

**SUBSTITUTE FOR
HOUSE BILL NO. 4330**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 7u and 53b (MCL 211.7u and 211.53b), as
amended by 2023 PA 191, and by adding section 7yy.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7u. (1) The principal residence of a person who, in the
2 judgment of the supervisor and board of review, by reason of
3 poverty, is unable to contribute toward the public charges is
4 eligible for exemption in whole or in part from the collection of
5 taxes under this act. This section does not apply to the property
6 of a corporation.

7 (2) To be eligible for exemption under this section, a person
8 shall, subject to subsections (6), (8), and (10), do all of the



1 following on an annual basis:

2 (a) Own and occupy as a principal residence the property for
3 which an exemption is requested. The person shall affirm this
4 ownership and occupancy status in writing by filing a form
5 prescribed by the state tax commission with the local assessing
6 unit.

7 (b) File a claim with the board of review on a form prescribed
8 by the state tax commission and provided by the local assessing
9 unit, accompanied by federal and state income tax returns for all
10 persons residing in the principal residence, including any property
11 tax credit returns, filed in the immediately preceding year or in
12 the current year. Federal and state income tax returns are not
13 required for a person residing in the principal residence if that
14 person was not required to file a federal or state income tax
15 return in the tax year in which the exemption under this section is
16 claimed or in the immediately preceding tax year. If a person was
17 not required to file a federal or state income tax return in the
18 tax year in which the exemption under this section is claimed or in
19 the immediately preceding tax year, an affidavit in a form
20 prescribed by the state tax commission may be accepted in place of
21 the federal or state income tax return. The filing of a claim under
22 this subsection constitutes an appearance before the board of
23 review for the purpose of preserving the claimant's right to appeal
24 the decision of the board of review regarding the claim.

25 (c) Produce a valid driver license or other form of
26 identification if requested by the supervisor or board of review.

27 (d) Produce a deed, land contract, or other evidence of
28 ownership of the property for which an exemption is requested if
29 required by the supervisor or board of review.



1 (e) Meet the federal poverty guidelines published in the prior
2 calendar year in the Federal Register by the United States
3 Department of Health and Human Services under its authority to
4 revise the poverty line under 42 USC 9902, or alternative
5 guidelines adopted by the governing body of the local assessing
6 unit provided the alternative guidelines do not provide income
7 eligibility requirements less than the federal guidelines.

8 (3) The application for an exemption under this section must
9 be filed after January 1 but before the day prior to the last day
10 of the board of review.

11 (4) The governing body of the local assessing unit shall
12 determine and make available to the public the policy and
13 guidelines used for the granting of exemptions under this section.
14 If the local assessing unit maintains a website, the local
15 assessing unit shall make the policy and guidelines, and the form
16 described in subsection (2)(b), available to the public on the
17 website. The guidelines must include, but are not limited to, the
18 specific income and asset levels of the claimant and total
19 household income and assets.

20 (5) The board of review shall follow the policy and guidelines
21 of the local assessing unit in granting or denying an exemption
22 under this section. If a person claiming an exemption under this
23 section is qualified under the eligibility requirements in
24 subsection (2), the board of review shall grant the exemption in
25 whole or in part, as follows:

26 (a) A full exemption equal to a 100% reduction in taxable
27 value for the tax year in which the exemption is granted.

28 (b) A partial exemption equal to 1 of the following:

29 (i) A 75%, 50%, or 25% reduction in taxable value for the tax



1 year in which the exemption is granted.

2 (ii) As approved by the state tax commission, any other
3 percentage reduction in taxable value for the tax year in which the
4 exemption is granted, applied in a form and manner prescribed by
5 the state tax commission.

6 (6) Notwithstanding any provision of this section to the
7 contrary, a local assessing unit may permit by resolution a
8 principal residence exempt from the collection of taxes under this
9 section ~~in tax year 2019 or 2020, or both,~~ to remain exempt under
10 this section in **subsequent** tax years ~~2021, 2022, and 2023~~ without
11 subsequent reapplication for the exemption, provided there has not
12 been a change in ownership or occupancy status of the person
13 eligible for exemption under ~~subsection (2), and may permit a~~
14 ~~principal residence exempt for the first time from the collection~~
15 ~~of taxes under this section in tax year 2021, 2022, or 2023 to~~
16 ~~remain exempt under this section for up to 3 additional years after~~
17 ~~its initial year of exempt status without subsequent reapplication~~
18 ~~for the exemption, provided there has not been a change in~~
19 ~~ownership or occupancy status of the person eligible for exemption~~
20 ~~under subsection (2),~~ **this section**, if the person who establishes
21 ~~initial eligibility under subsection (2)~~ receives a fixed income
22 solely from public assistance that is not subject to significant
23 annual increases beyond the rate of inflation, such as federal
24 Supplemental Security Income or Social Security disability or
25 retirement benefits. Both of the following apply to a person who
26 obtains an extended exemption under this subsection:

27 (a) The person shall file with the local assessing unit, in a
28 form and manner prescribed by the state tax commission, an
29 affidavit rescinding the exemption as extended under this



1 subsection within 45 days after either of the following, if
2 applicable:

3 (i) The person ceases to own or occupy the principal residence
4 for which the exemption was extended.

5 (ii) The person experiences a change in household assets or
6 income that defeats eligibility for the exemption under subsection
7 (2).

8 (b) If the person fails to file a rescission as required under
9 subdivision (a) and the property is later determined to be
10 ineligible for the exemption under this section, the person is
11 subject to repayment of any additional taxes with interest as
12 described in this subdivision. Upon discovery that the property is
13 no longer eligible for the exemption under this section, the
14 assessor shall remove the exemption of that property and, if the
15 tax roll is in the local tax collecting unit's possession, amend
16 the tax roll to reflect the removal of the exemption, and the local
17 treasurer shall, within 30 days of the date of the discovery, issue
18 a corrected tax bill for any additional taxes with interest at the
19 rate of 1% per month or fraction of a month computed from the date
20 the taxes were last payable without interest. If the tax roll is in
21 the county treasurer's possession, the tax roll must be amended to
22 reflect the removal of the exemption and the county treasurer
23 shall, within 30 days of the date of the removal, prepare and
24 submit a supplemental tax bill for any additional taxes, together
25 with interest at the rate of 1% per month or fraction of a month
26 computed from the date the taxes were last payable without
27 interest. Interest on any tax set forth in a corrected or
28 supplemental tax bill again begins to accrue 60 days after the date
29 the corrected or supplemental tax bill is issued at the rate of 1%



1 per month or fraction of a month. Taxes levied in a corrected or
2 supplemental tax bill must be returned as delinquent on the March 1
3 in the year immediately succeeding the year in which the corrected
4 or supplemental tax bill is issued.

5 (7) A person who files a claim under this section is not
6 prohibited from also appealing the assessment on the property for
7 which that claim is made before the board of review in the same
8 year.

9 (8) Notwithstanding any provision of this section to the
10 contrary, if the assessor determines that a principal residence of
11 a person by reason of poverty is still eligible for the exemption
12 under this section and the property was exempt from the collection
13 of taxes under this section in tax year 2022, the property will
14 remain exempt from the collection of taxes under this section
15 through tax year 2023 if, on or before December 1, 2023, the
16 governing body of the local assessing unit in which the principal
17 residence is located adopts a resolution that continues the
18 exemption through tax year 2023 for all principal residences within
19 the local assessing unit that were exempt from the collection of
20 taxes under this section in tax year 2022. The local assessing unit
21 may require the owner of a principal residence exempt from the
22 collection of taxes under this subsection to affirm ownership,
23 poverty, and occupancy status in writing by filing with the local
24 assessing unit the form prescribed by the state tax commission
25 under subsection (2)(a).

26 (9) A local assessing unit that adopts a resolution under
27 subsection (6) or (8) must develop and implement an audit program
28 that includes, but is not limited to, the audit of all information
29 filed under subsection (2). If property is determined to be



1 ineligible for exemption as a result of an audit, the person who
2 filed for the exemption under subsection (2) is subject to
3 repayment of additional taxes including interest to be paid as
4 provided in subsection (6) (b). The state tax commission shall issue
5 a bulletin providing further guidance to local assessing units on
6 the development and implementation of an audit program under this
7 subsection.

8 (10) Notwithstanding any provision of this section to the
9 contrary, if an exemption was not on the assessment roll and was
10 not denied, the July or December board of review shall grant an
11 exemption under this section, in whole or in part as described in
12 subsection (5), for the immediately preceding tax year on the
13 principal residence of a person who establishes eligibility in that
14 tax year under the criteria described in subsection (2). A claim of
15 exemption under this subsection must be filed with the board of
16 review on a form prescribed by the state tax commission and
17 provided by the local assessing unit, accompanied by supporting
18 documentation establishing eligibility for the exemption for the
19 immediately preceding tax year and any additional supporting
20 documentation as may be required by the state tax commission. The
21 local assessing unit shall notify the department of treasury, in a
22 form and manner prescribed by the department of treasury, of each
23 exemption granted under this subsection by the board of review for
24 the immediately preceding tax year.

25 (11) As used in this section, "principal residence" means
26 principal residence or qualified agricultural property as those
27 terms are defined in section 7dd.

28 **Sec. 7yy. (1) A local assessing unit may permit by resolution**
29 **the principal residence of individuals who are at least 65 years**



1 old to be exempt in whole or in part from the collection of taxes
2 under this act, subject to subsection (2).

3 (2) To be eligible for an exemption established under
4 subsection (1), an individual must do all of the following:

5 (a) Own and occupy as a principal residence the property for
6 which the exemption is claimed.

7 (b) Be at least 65 years old.

8 (c) Meet requirements, if any, that may be established by
9 resolution of the local assessing unit concerning the individual's
10 eligibility for a full or partial exemption based on maximum income
11 and asset levels of qualified claimants and provide documentation
12 of that income- and asset-level eligibility as may be required by
13 the local assessing unit.

14 (d) File a claim affirming the individual's eligibility under
15 subdivisions (a), (b), and (c) with the local assessing unit on a
16 form prescribed by the state tax commission and provided by the
17 local assessing unit.

18 (e) Produce a valid driver license or other form of
19 identification if required by the local assessing unit or board of
20 review.

21 (f) Produce a deed, land contract, or other evidence of
22 ownership of the property for which an exemption is claimed if
23 required by the local assessing unit or board of review.

24 (3) Except as otherwise provided in subsection (5), an
25 individual claiming an exemption under this section must file a
26 claim under subsection (2) on or after January 1 and before the day
27 prior to the last day of the board of review for each year the
28 exemption is claimed.

29 (4) The filing of a claim under subsection (2) constitutes an



1 appearance before the board of review for the purpose of preserving
2 the claimant's right to appeal the decision of the board of review
3 regarding the claim.

4 (5) A local assessing unit may permit by resolution a
5 principal residence exempt from the collection of taxes under this
6 section to remain exempt under this section in subsequent tax years
7 without subsequent reapplication for the exemption, provided there
8 has not been a change in ownership or occupancy status of the
9 individual eligible for exemption under this section. Both of the
10 following apply to an individual who obtains an extended exemption
11 under this subsection:

12 (a) The individual shall file with the local assessing unit,
13 in a form and manner prescribed by the state tax commission, an
14 affidavit rescinding the exemption as extended under this
15 subsection within 45 days after the person ceases to own or occupy
16 the principal residence for which the exemption was extended.

17 (b) If the individual fails to file a rescission as required
18 under subdivision (a) and the property is later determined to be
19 ineligible for the exemption under this section, the individual is
20 subject to repayment of any additional taxes with interest as
21 described in this subdivision. Upon discovery that the property is
22 no longer eligible for the exemption under this section, the
23 assessor shall remove the exemption of that property and, if the
24 tax roll is in the local tax collecting unit's possession, amend
25 the tax roll to reflect the removal of the exemption, and the local
26 treasurer shall, within 30 days after the date of the discovery,
27 issue a corrected tax bill for any additional taxes with interest
28 at the rate of 1% per month or fraction of a month computed from
29 the date the taxes were last payable without interest. If the tax



1 roll is in the county treasurer's possession, the tax roll must be
 2 amended to reflect the removal of the exemption and the county
 3 treasurer shall, within 30 days after the date of the removal,
 4 prepare and submit a supplemental tax bill for any additional
 5 taxes, together with interest at the rate of 1% per month or
 6 fraction of a month computed from the date the taxes were last
 7 payable without interest. Interest on any tax set forth in a
 8 corrected or supplemental tax bill again begins to accrue 60 days
 9 after the date the corrected or supplemental tax bill is issued at
 10 the rate of 1% per month or fraction of a month. Taxes levied in a
 11 corrected or supplemental tax bill must be returned as delinquent
 12 on March 1 in the year immediately succeeding the year in which the
 13 corrected or supplemental tax bill is issued.

14 (6) A local assessing unit may require the owner of property
 15 exempt from the collection of taxes under subsection (5) to file
 16 with the local assessing unit a statement affirming the owner's
 17 ownership and occupancy status as to that property in a form and
 18 manner prescribed by the state tax commission.

19 (7) An individual who files a claim under this section is not
 20 prohibited from also appealing the assessment on the property for
 21 which that claim is made before the board of review in the same
 22 year.

23 (8) A local assessing unit that adopts a resolution under
 24 subsection (5) shall develop and implement an audit program that
 25 includes, but is not limited to, the audit of all information filed
 26 under subsection (2). If property is determined to be ineligible
 27 for exemption as a result of an audit, the individual who filed for
 28 the exemption under subsection (2) is subject to repayment of
 29 additional taxes including interest to be paid as provided in



1 subsection (5) (b). The state tax commission shall issue a bulletin
2 providing further guidance to local assessing units on the
3 development and implementation of an audit program under this
4 subsection.

5 (9) As used in this section, "principal residence" means
6 principal residence or qualified agricultural property as those
7 terms are defined in section 7dd.

8 Sec. 53b. (1) If there has been a qualified error, the
9 qualified error must be verified by the local assessing officer and
10 approved by the board of review. Except as otherwise provided in
11 subsection (5), the board of review shall meet for the purposes of
12 this section on Tuesday following the second Monday in December and
13 on Tuesday following the third Monday in July. If approved, the
14 board of review shall file an affidavit within 30 days relative to
15 the qualified error with the proper officials and all affected
16 official records must be corrected. If the qualified error results
17 in an overpayment or underpayment, the rebate, including any
18 interest paid, must be made to the taxpayer or the taxpayer must be
19 notified and payment made within 30 days of the notice. A rebate
20 must be without interest. The treasurer in possession of the
21 appropriate tax roll may deduct the rebate from the appropriate tax
22 collecting unit's subsequent distribution of taxes. The treasurer
23 in possession of the appropriate tax roll shall bill to the
24 appropriate tax collecting unit the tax collecting unit's share of
25 taxes rebated. Except as otherwise provided in section 27a(4), a
26 correction under this subsection may be made for the current year
27 and the immediately preceding year only.

28 (2) Action under subsection (1) may be initiated by the
29 taxpayer or the assessing officer.



1 (3) The board of review meeting in July and December must be
2 held only for the purpose described in subsection (1) and to hear
3 appeals provided for in sections 7u, 7ee, ~~and 7jj~~, **and 7yy**. If an
4 exemption under section 7u **or 7yy** is approved, the board of review
5 shall file an affidavit with the proper officials involved in the
6 assessment and collection of taxes and all affected official
7 records must be corrected. If an appeal under section 7ee or 7jj
8 results in a determination that an overpayment has been made, the
9 board of review shall file an affidavit and a rebate must be made
10 at the times and in the manner provided in subsection (1). Except
11 as otherwise provided in sections 7ee and 7jj, a correction under
12 this subsection must be made for the year in which the appeal is
13 made only. If the board of review approves an exemption or provides
14 a rebate for property under section 7ee or 7jj as provided in this
15 subsection, the board of review shall require the owner to execute
16 the affidavit provided for in section 7ee or 7jj.

17 (4) An owner or assessor may appeal a decision of the board of
18 review under this section regarding an exemption under section 7ee
19 or 7jj to the residential and small claims division of the Michigan
20 tax tribunal. An owner is not required to pay the amount of tax in
21 dispute in order to receive a final determination of the
22 residential and small claims division of the Michigan tax tribunal.
23 However, interest and penalties, if any, will accrue and be
24 computed based on interest and penalties that would have accrued
25 from the date the taxes were originally levied as if there had not
26 been an exemption.

27 (5) The governing body of the city or township may authorize,
28 by adoption of an ordinance or resolution, 1 or more of the
29 following alternative meeting dates for the purposes of this



1 section:

2 (a) An alternative meeting date during the week of the second
3 Monday in December.

4 (b) An alternative meeting date during the week of the third
5 Monday in July.

6 (6) As used in this section, "qualified error" means 1 or more
7 of the following:

8 (a) A clerical error relative to the correct assessment
9 figures, the rate of taxation, or the mathematical computation
10 relating to the assessing of taxes.

11 (b) A mutual mistake of fact.

12 (c) An adjustment under section 27a(4) or an exemption under
13 section 7hh(3)(b).

14 (d) An error of measurement or calculation of the physical
15 dimensions or components of the real property being assessed.

16 (e) An error of omission or inclusion of a part of the real
17 property being assessed.

18 (f) An error regarding the correct taxable status of the real
19 property being assessed.

20 (g) An error made by the taxpayer in preparing the statement
21 of assessable personal property under section 19.

22 (h) An error made in the denial of a claim of exemption for
23 personal property under section 9o.

24 (i) Any of the following errors regarding an exemption under
25 section 7b:

26 (i) An error made by the local tax collecting unit in the
27 processing of a timely filed exemption affidavit.

28 (ii) A delay in the determination by the United States
29 Department of Veterans Affairs that a veteran is permanently and



1 totally disabled as a result of military service and entitled to
2 veterans' benefits at the 100% rate.

3 (iii) For tax year 2023 only, a denial by the board of review of
4 an exemption claimed under section 7b(1)(b).

5 (j) An exemption under section 7u(10), for the immediately
6 preceding tax year only, if the exemption was not on the assessment
7 roll and was not denied for that tax year. A claim for exemption
8 must be filed with the board of review on a form prescribed by the
9 state tax commission and provided by the local assessing unit,
10 accompanied by supporting documentation establishing eligibility
11 for the exemption for that immediately preceding tax year under the
12 criteria in section 7u(2) and any other supporting documentation as
13 may be required by the state tax commission.

