

SUBSTITUTE FOR
SENATE BILL NO. 176

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 property used and owned as a homestead by a
2 ~~disabled veteran who was discharged from the armed forces of the~~
3 ~~United States under honorable conditions or by an individual~~
4 ~~described in subsection (2)~~ **either of the following individuals** is
5 exempt from the collection of taxes under this act: -

6 **(a) A disabled veteran.**

7 **(b) A surviving spouse of a disabled veteran who, immediately**
8 **before death, was eligible for the exemption under this section. An**
9 **exemption under this subdivision continues as long as the surviving**

1 spouse does not remarry, and the exemption applies to any property
 2 used and owned as a homestead by the surviving spouse, including
 3 homestead property acquired after the decedent's death.

4 (2) To obtain the exemption, an individual described in
 5 subsection (1) (a) or (b), or the individual's legal designee, must
 6 file an affidavit application, in a form and manner prescribed by
 7 the state tax commission, showing the facts required by this
 8 section and a description of the real property ~~shall be filed by~~
 9 ~~the property owner or his or her legal designee with the supervisor~~
 10 ~~or other assessing officer during the period beginning with the tax~~
 11 ~~day for each year and ending at the time of the final adjournment~~
 12 ~~of the local board of review. for the local assessing unit after~~
 13 **January 1 and before December 31 of the calendar year for which the**
 14 **exemption is claimed.** The affidavit application when filed shall be
 15 is open to inspection. The ~~county treasurer shall cancel~~ taxes
 16 subject to collection under this act **shall be canceled** for any year
 17 in which ~~a disabled veteran~~ **an individual described in subsection**
 18 **(1) (a) or (b) who is** eligible for the exemption under this section
 19 has acquired title to real property exempt under this section. Upon
 20 granting the exemption under this section, each local taxing unit
 21 shall bear the loss of its portion of the taxes upon which the
 22 exemption has been granted. **An exemption granted under this section**
 23 **as to taxes levied on or after January 1, 2025 remains in effect,**
 24 **without subsequent reapplication, until it is rescinded by the**
 25 **individual who was granted the exemption or is denied by the**
 26 **assessor, as provided in section 7c.**

27 ~~(2) If a disabled veteran who is otherwise eligible for the~~
 28 ~~exemption under this section dies, either before or after the~~
 29 ~~exemption under this section is granted, the exemption shall remain~~

~~1 available to or shall continue for his or her unremarried surviving
2 spouse. The surviving spouse shall comply with the requirements of
3 subsection (1) and shall indicate on the affidavit that he or she
4 is the surviving spouse of a disabled veteran entitled to the
5 exemption under this section. The exemption shall continue as long
6 as the surviving spouse remains unremarried.~~

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

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

26 **(b) If closing or other purchase documents are not provided**
27 **for the proration under subdivision (a), based on a proration under**
28 **which the local treasurer calculates the amount of property taxes**
29 **levied in the current tax year to be exempted by dividing the total**

1 property taxes levied in the year by 365 and then multiplying that
 2 number by the number of days the individual will use and own the
 3 property as a homestead.

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

13 (4) ~~(3)~~ As used in this section: ~~,"disabled~~

14 (a) "Disabled veteran" means a ~~person~~ **veteran** who is a
 15 resident of this state and who meets 1 of the following criteria:

16 (i) ~~(a)~~ Has been determined by the United States ~~department of~~
 17 ~~veterans affairs~~ **Department of Veterans Affairs** to be permanently
 18 and totally disabled as a result of military service and entitled
 19 to veterans' benefits at the 100% rate.

20 (ii) ~~(b)~~ Has a certificate from the United States ~~veterans'~~
 21 ~~administration, or its successors,~~ **Department of Veterans Affairs**
 22 certifying that ~~he or she~~ **the veteran** is receiving or has received
 23 pecuniary assistance due to disability for specially adapted
 24 housing.

25 (iii) ~~(c)~~ Has been rated by the United States ~~department of~~
 26 ~~veterans affairs~~ **Department of Veterans Affairs** as individually
 27 unemployable.

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

29 (i) For an individual described in subsection (1) (a), legal

1 title to the property is held solely by that individual or jointly
2 by that individual and that individual's spouse.

3 (ii) For an individual described in subsection (1)(b), legal
4 title to the property is held solely by that individual.

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

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. 330 of the 102nd Legislature is enacted into
10 law.