

HOUSE BILL No. 5351

December 12, 1989, Introduced by Reps. Maynard, Bartnik, DeMars, Hertel, Sikkema, Sparks, Bennett, Murphy, Weeks, Trim, Spaniola, Rocca, Griffin, Porreca, Barns, Hart, Niederstadt, Scott, Allen, Mathieu, Kilpatrick, Saunders, Gubow, Ciaramitaro, DeBeaussiaert, Pitoniak, Gire, Berman and Stabenow and referred to the Committee on Taxation.

A bill to amend Act No. 206 of the Public Acts of 1893,
entitled as amended

"The general property tax act,"

as amended, being sections 211.1 to 211.157 of the Michigan
Compiled Laws, by adding section 42a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 206 of the Public Acts of 1893, as
2 amended, being sections 211.1 to 211.157 of the Michigan Compiled
3 Laws, is amended by adding section 42a to read as follows:

4 SEC. 42A. (1) THE AMOUNT OF TAX LEVIED UNDER THIS ACT ON
5 THE HOMESTEAD PROPERTY OF A TAXPAYER SHALL BE FROZEN AT THE
6 AMOUNT OF TAX LEVIED UNDER THIS ACT IN THE FIRST YEAR THE TAX-
7 PAYER IS BOTH 62 YEARS OF AGE OR OLDER AND IS RETIRED.

8 (2) THE TAXPAYER IS ELIGIBLE FOR THIS EXEMPTION ONLY ON THE
9 HOMESTEAD PROPERTY IN WHICH THE TAXPAYER IS LIVING AT THE TIME

1 THE REQUIREMENTS UNDER SUBSECTION (1) ARE MET. THE EXEMPTION
2 ENDS IF THE TAXPAYER NO LONGER USES THE PROPERTY AS A HOMESTEAD.

3 (3) IF THE ELIGIBLE TAXPAYER SELLS THE HOMESTEAD PROPERTY
4 AND PURCHASES A NEW HOMESTEAD PROPERTY, THE TAX ON THE NEW PROP-
5 ERTY SHALL BE FROZEN AT THE AMOUNT OF TAX LEVIED UNDER THIS ACT
6 IN THE FIRST YEAR THAT THE TAXPAYER PURCHASES THE PROPERTY.

7 (4) THE PROPERTY SHALL CONTINUE TO BE ASSESSED EACH YEAR IN
8 THE MANNER PROVIDED UNDER THIS ACT BUT THE TAX BILL SHALL BE
9 ADJUSTED TO REFLECT THE AMOUNT OF TAX LEVIED AT THE TIME THE TAX-
10 PAYER MEETS THE REQUIREMENTS IN SUBSECTION (1) WITH A NOTICE TO
11 THAT EFFECT INCLUDED IN THE TAX BILL. AT THE TIME THE EXEMPTION
12 ENDS, THE NEXT TAX BILL SHALL REFLECT THE FULL AMOUNT OF TAX DUE
13 BASED ON THE REGULARLY UPDATED STATE EQUALIZED VALUATION OF THE
14 PROPERTY.

15 (5) THE TREASURER OF EACH TAX COLLECTING UNIT SHALL FILE
16 WITH THE DEPARTMENT OF TREASURY A LIST OF ALL TAXPAYERS WHO QUAL-
17 IFY UNDER THIS SECTION INCLUDING THE TAXPAYER'S SOCIAL SECURITY
18 NUMBER, THE AMOUNT OF TAX LEVIED AFTER THE OPERATION OF THIS SEC-
19 TION, AND THE AMOUNT OF TAX THAT WOULD HAVE BEEN LEVIED IF THE
20 TAXPAYER'S TAX HAD NOT BEEN FROZEN AS PROVIDED IN THIS SECTION.

21 (6) THE STATE TREASURER SHALL REIMBURSE EACH LOCAL GOVERN-
22 MENTAL UNIT EACH YEAR FOR THE DIFFERENCE BETWEEN THE AMOUNT OF
23 TAX LEVIED BY THE LOCAL GOVERNMENTAL UNIT AFTER THE OPERATION OF
24 THIS SECTION AND THE AMOUNT OF TAX THAT WOULD HAVE BEEN LEVIED IF
25 THE TAXPAYER'S TAX HAD NOT BEEN FROZEN AS PROVIDED IN THIS
26 SECTION.