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## HOMESTEAD EXEMPTION APPEALS

**House Bill 5638**

**Sponsor: Rep. Thomas Kelly**

**Committee: Tax Policy**

**Complete to 4-20-98**

### A SUMMARY OF HOUSE BILL 5638 AS INTRODUCED 3-10-98

With some exceptions, under Michigan's new school financing system, homesteads (owner-occupied principal residences) are exempt from local school property taxes. To receive a homestead exemption, homeowners are supposed to file an affidavit with the local tax collecting unit by May 1. (Once in place, the exemption remains until the property is transferred or ceases to be a homestead; homeowners need not file annually.) However, homeowners who owned and occupied property as of May 1 for which an exemption is not on the tax roll also have the opportunity to obtain an exemption by going to the July or December board of review in the year for which the exemption is claimed or the immediately succeeding year. House Bill 5638 would amend the General Property Tax Act so that an owner who owned and occupied a homestead on May 1 in any tax year for which the exemption was not on the tax roll could go to the board of review in the year for which the exemption was claimed or any succeeding year.

If the board of review granted the claim of exemption, the local tax collecting unit or county treasurer (depending on who has possession of the tax roll) would amend the appropriate tax roll and issue a corrected tax bill exempting the homestead from the tax levied in the year for which the exemption was claimed. This would apply to taxes levied after December 31, 1994.

MCL 211.7cc

Analyst: C. Couch

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