

SENATE BILL No. 45

January 18, 2017, Introduced by Senator HILDENBRAND and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 7b (MCL 211.7b), as amended by 2013 PA 161.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. (1) Real ~~SUBJECT TO SUBSECTIONS (2) TO (4),~~
 2 **RESIDENTIAL REAL** property **OR AGRICULTURAL REAL PROPERTY** used and
 3 owned as a homestead by ~~a~~ **ANY OF THE FOLLOWING INDIVIDUALS IS**
 4 **EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT:**

5 **(A) A** disabled veteran who was discharged from the armed
 6 forces of the United States under honorable conditions. ~~or by an~~
 7 ~~individual described in subsection (2) is exempt from the~~
 8 ~~collection of taxes under this act. To obtain the exemption,~~

9 **(B) FOR AS LONG AS HE OR SHE REMAINS UNREMARIED, THE**
 10 **UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN WHO, IMMEDIATELY**
 11 **BEFORE DEATH, WAS ELIGIBLE FOR THE EXEMPTION UNDER THIS SECTION.**

SENATE BILL NO. 45

1 (C) FOR AS LONG AS HE OR SHE REMAINS UNREARRIED, THE
2 UNREARRIED SURVIVING SPOUSE OF A DECEASED MICHIGAN VETERAN WHO
3 DIED FROM SERVICE-CONNECTED CAUSES WHILE ON ACTIVE DUTY IN THE
4 ARMED FORCES OF THE UNITED STATES.

5 (2) TO CLAIM AN EXEMPTION UNDER THIS SECTION, AN INDIVIDUAL
6 DESCRIBED IN SUBSECTION (1) (A), (B), OR (C), OR HIS OR HER LEGAL
7 DESIGNEE, SHALL ANNUALLY FILE WITH THE LOCAL TAX COLLECTING UNIT IN
8 WHICH THE PROPERTY IS LOCATED an affidavit ~~showing~~ ON A FORM
9 PRESCRIBED BY THE STATE TAX COMMISSION DESCRIBING THE REAL PROPERTY
10 FOR WHICH THE EXEMPTION IS CLAIMED AND ATTESTING TO the facts
11 required by ~~this section and a description of the real property~~
12 ~~shall be filed by the property owner or his or her legal designee~~
13 ~~with the supervisor or other assessing officer during the period~~
14 ~~beginning with the tax day for each year and ending at the time of~~
15 ~~the final adjournment of the local board of review.~~ SUBSECTION (1)
16 AS OF THE DATE THAT THE AFFIDAVIT IS SIGNED. THE AFFIDAVIT SHALL BE
17 FILED ON OR BEFORE JUNE 1 TO CLAIM THE EXEMPTION FOR THE
18 IMMEDIATELY SUCCEEDING SUMMER AND WINTER TAX LEVIES OR ON OR BEFORE
19 NOVEMBER 1 TO CLAIM THE EXEMPTION FOR THE IMMEDIATELY SUCCEEDING
20 WINTER TAX LEVY. NOTWITHSTANDING THE TAX DAY PROVIDED IN SECTION 2,
21 THE STATUS OF PROPERTY AS EXEMPT UNDER THIS SECTION SHALL BE
22 DETERMINED ON THE DATE THE AFFIDAVIT CLAIMING AN EXEMPTION IS
23 FILED. The affidavit when filed shall be open to inspection. ~~The~~
24 ~~county treasurer shall cancel taxes subject to collection under~~
25 ~~this act for any year in which a disabled veteran eligible for the~~
26 ~~exemption under this section has acquired title to real property~~
27 ~~exempt under this section. Upon granting the exemption under this~~

1 ~~section, each local taxing unit shall bear the loss of its portion~~
2 ~~of the taxes upon which the exemption has been granted.~~

3 ~~—— (2) If a disabled veteran who is otherwise eligible for the~~
4 ~~exemption under this section dies, either before or after the~~
5 ~~exemption under this section is granted, the exemption shall remain~~
6 ~~available to or shall continue for his or her unremarried surviving~~
7 ~~spouse. The surviving spouse shall comply with the requirements of~~
8 ~~subsection (1) and shall indicate on the affidavit that he or she~~
9 ~~is the surviving spouse of a disabled veteran entitled to the~~
10 ~~exemption under this section. The exemption shall continue as long~~
11 ~~as the surviving spouse remains unremarried.~~

12 (3) AFTER THE AFFIDAVIT IS FILED, THE ASSESSOR FOR THE LOCAL
13 TAX COLLECTING UNIT SHALL DETERMINE WHETHER THE REQUIREMENTS OF
14 THIS SECTION ARE MET. IF THE REQUIREMENTS ARE MET, THE ASSESSOR
15 SHALL GRANT THE EXEMPTION. IF GRANTED, THE EXEMPTION APPLIES UNTIL
16 DECEMBER 31 OF THE YEAR THAT THE AFFIDAVIT WAS FILED.

17 (4) THE EXEMPTION PROVIDED UNDER THIS SECTION APPLIES ONLY TO
18 TAXES COLLECTED UNDER THIS ACT AND NOT TO ANY SPECIAL ASSESSMENT
19 UNLESS THE ACT PROVIDING FOR THE SPECIAL ASSESSMENT PROVIDES
20 OTHERWISE.

21 (5) IF THE TOTAL AMOUNT OF ALL TAXES COLLECTED BY A LOCAL TAX
22 COLLECTING UNIT IS REDUCED IN EXCESS OF 5% BY EXEMPTIONS GRANTED
23 UNDER THIS SECTION, THE STATE SHALL, UPON APPROPRIATION, PROVIDE
24 REIMBURSEMENT IN AN AMOUNT EQUAL TO THAT EXCESS.

25 (6) ~~(3)~~ As used in this section: ~~,"disabled~~

26 (A) "AGRICULTURAL REAL PROPERTY" MEANS THAT TERM AS DEFINED IN
27 SECTION 34C.

1 (B) "ARMED FORCES OF THE UNITED STATES" MEANS THE ARMED FORCES
2 OF THE UNITED STATES AND THEIR RESERVE COMPONENTS.

3 (C) "DECEASED MICHIGAN VETERAN" MEANS AN INDIVIDUAL WHO,
4 IMMEDIATELY BEFORE DEATH, SERVED IN THE ARMED FORCES OF THE UNITED
5 STATES AND WAS A LEGAL RESIDENT OF THIS STATE.

6 (D) "DISABLED veteran" means a person who is a **LEGAL** resident
7 of this state and who meets 1 of the following criteria:

8 (i) ~~(a)~~ Has been determined by the United States ~~department of~~
9 ~~veterans affairs~~ **DEPARTMENT OF VETERANS AFFAIRS** to be permanently
10 and totally disabled as a result of military service and entitled
11 to veterans' benefits at the 100% rate.

12 (ii) ~~(b)~~ Has a certificate from the United States ~~veterans'~~
13 ~~administration, or its successors,~~ **DEPARTMENT OF VETERANS AFFAIRS**,
14 certifying that he or she is receiving or has received pecuniary
15 assistance due to disability for specially adapted housing.

16 (iii) ~~(c)~~ Has been rated by the United States ~~department of~~
17 ~~veterans affairs~~ **DEPARTMENT OF VETERANS AFFAIRS** as individually
18 unemployable.

19 (E) "HOMESTEAD" MEANS THE 1 PLACE OWNED AND OCCUPIED BY A
20 LEGAL RESIDENT OF THIS STATE AS HIS OR HER TRUE, FIXED, AND
21 PERMANENT HOME TO WHICH, WHENEVER ABSENT, HE OR SHE INTENDS TO
22 RETURN AND THAT CONTINUES AS A PRIMARY RESIDENCE UNTIL ANOTHER
23 PRIMARY RESIDENCE IS ESTABLISHED. EXCEPT AS OTHERWISE PROVIDED IN
24 THIS SUBDIVISION, HOMESTEAD INCLUDES ONLY THAT PORTION OF A
25 DWELLING OR UNIT IN A MULTIPLE-UNIT DWELLING THAT WOULD BE SUBJECT
26 TO AD VALOREM TAXES ABSENT THE EXEMPTION UNDER THIS SECTION AND
27 THAT IS OWNED AND OCCUPIED BY AN OWNER OF THE DWELLING OR UNIT.

1 HOMESTEAD ALSO INCLUDES ALL OF AN OWNER'S UNOCCUPIED PROPERTY
2 CLASSIFIED AS RESIDENTIAL REAL PROPERTY OR AGRICULTURAL REAL
3 PROPERTY THAT IS ADJOINING OR CONTIGUOUS TO THE DWELLING, THAT
4 WOULD BE SUBJECT TO AD VALOREM TAXES ABSENT THE EXEMPTION UNDER
5 THIS SECTION, AND THAT IS OWNED AND OCCUPIED BY THE OWNER.
6 CONTIGUITY IS NOT BROKEN BY BOUNDARY BETWEEN LOCAL TAX COLLECTING
7 UNITS, A ROAD, A RIGHT-OF-WAY, OR PROPERTY PURCHASED OR TAKEN UNDER
8 CONDEMNATION PROCEEDINGS BY A PUBLIC UTILITY FOR POWER TRANSMISSION
9 LINES IF THE 2 PARCELS SEPARATED BY THE PURCHASED OR CONDEMNED
10 PROPERTY WERE A SINGLE PARCEL BEFORE THE SALE OR CONDEMNATION.
11 EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, HOMESTEAD ALSO
12 INCLUDES ANY PORTION OF A DWELLING OR UNIT OF AN OWNER THAT IS
13 RENTED OR LEASED TO ANOTHER PERSON AS A RESIDENCE AS LONG AS THAT
14 PORTION OF THE DWELLING OR UNIT THAT IS RENTED OR LEASED IS LESS
15 THAN 50% OF THE TOTAL SQUARE FOOTAGE OF LIVING SPACE IN THAT
16 DWELLING OR UNIT. FOR PURPOSES OF THIS SUBDIVISION, PROPERTY
17 PREVIOUSLY OCCUPIED AS A HOMESTEAD BY AN INDIVIDUAL WHO NOW RESIDES
18 IN A NURSING HOME OR ASSISTED LIVING FACILITY REMAINS THAT
19 INDIVIDUAL'S HOMESTEAD IF HE OR SHE MANIFESTS AN INTENT TO RETURN
20 TO THAT PROPERTY BY SATISFYING ALL OF THE FOLLOWING CONDITIONS:

21 (i) HE OR SHE CONTINUES TO OWN THAT PROPERTY WHILE RESIDING IN
22 THE NURSING HOME OR ASSISTED LIVING FACILITY.

23 (ii) HE OR SHE HAS NOT ESTABLISHED A NEW HOMESTEAD.

24 (iii) HE OR SHE MAINTAINS OR PROVIDES FOR THE MAINTENANCE OF
25 THAT PROPERTY WHILE RESIDING IN THE NURSING HOME OR ASSISTED LIVING
26 FACILITY.

27 (iv) THAT PROPERTY IS NOT OCCUPIED, IS NOT LEASED, AND IS NOT

1 USED FOR ANY BUSINESS OR COMMERCIAL PURPOSE.

2 (F) "OWN" MEANS ANY OF THE FOLLOWING:

3 (i) SOLE OWNERSHIP BY A DISABLED VETERAN.

4 (ii) JOINT OWNERSHIP OR CO-OWNERSHIP BY A DISABLED VETERAN AND
5 1 OR MORE OF THE FOLLOWING INDIVIDUALS:

6 (A) HIS OR HER SPOUSE, INCLUDING AS TENANTS BY THE ENTIRETY.

7 (B) HIS OR HER SON, DAUGHTER, ADOPTED SON, OR ADOPTED
8 DAUGHTER.

9 (iii) SOLE OWNERSHIP BY AN UNREMARIED SURVIVING SPOUSE OF A
10 DECEASED DISABLED VETERAN OR A DECEASED MICHIGAN VETERAN WHO DIED
11 FROM SERVICE-CONNECTED CAUSES WHILE ON ACTIVE DUTY IN THE ARMED
12 FORCES OF THE UNITED STATES.

13 (G) "RESIDENTIAL REAL PROPERTY" MEANS THAT TERM AS DEFINED IN
14 SECTION 34C.

15 (H) "UNREMARIED SURVIVING SPOUSE" MEANS EITHER OF THE
16 FOLLOWING:

17 (i) AN INDIVIDUAL WHO WAS MARRIED TO A DISABLED VETERAN WHEN
18 THAT VETERAN DIED AND WHO, SINCE THE TIME OF THAT SPOUSE'S DEATH,
19 HAS NEVER BEEN REMARRIED.

20 (ii) AN INDIVIDUAL WHO WAS MARRIED TO A DECEASED MICHIGAN
21 VETERAN WHEN THAT VETERAN DIED FROM SERVICE-CONNECTED CAUSES WHILE
22 ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES AND WHO,
23 SINCE THE TIME OF THAT SPOUSE'S DEATH, HAS NEVER BEEN REMARRIED.