

HOUSE BILL No. 5122

October 2, 2003, Introduced by Reps. Hunter, Condino, Tobocman, Smith, Meisner, Stallworth, McConico, Phillips, Vagnozzi, Plakas, Farrah, Dennis, Paletko, Cheeks, Murphy and Lipsey 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) The governing body of a local tax collecting
2 unit may by resolution exempt from the collection of taxes under
3 this act the amount of the taxable value of a homestead owned by
4 a person who is an eligible senior citizen that is greater than
5 the taxable value of that homestead as of the date of the
6 resolution or the date the person became an eligible senior
7 citizen, whichever is later.

8 (2) Before acting on the resolution, the clerk of the local
9 tax collecting unit shall notify in writing the assessor of the
10 local tax collecting unit and the legislative body of each taxing
11 unit that levies ad valorem property taxes in the local tax

1 collecting unit and shall afford the assessor and a
2 representative of the affected taxing units an opportunity for a
3 hearing on the proposed resolution.

4 (3) The exemption under this section is effective on the
5 December 31 immediately succeeding the adoption of the resolution
6 by the governing body of the local tax collecting unit. The
7 exemption shall continue in effect until the homestead property
8 is transferred or for a period specified in the resolution,
9 whichever is sooner. A copy of the resolution shall be filed
10 with the state tax commission.

11 (4) Upon the transfer of ownership of property a portion of
12 the taxable value of which is exempt under subsection (1), the
13 taxable value of the property shall be adjusted pursuant to
14 section 27a(3).

15 (5) The death of a spouse does not terminate the exemption
16 under this section unless the surviving spouse remarries.

17 (6) As used in this section:

18 (a) "Eligible senior citizen" means a person who meets all of
19 the following conditions:

20 (i) Is 65 years of age or older.

21 (ii) His or her only source of taxable income is social
22 security benefits as defined in section 30 of the income tax act
23 of 1967, 1967 PA 281, MCL 206.30.

24 (b) "Homestead" means that term as defined in section 7dd.

25 (c) "Local unit" means a county, township, city, or village.

26 (d) "Taxes" means taxes, and special assessments imposed by a
27 local unit if the special assessment district is all the

1 territory of the local unit.

2 (e) "Transfer of ownership" means that term as defined in

3 section 27a.