

SENATE BILL NO. 110

February 27, 2025, Introduced by Senators BELLINO, DAMOOSE, WEBBER, CHERRY and KLINEFELT and referred to Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2023 PA 150.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. (1) Real property used and owned as a homestead by
2 ~~either~~ **any** of the following individuals is exempt from the
3 collection of taxes under this act:

4 (a) A disabled veteran.

5 (b) A surviving spouse of a disabled veteran who, immediately

1 before death, was eligible for the exemption under this section. An
 2 exemption under this subdivision **or subdivision (c)** continues as
 3 long as the surviving spouse does not remarry, and the exemption
 4 applies to any property used and owned as a homestead by the
 5 surviving spouse, including homestead property acquired after the
 6 decedent's death.

7 **(c) A surviving spouse of a public safety officer who died as**
 8 **the direct and proximate result of a personal injury sustained in**
 9 **the line of duty. As used in this subdivision, "direct and**
 10 **proximate", "line of duty", and "public safety officer" mean those**
 11 **terms as defined in section 2 of the public safety officers benefit**
 12 **act, 2004 PA 46, MCL 28.632.**

13 (2) To obtain the exemption, an individual described in
 14 subsection ~~(1) (a) or (b)~~, **(1)**, or the individual's legal designee,
 15 must file an application, in a form and manner prescribed by the
 16 state tax commission, showing the facts required by this section
 17 and a description of the real property with the assessing officer
 18 for the local assessing unit after January 1 and before December 31
 19 of the calendar year for which the exemption is claimed. The
 20 application when filed is open to inspection. The taxes subject to
 21 collection under this act ~~shall~~ **must** be canceled for any year in
 22 which an individual described in subsection ~~(1) (a) or (b)~~ **(1)** who
 23 is eligible for the exemption under this section has acquired title
 24 to real property exempt under this section. Upon granting the
 25 exemption under this section, each local taxing unit shall bear the
 26 loss of its portion of the taxes upon which the exemption has been
 27 granted. An exemption granted under this section as to taxes levied
 28 on or after January 1, 2025 remains in effect, without subsequent
 29 reapplication, until it is rescinded by the individual who was

1 granted the exemption or is denied by the assessor, as provided in
2 section 7c.

3 (3) An exemption once granted applies to all property taxes
4 for the current tax year that have been paid by the individual who
5 qualified for the exemption under subsection ~~(1)(a) or (b)~~ **(1)** and
6 all property taxes for the current tax year that would have been
7 owed by that individual if the property was not exempt. If the
8 individual who qualified for the exemption under subsection ~~(1)(a)~~
9 ~~or (b)~~ **(1)** does not use and own the property as a homestead for the
10 entire tax year, the exemption must be prorated under 1 of the
11 following methods:

12 (a) Based on the closing or other purchase documents, if any,
13 executed by or on behalf of the individual who qualified for the
14 exemption under subsection ~~(1)(a) or (b)~~ **(1)**. That individual
15 shall provide a copy of the closing or other purchase documents
16 with the application claiming the exemption. The local treasurer
17 shall use the closing or other purchase documents when calculating
18 the amount of taxes to be exempted. There must be no refund of any
19 property taxes not levied in the current tax year paid pursuant to
20 the closing or other purchase documents to the seller by the
21 individual who qualified for the exemption under subsection ~~(1)(a)~~
22 ~~or (b)~~ **(1)**.

23 (b) If closing or other purchase documents are not provided
24 for the proration under subdivision (a), based on a proration under
25 which the local treasurer calculates the amount of property taxes
26 levied in the current tax year to be exempted by dividing the total
27 property taxes levied in the year by 365 and then multiplying that
28 number by the number of days the individual will use and own the
29 property as a homestead.

1 (c) Based on a proration that takes into account the effective
2 date of any removal of the exemption, which the assessor shall
3 designate as the date of the relevant conveyance or disposition.
4 Using that date, the local treasurer shall calculate the amount of
5 property taxes levied in the current tax year to be exempted by
6 dividing the total property taxes levied in the year by 365 and
7 then multiplying that number by the number of days the individual,
8 while qualified for the exemption, used and owned the property as a
9 homestead.

10 (4) As used in this section:

11 (a) "Disabled veteran" means a veteran who is a resident of
12 this state and who meets 1 of the following criteria:

13 (i) Has been determined by the United States Department of
14 Veterans Affairs to be permanently and totally disabled as a result
15 of military service and entitled to veterans' benefits at the 100%
16 rate.

17 (ii) Has a certificate from the United States Department of
18 Veterans Affairs certifying that the veteran is receiving or has
19 received pecuniary assistance due to disability for specially
20 adapted housing.

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

23 (b) "Own" or "owned" means 1 of the following:

24 (i) For an individual described in subsection (1) (a), legal
25 title to the property is held solely by that individual or jointly
26 by that individual and that individual's spouse.

27 (ii) For an individual described in subsection ~~(1) (b)~~, **(1) (b)**
28 **or (c)**, legal title to the property is held solely by that
29 individual.

1 (c) "Veteran" means an individual who served in the United
2 States Armed Forces, including the reserve components, and was
3 discharged or released under honorable conditions.