

SENATE BILL No. 90

February 2, 1989, Introduced by Senators DI NELLO, DINGELL, WELBORN
and CROPSEY and referred to the Committee on Finance.

A bill to amend the title of 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; and to add section 7cc.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 206 of the Public Acts of
2 1893, as amended, being sections 211.1 to 211.157 of the Michigan
3 Compiled Laws, is amended and section 7cc is added to read as
4 follows:

5 TITLE

6 An act to provide for the assessment of rights and inter-
7 ests, including leasehold interests, in property and the levy and
8 collection of taxes thereon, and for the collection of taxes
9 levied; making ~~such~~ THE taxes a lien on the property taxed,

1 establishing and continuing the lien, providing for the sale and
2 conveyance of property delinquent for taxes, and for the inspec-
3 tion and disposition of lands bid off to the state and not
4 redeemed or purchased; to provide for the establishment of a
5 delinquent tax revolving fund and the borrowing of money by coun-
6 ties and the issuance of notes; to define and limit the jurisdic-
7 tion of the courts in proceedings in connection therewith; to
8 limit the time within which actions may be brought; to prescribe
9 certain limitations with respect to rates of taxation; TO PROVIDE
10 FOR THE ESTABLISHMENT OF RESIDENTIAL PROPERTY TAX EXEMPTION DIS-
11 TRICTS AND CERTAIN EXEMPTIONS; to prescribe certain powers and
12 duties of certain officers, departments, agencies, and political
13 subdivisions of this state; to provide for certain reimbursements
14 of certain expenses incurred by units of local government; to
15 provide penalties for the violation of this act; and to repeal
16 certain acts and parts of acts in anywise contravening any of the
17 provisions of this act.

18 SEC. 7CC. (1) THE GOVERNING BODY OF A LOCAL GOVERNMENTAL
19 UNIT BY RESOLUTION MAY ELECT TO ACCEPT APPLICATIONS AND PROVIDE
20 FOR THE GRANTING OF RESIDENTIAL PROPERTY TAX EXEMPTIONS. BEFORE
21 CONSIDERATION OF AN EXEMPTION, THE GOVERNING BODY OF THE LOCAL
22 GOVERNMENTAL UNIT SHALL BY RESOLUTION DETERMINE THE CRITERIA TO
23 BE USED IN DETERMINING THE APPROVAL OF AN EXEMPTION AND THE TIME
24 PERIOD OF THE EXEMPTION, AND SHALL MAKE THAT INFORMATION AVAIL-
25 ABLE TO APPLICANTS.

26 (2) AN OWNER OF A RESIDENTIAL DWELLING MORE THAN 3 YEARS OLD
27 THAT IS USED AS THE PRIMARY RESIDENCE BY THE OWNER, OR A LESSEE,

1 WHO MAKES AN IMPROVEMENT OR AN ADDITION, OR BOTH, TO THAT
2 RESIDENTIAL DWELLING THAT INCREASES THE TRUE CASH VALUE OF THE
3 PROPERTY BY NOT LESS THAN \$1,500.00, MAY CLAIM A RESIDENTIAL
4 PROPERTY TAX EXEMPTION IN AN AMOUNT EQUAL TO THE INCREASE IN THE
5 TRUE CASH VALUE DUE TO THE IMPROVEMENT OR ADDITION. THE IMPROVE-
6 MENT OR ADDITION MAY BE, BUT IS NOT LIMITED TO, 1 OR MORE OF THE
7 FOLLOWING:

8 (A) A NEW GARAGE.

9 (B) ENLARGEMENT OF AN EXISTING GARAGE.

10 (C) AN ADDITION TO THE RESIDENTIAL DWELLING ONLY IF THE
11 ADDITION IS PHYSICALLY ATTACHED TO THE EXISTING DWELLING.

12 (D) A WOOD OR CEMENT PATIO OR DECK, WITH OR WITHOUT AN OVER-
13 HEAD COVERING, THAT IS NOT ATTACHED TO THE RESIDENTIAL DWELLING.

14 (E) A PORCH OR STEPS ATTACHED TO THE RESIDENTIAL DWELLING.

15 (F) LANDSCAPING AND CEMENT WORK INCLUDING STEPS USED IN COM-
16 PLETING A PERMANENTLY FIXED EXTERIOR BARBECUE PIT OR IN-GROUND OR
17 ABOVE-GROUND SWIMMING POOL.

18 (3) THE EXEMPTION ALLOWED UNDER SUBSECTION (2) DOES NOT
19 APPLY TO AN IMPROVEMENT OR ADDITION THAT INCREASES THE LIVING
20 AREA OF A RESIDENTIAL DWELLING BY MORE THAN 75%.

21 (4) AN OWNER OF A RESIDENTIAL DWELLING WHO WISHES TO CLAIM A
22 RESIDENTIAL PROPERTY TAX EXEMPTION UNDER THIS SECTION SHALL FILE
23 AN APPLICATION FOR THE EXEMPTION WITH THE ASSESSOR FOR THE LOCAL
24 GOVERNMENTAL UNIT ON A FORM PRESCRIBED BY THE STATE TAX
25 COMMISSION. THE APPLICATION SHALL INCLUDE THE COST AND A
26 DESCRIPTION OF THE IMPROVEMENT, ADDITION, OR BOTH. THE

1 APPLICATION SHALL BE FILED BEFORE DECEMBER 31 OF THE CALENDAR
2 YEAR PRECEDING THE TAX YEAR FOR WHICH THE EXEMPTION IS CLAIMED.

3 (5) NOT MORE THAN 30 DAYS AFTER RECEIPT OF THE APPLICATION,
4 THE ASSESSOR SHALL DETERMINE IF THE IMPROVEMENT, ADDITION, OR
5 BOTH INCREASE THE ASSESSMENT OF THE PROPERTY AND BY WHAT AMOUNT.
6 IF THE ASSESSOR FINDS THAT THE ASSESSED TRUE CASH VALUE OF THE
7 PROPERTY IS INCREASED, THE ASSESSOR SHALL SEND THE APPLICATION
8 WITH HIS OR HER FINDINGS TO THE GOVERNING BODY OF THE LOCAL GOV-
9 ERNMENTAL UNIT.

10 (6) NOT MORE THAN 60 DAYS AFTER RECEIPT OF THE APPLICATION
11 UNDER SUBSECTION (5), THE GOVERNING BODY OF THE LOCAL GOVERNMEN-
12 TAL UNIT SHALL BY RESOLUTION EITHER APPROVE OR DISAPPROVE THE
13 APPLICATION FOR A RESIDENTIAL PROPERTY TAX EXEMPTION. IF DISAP-
14 PROVED, THE REASONS SHALL BE SET FORTH IN WRITING IN THE
15 RESOLUTION. IF APPROVED, THE RESOLUTION SHALL SET FORTH THE
16 EFFECTIVE DATE AND THE DURATION FOR WHICH THE EXEMPTION IS GRANT-
17 ED, WHICH SHALL NOT EXCEED 12 YEARS AFTER THE EFFECTIVE DATE.
18 THE CLERK OF THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT
19 SHALL SEND A COPY OF THE RESOLUTION TO THE APPLICANT AND THE
20 ASSESSOR.

21 (7) AN OWNER MAY APPEAL THE DECISION OF THE GOVERNING BODY
22 OF THE LOCAL GOVERNMENTAL UNIT TO THE LOCAL BOARD OF REVIEW WHICH
23 IS THE FINAL DETERMINATION IN THE MATTER.

24 (8) THE ASSESSOR SHALL REFLECT AN EXEMPTION GRANTED UNDER
25 THIS SECTION ON THE TAX ROLL IN THE SAME MANNER AS ANY OTHER
26 EXCLUSION FROM TRUE CASH VALUE UNDER SECTION 27 UNTIL THE

1 EXEMPTION EXPIRES OR THE PROPERTY IS SOLD, WHICHEVER OCCURS
2 FIRST.

3 (9) THE ASSESSOR SHALL DEDUCT THE VALUE OF AN EXEMPTION
4 UNDER THIS SECTION FROM THE SALE PRICE OF THE RESIDENTIAL DWELL-
5 ING IF THE PROPERTY IS SOLD BEFORE THE EXPIRATION DATE OF THE
6 EXEMPTION BEFORE USING THE SALE PRICE FOR A SALES RATIO STUDY.

7 (10) THE GOVERNING BODY OF A LOCAL GOVERNMENTAL UNIT BY RES-
8 OLUTION MAY ESTABLISH RESIDENTIAL PROPERTY TAX EXEMPTION DIS-
9 TRICTS THAT MAY CONSIST OF 1 OR MORE PARCELS OF LAND, OR A POR-
10 TION OF 1 OR MORE PARCELS OF LAND FOR THE PURPOSE OF ENCOURAGING
11 TAXPAYERS TO IMPROVE RESIDENTIAL PROPERTY. BEFORE ADOPTING A
12 RESOLUTION ESTABLISHING A RESIDENTIAL PROPERTY TAX EXEMPTION DIS-
13 TRICT, THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT SHALL
14 HOLD A PUBLIC HEARING ON THE QUESTION OF THE ESTABLISHMENT OF THE
15 DISTRICT AND ANY RESIDENTS OR TAXPAYERS OF THE LOCAL GOVERNMENTAL
16 UNIT HAVE A RIGHT TO APPEAR AND BE HEARD. IF A RESIDENTIAL PROP-
17 ERTY TAX EXEMPTION DISTRICT IS ESTABLISHED, THE GOVERNING BODY OF
18 THE LOCAL GOVERNMENTAL UNIT SHALL BY RESOLUTION SET FORTH THE
19 CRITERIA TO BE USED IN DETERMINING THE APPROVAL OF AN EXEMPTION
20 AND THE TIME PERIOD OF THE EXEMPTION, AND SHALL MAKE THAT INFOR-
21 MATION AVAILABLE TO APPLICANTS. THE CRITERIA SHALL INCLUDE BUT
22 ARE NOT LIMITED TO THE REQUIREMENTS OF SUBSECTIONS (2) AND (3).

23 (11) IF THE GOVERNING BODY OF THE LOCAL GOVERNMENTAL UNIT
24 ESTABLISHES A RESIDENTIAL PROPERTY TAX EXEMPTION DISTRICT PURSU-
25 ANT TO SUBSECTION (10), AN OWNER OF A RESIDENTIAL DWELLING MORE
26 THAN 3 YEARS OLD MAY APPLY FOR A RESIDENTIAL PROPERTY TAX
27 EXEMPTION, IF THE CRITERIA ESTABLISHED PURSUANT TO SUBSECTION

1 (10) ARE MET, BY FILING AN APPLICATION FOR THE EXEMPTION IN THE
2 SAME MANNER AND TIME AS REQUIRED IN SUBSECTION (4). WITHIN 60
3 DAYS AFTER RECEIPT OF THE APPLICATION, THE ASSESSOR SHALL DETER-
4 MINE IF THE OWNER QUALIFIES FOR THE EXEMPTION PURSUANT TO SUBSEC-
5 TION (10). IF THE OWNER QUALIFIES, THE ASSESSOR SHALL GRANT A
6 RESIDENTIAL PROPERTY TAX EXEMPTION IN ACCORDANCE WITH THE CRI-
7 TERIA ESTABLISHED PURSUANT TO SUBSECTION (10). AN OWNER MAY
8 APPEAL THE DECISION OF THE ASSESSOR TO THE GOVERNING BODY OF THE
9 LOCAL GOVERNMENTAL UNIT AND THEN TO THE LOCAL BOARD OF REVIEW
10 WHICH IS THE FINAL DETERMINATION IN THE MATTER.

11 (12) AS USED IN THIS SECTION:

12 (A) "LOCAL GOVERNMENTAL UNIT" MEANS A CITY, VILLAGE, OR
13 TOWNSHIP.

14 (B) "OWNER" MEANS THE PERSON WHO HAS LEGAL TITLE TO A RESI-
15 DENTIAL DWELLING. IN THE CASE OF A LAND CONTRACT, OWNER MEANS
16 THE PARTY LIABLE UNDER THE TERMS OF THE CONTRACT FOR PAYMENT OF
17 AD VALOREM REAL PROPERTY TAXES.

18 (C) "RESIDENTIAL DWELLING" MEANS A HOUSE, BUILDING, OR
19 STRUCTURE THAT IS OCCUPIED SOLELY BY 1 FAMILY AS A PERMANENT
20 LIVING OR SLEEPING PLACE, THAT IS DESIGNED AND ARRANGED TO PRO-
21 VIDE COOKING AND KITCHEN ACCOMMODATIONS FOR 1 FAMILY, AND THAT IS
22 CLASSIFIED AS RESIDENTIAL PROPERTY OR IS A RESIDENTIAL HOMESTEAD
23 UPON PROPERTY CLASSIFIED AS AGRICULTURAL PROPERTY.

24 (13) THIS SECTION SHALL BE KNOWN AND MAY BE CITED AS THE
25 "RESIDENTIAL PROPERTY TAX EXEMPTION ACT".