be attributed to the unit for which the individual files an exemption affidavit. After determination or receipt of this information the local tax collecting unit shall either make the appropriate reduction of ad valorem taxes against the property, or, if this determination cannot be made, or if this information is not received, by a date timely enough to allow for the reduction of the property tax bill, certify the amount of taxes eligible for exemption to the state treasurer. The state treasurer shall issue an exemption refund to the individual who filed a qualified exemption affidavit in the amount certified by the local tax collecting unit. In place of the procedures established by this subsection for the filing of exemption affidavits for, and solicitation of determinations of ownership interests for, a homestead which is a unit in cooperatively owned housing the department of treasury may provide for a unitary filing of exemption affidavits, and for the submission of exemption refund claims, for each eligible homestead in the cooperatively owned housing by a cooperative organization on behalf of, but signed by, the occupant of the cooperatively owned housing who is eligible to receive benefit of an exemption under this section.

“(10) A local unit of government shall adjust its subsequent ad valorem property tax levy against a piece of property to collect the value of an exemption which was deducted from the preceding tax levy against the property and not reimbursed by the state pursuant to the authority of section 9(1) of the local tax relief fund act. Upon request of the department of treasury and if ownership of the property has not changed since the tax levy for which an unqualified exemption was applied, a unit of local government shall adjust its subsequent ad valorem property tax levy against a piece of property to collect the value of an unqualified exemption which was deducted from a preceding property tax levy against the property. The additional ad valorem property taxes levied and collected by application of these adjustments for previously applied unqualified exemptions shall be remitted to the state treasurer.

“(11) If a homestead is located both within a city and a township or in more than 1 city, township, county, or school district and if the portion of the homestead upon which the domicile of the owner is located is within a taxing unit which collects ad valorem property tax

at the same time that the analogous taxing unit or units collects from the balance of the homestead, the maximum exemption available under this section shall be allocated in a manner which allows it to be applied first against the applicable property tax levies for each taxing unit where the domicile of the owner of the homestead is located, and any unused portion then shall be applied, to the extent allowed by this section, against the applicable property tax levies for the analogous taxing unit or units in which the remainder of the homestead is located. If different local treasurers collect ad valorem property tax levies in the same year and on the same property, the local tax collecting treasurer for an ad valorem property tax levy on property against which another ad valorem property tax levy is also imposed shall forward the information contained in each exemption affidavit filed in the year for these properties, along with a notation for each homestead of the amount of tax that was exempted from collection pursuant to this section with the applicable ad valorem property tax levy, to each other local tax collecting treasurer who collects ad valorem property tax levies on the same property in that year. If property for which an exemption affidavit is filed has ad valorem property tax levies against it in the same year collected by a village treasurer, each township that receives exemption affidavits for these properties shall forward, by June 1 of each year, the information contained in each exemption affidavit filed in the year for these properties to the village treasurer. A local tax collecting treasurer who collects summer levies of ad valorem property taxes for operating purposes may apply a prorated portion of the maximum exemption allowed by this section for the year, as adjusted pursuant to subsection (6), against the summer property tax levies. This prorated portion shall be the same portion that the actual summer ad valorem property tax levy for operating purposes bears to the total actual summer and winter property tax levies for operating purposes in the year. If the actual winter property tax levy for operating purposes in the year is not known, the winter levy of ad valorem property taxes for operating purposes in the immediately preceding year may be used in determining the proportion. If the local tax collecting treasurer who collects summer ad valorem property taxes decides to use a prorated portion of the maximum exemption allowed by this section in determining the exemption applied against the summer property tax levies, this prorated portion shall be again prorated among each unit of local government for which the local tax collecting treasurer collects a summer levy according to the percentage that the actual summer ad valorem property tax levy for operating purposes for each respective taxing unit bears to the aggregate actual summer ad valorem property tax levies for operating purposes for the respective taxing units.

“(12) In 1981 only each local tax collecting treasurer that receives from a financial institution an identification of properties from which the local tax collecting treasurer collects ad valorem property taxes and for which the financial institution has established an escrow account for purposes of paying ad valorem property tax, shall forward at 1 time on or before July 1, 1981 to the financial institution an identification of each property identified by the financial institution for which an exemption affidavit has been filed and for which the exemption from collection provided by this section will apply and be reflected as a reduction in the tax bill.

“(13) The state treasurer shall cause to be paid on June 1, 1981 to each local unit required to make a mailing of exemption affidavits pursuant to subsection (9) the sum of 1 of the following:

“(a) Thirty cents per exemption affidavit required to be mailed pursuant to subsection (9) if the local unit uses a state supplied exemption affidavit.

“(b) Thirty-five cents per exemption affidavit required to be mailed pursuant to subsection (9) if the local unit does not use a state supplied exemption affidavit.

“(14) Each local unit required to make a mailing of exemption affidavits pursuant to subsection (9) shall submit a reimbursement claim to the state treasurer by May 15, 1981 for the expenses described in subsection (13) related to this required mailing.”

Section 2 of Act 41 of 1981 provides:

“(1) Except as provided by subsections (2) and (3), this amendatory act shall not take effect unless House Joint Resolution G of the 81st Legislature becomes a part of the constitution as provided in section 1 of article 12 of the state constitution of 1963.

“(2) Section 7a(8), (9), (12), (13), and (14) of this amendatory act shall take immediate effect, but shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters.

“(3) Sections 7a(11) and 34d(3), (4), (7), (9), (10), (11), (17), and (18) of this amendatory act shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been approved by the voters.”

Proposal A, referred to in Sections 2 and 3 of Act 41 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27, 1981, that Proposal A had been rejected by the voters.

Former MCL 211.7a, pertaining to real estate used and owned as homestead by blind person, was repealed by Act 20 of 1973.

Popular name: Act 206