

HOUSE BILL No. 5186

October 26, 2017, Introduced by Reps. Noble, Kosowski, Lucido, Marino, Gay-Dagnogo, Hornberger and Glenn and referred to the Committee on Tax Policy.

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "disabled veteran's homestead tax relief act".

3 Sec. 2. As used in this act:

4 (a) "Commission" means the state tax commission created by
5 1927 PA 360, MCL 209.101 to 209.107.

6 (b) "Eligible disabled veteran" means an individual who is a
7 resident of this state, was discharged from the United States Armed

1 Forces under honorable conditions, and meets 1 of the following
2 criteria:

3 (i) Has been determined by the United States Department of
4 Veterans Affairs to be permanently disabled as a result of military
5 service and entitled to veterans' benefits at a rate of at least
6 50%.

7 (ii) Has a certificate from the United States Department of
8 Veterans Affairs certifying that he or she is receiving or has
9 received pecuniary assistance due to disability for specially
10 adapted housing.

11 (iii) Has been rated by the United States Department of
12 Veterans Affairs as individually unemployable.

13 (c) "Eligible surviving spouse of a disabled veteran" means an
14 individual who was married to an eligible disabled veteran at the
15 time of the eligible disabled veteran's death and who has since
16 remained unmarried.

17 (d) "Principal residence" means that term as defined in
18 section 7dd of the general property tax act, 1893 PA 206, MCL
19 211.7dd.

20 (e) "Taxable value" means the taxable value as determined
21 under section 27a of the general property tax act, 1893 PA 206, MCL
22 211.27a.

23 Sec. 3. For taxes levied after December 31, 2017, real
24 property used and owned as a homestead by an eligible disabled
25 veteran or by an eligible surviving spouse of a disabled veteran is
26 exempt from ad valorem property taxes collected under the general
27 property tax act, 1893 PA 206, MCL 211.1 to 211.155, as provided

1 under section 7xx of the general property tax act, 1893 PA 206, MCL
2 211.7xx.

3 Sec. 4. The assessor of each local tax collecting unit in
4 which there is real property used and owned as a homestead by an
5 eligible disabled veteran or eligible surviving spouse of a
6 disabled veteran shall determine annually as of December 31 the
7 value and taxable value of that real property.

8 Sec. 5. (1) There is levied upon real property used and owned
9 as a homestead by an eligible disabled veteran or by an eligible
10 surviving spouse of a disabled veteran a specific tax to be known
11 as the disabled veteran's homestead specific tax.

12 (2) The amount of the disabled veteran's homestead specific
13 tax in each year shall be determined as follows:

14 (a) Multiply the number of mills that would be assessed in the
15 local tax collecting unit if the real property used and owned as a
16 homestead by the eligible disabled veteran or the eligible
17 surviving spouse of a disabled veteran were subject to the
18 collection of taxes under the general property tax act, 1893 PA
19 206, MCL 211.1 to 211.155, by the property's taxable value. For
20 purposes of this calculation, to the extent that the real property
21 used and owned as a homestead by the eligible disabled veteran or
22 the eligible surviving spouse of a disabled veteran was that
23 individual's principal residence, he or she may claim an exemption
24 for that portion of the specific tax attributable to the tax levied
25 by a local school district for school operating purposes as
26 provided under section 1211 of the revised school code, 1976 PA
27 451, MCL 380.1211, if he or she claims or has claimed an exemption

1 for the property as provided in section 7cc of the general property
2 tax act, 1893 PA 206, MCL 211.7cc.

3 (b) Discount the result of the calculation in subdivision (a)
4 by 1 of the following, as applicable:

5 (i) 100%, if the exemption under section 3 is based on the
6 disability of an individual who qualified as an eligible disabled
7 veteran under section 2(b) (ii) or (iii).

8 (ii) 100%, if the exemption under section 3 is based on the
9 disability of an individual who qualified as an eligible disabled
10 veteran under section 2(b) (i) and the United States Department of
11 Veterans Affairs determined that the severity rating of the
12 individual's disability is 100%.

13 (iii) The severity rating of the individual's disability,
14 expressed as a percentage by the United States Department of
15 Veterans Affairs, if the exemption under section 3 is based on the
16 disability of an individual who qualified as an eligible disabled
17 veteran under section 2(b) (i) and the United States Department of
18 Veterans Affairs determined that the severity rating of the
19 individual's disability is less than 100%.

20 (3) The disabled veteran's homestead specific tax is an annual
21 tax, payable at the same times, in the same installments, and to
22 the same collecting officer or officers as taxes collected under
23 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

24 (4) The collecting officer or officers shall disburse the
25 disabled veteran's homestead specific tax to and among this state
26 and cities, townships, villages, school districts, counties, or
27 other taxing units, at the same times and in the same proportions

1 as required by law for the disbursement of taxes collected under
2 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

3 (5) The collecting officer or officers shall send a copy of
4 the amount of disbursement made to each taxing unit under this
5 section to the commission on a form provided by the commission.

6 Sec. 6. Unpaid disabled veteran's homestead specific taxes are
7 subject to forfeiture, foreclosure, and sale in the same manner and
8 at the same time as taxes returned as delinquent under the general
9 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

10 Enacting section 1. This act does not take effect unless
11 Senate Bill No. ____ or House Bill No. 5187 (request no. 04194'17)
12 of the 99th Legislature is enacted into law.