



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4905 (Substitute H-2 as reported without amendment)
Sponsor: Representative Peter J. Lucido
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to do the following:

- Allow a property owner who previously occupied the property as his or her principal residence but now resided in any other location for the purposes of convalescence to retain a principal residence exemption (PRE) if the owner manifested an intent to return.
- Delete the requirement that property be unoccupied if the owner is to continue receiving the PRE while he or she resides in a nursing home or assisted living facility.

In addition, the Act allows an owner who owned and occupied a principal residence on June 1 or November 1 for which the exemption was not on the tax roll, or an owner of property who previously occupied that property as his or her principal residence but did not occupy that property on June 1 or November 1 while residing in a nursing home or assisted living facility under certain circumstances for which the exemption was not on the tax roll, to file an appeal with the July or December board of review in the year for which the exemption was claimed or the immediately succeeding three years.

The bill would include in this provision an owner of property who previously occupied the property as his or her principal residence but did not occupy it on June 1 or November 1 while residing in another location for the purpose of convalescence.

MCL 211.7cc

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would increase School Aid Fund expenditures by an unknown and likely minimal amount. By reducing the requirements for homeowners to retain an exemption from the 18-mill school operating levy, the bill would likely increase the number of the exempt properties (or decrease the number that otherwise would become ineligible for the exemption). Since the exemption would reduce local school operating revenue, expenditures from the School Aid Fund would need to be increased in order to maintain per-pupil funding guarantees. The magnitude of any changes would depend on the specific characteristics of any affected property.

Date Completed: 2-14-18

Fiscal Analyst: Ryan Bergan