

HOUSE BILL No. 4784

May 28, 2003, Introduced by Reps. Gaffney, Milosch, Brandenburg, Van Regenmorter, Stahl, Acciavatti, Elkins, Hager, Farhat, Ward, Hoogendyk, Hune, LaJoy, Voorhees, Woronchak, Drolet, Pastor and Accavitti and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157) by adding section 7gg.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7gg. (1) If the ownership of an eligible homestead is
2 transferred to a qualified purchaser and the taxable value of the
3 eligible homestead is adjusted under section 27a(3), the increase
4 in the eligible homestead's taxable value is exempt from the
5 collection of taxes under this act until there is a subsequent
6 transfer of ownership of the eligible homestead.

7 (2) Upon the transfer of ownership of an eligible homestead
8 subject to the exemption under subsection (1), the taxable value
9 of the eligible homestead shall be adjusted pursuant to section
10 27a(3).

11 (3) As used in this section:

1 (a) "Eligible homestead" means a homestead located in the
2 same local tax collecting unit in which a qualified purchaser had
3 previously claimed a homestead, which homestead exemption was
4 rescinded under section 7cc(5) upon the purchase of the eligible
5 homestead.

6 (b) "Homestead" means property subject to a homestead
7 exemption.

8 (c) "Homestead exemption" means the exemption from the
9 collection of taxes levied under section 1211 of the revised
10 school code, 1976 PA 451, MCL 380.1211, provided under section
11 7cc.

12 (d) "Qualified purchaser" means a person who meets all of the
13 following conditions:

14 (i) Claimed a homestead exemption under section 7cc for
15 property located in the same local tax collecting unit in which
16 his or her eligible homestead is located for not less than 3
17 years and rescinded that homestead exemption pursuant to section
18 7cc(5) upon the purchase of his or her eligible homestead.

19 (ii) Claimed a homestead exemption for his or her eligible
20 homestead as provided in section 7cc.

21 (e) "Transfer of ownership" means that term as defined in
22 section 27a.