

# HOUSE BILL No. 5759

April 10, 2018, Introduced by Rep. Lucido 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 specific tax 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

1 resident of this state, was discharged from the United States Armed  
2 Forces under honorable conditions, and meets 1 of the following  
3 criteria:

4 (i) Has been determined by the United States Department of  
5 Veterans Affairs to be permanently disabled as a result of military  
6 service and entitled to veterans' benefits because of that  
7 disability.

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

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

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

18 (d) "Principal residence" means that term as defined in  
19 section 7dd of the general property tax act, 1893 PA 206, MCL  
20 211.7dd.

21 (e) "Taxable value" means the taxable value as determined  
22 under section 27a of the general property tax act, 1893 PA 206, MCL  
23 211.27a.

24 Sec. 3. For taxes levied after December 31, 2017, real  
25 property used and owned as a homestead by an eligible disabled  
26 veteran or by an eligible surviving spouse of a disabled veteran is  
27 exempt from ad valorem property taxes collected under the general

1 property tax act, 1893 PA 206, MCL 211.1 to 211.155, as provided  
2 under section 7xx of the general property tax act, 1893 PA 206, MCL  
3 211.7xx.

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

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

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

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

1 451, MCL 380.1211, if he or she claims or has claimed an exemption  
2 for the property as provided in section 7cc of the general property  
3 tax act, 1893 PA 206, MCL 211.7cc.

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

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

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

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

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

25 (4) The collecting officer or officers shall disburse the  
26 disabled veteran's homestead specific tax to and among this state  
27 and cities, townships, villages, school districts, counties, or

1 other taxing units, at the same times and in the same proportions  
2 as required by law for the disbursement of taxes collected under  
3 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

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

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

11 Enacting section 1. This act does not take effect unless  
12 Senate Bill No. \_\_\_\_\_ or House Bill No. 5758 (request no. 05982'18  
13 a) of the 99th Legislature is enacted into law.