



**House  
Legislative  
Analysis  
Section**

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**EXEMPT HOMESTEADS 50 PERCENT  
IN CERTAIN ZONES**

**House Bill 4101**

**Sponsor: Rep. James Koetje**

**Committee: Tax Policy**

**Complete to 2-5-01**

**A SUMMARY OF HOUSE BILL 4101 AS INTRODUCED 1-31-01**

The bill would amend the General Property Tax Act to allow a city, village, or township to exempt up to 50 percent of the taxable value of all homestead property in an industrial development district, a renaissance zone, an enterprise zone, a brownfield redevelopment zone, an empowerment zone, a tax increment finance authority, a local development finance authority, or a downtown development district. The local unit would designate the district or districts in which the exemption would apply. The term "homestead property" refers to an owner-occupied principal residence that is exempt under current law from local school operating taxes.

Under the bill, the governing body of a local unit could adopt a resolution exempting up to 50 percent of the taxable value of all homestead property located in the eligible district or districts designated in the resolution. A copy of the resolution would have to be filed with the state tax commission and would only become effective upon commission approval. The commission would have 60 days to make its decision. The resolution would be approved if the commission determined, upon the advice of the state treasurer, that the exemption was necessary to encourage residential home ownership within the designated eligible district. The exemption would become effective on the December 31 immediately succeeding the adoption of the resolution and would continue in effect for a period to be specified in the resolution, not to exceed ten years.

MCL 211.7gg

**House Bill 4101 (2-5-01)**

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.