

HOUSE BILL No. 5150

October 9, 2003, Introduced by Reps. Koetje, Milosch and Nofs and referred to the
Committee on Tax Policy.

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "principal residence alternative tax act".

3 Sec. 2. As used in this act:

4 (a) "Commission" means the state tax commission created by
5 1927 PA 360, MCL 209.101 to 209.107.

6 (b) "Eligible principal residence property" means property
7 that is exempt under section 7gg of the general property tax act,
8 1893 PA 206, MCL 211.7gg.

9 (c) "Eligible principal residence property specific tax"

1 means the specific tax levied under this act.

2 (d) "Taxable value" means the value determined under section
3 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

4 Sec. 3. Eligible principal residence property is exempt
5 from ad valorem property taxes collected under the general
6 property tax act, 1893 PA 206, MCL 211.1 to 211.157, as provided
7 under section 7gg of the general property tax act, 1893 PA 206,
8 MCL 211.7gg.

9 Sec. 4. The assessor of each local tax collecting unit in
10 which there is eligible principal residence property shall
11 determine annually as of December 31 the state equalized
12 valuation and taxable value of each parcel of eligible principal
13 residence property and shall furnish that information to the
14 legislative body of the local tax collecting unit.

15 Sec. 5. (1) There is levied upon every owner of eligible
16 principal residence property a specific tax to be known as the
17 eligible principal residence property specific tax.

18 (2) The amount of the eligible principal residence property
19 specific tax in each year is 50% of the amount of tax that would
20 have been collected on that parcel under the general property tax
21 act, 1893 PA 206, MCL 211.1 to 211.157, if that parcel was not
22 exempt under section 3.

23 (3) The eligible principal residence property specific tax
24 shall be collected, disbursed, and assessed in accordance with
25 this act.

26 (4) The eligible principal residence property specific tax is
27 an annual tax, payable at the same times, in the same

1 installments, and to the same officer or officers as taxes
2 imposed under the general property tax act, 1893 PA 206,
3 MCL 211.1 to 211.157, are payable. Except as otherwise provided
4 in this section, the officer or officers shall disburse the
5 eligible principal residence property specific tax payments
6 received by the officer or officers each year at the same times
7 and in the same proportions as required by law for the
8 disbursement of taxes collected under the general property tax
9 act, 1893 PA 206, MCL 211.1 to 211.157.

10 (5) For intermediate school districts receiving state aid
11 under sections 56, 62, and 81 of the state school aid act of
12 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the
13 amount of eligible principal residence property specific tax that
14 would otherwise be disbursed to an intermediate school district,
15 all or a portion, to be determined on the basis of the tax rates
16 being utilized to compute the amount of state aid, shall be paid
17 to the state treasury to the credit of the state school aid fund
18 established by section 11 of article IX of the state constitution
19 of 1963.

20 (6) The amount of eligible principal residence property
21 specific tax described in subsection (2) that would otherwise be
22 disbursed to a local school district for school operating
23 purposes shall be paid instead to the state treasury and credited
24 to the state school aid fund established by section 11 of article
25 IX of the state constitution of 1963.

26 (7) The officer or officers shall send a copy of the amount
27 of disbursement made to each unit under this section to the

1 commission on a form provided by the commission.

2 (8) Eligible principal residence property located in a
3 renaissance zone under the Michigan renaissance zone act, 1996
4 PA 376, MCL 125.2681 to 125.2696, is exempt from the eligible
5 principal residence property specific tax levied under this act
6 to the extent and for the duration provided pursuant to the
7 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to
8 125.2696, except for that portion of the eligible principal
9 residence property specific tax attributable to a tax described
10 in section 7ff(2) of the general property tax act, 1893 PA 206,
11 MCL 211.7ff. The eligible principal residence property specific
12 tax calculated under this subsection shall be disbursed
13 proportionately to the taxing unit or units that levied the tax
14 described in section 7ff(2) of the general property tax act, 1893
15 PA 206, MCL 211.7ff.

16 Sec. 6. The amount of the eligible principal residence
17 property specific tax applicable to real property, until paid, is
18 a lien upon that real property. Proceedings upon the lien as
19 provided by law for the foreclosure in the circuit court of
20 mortgage liens upon real property may commence only upon the
21 filing by the appropriate collecting officer of a certificate of
22 nonpayment of the eligible principal residence property specific
23 tax applicable to real property, together with an affidavit of
24 proof of service of the certificate of nonpayment upon the owner
25 of that property by certified mail, with the register of deeds of
26 the county in which the property is situated.

27 Enacting section 1. This act does not take effect unless

1 Senate Bill No. _____ or House Bill No. 5149 (request
2 no. 03857'03 *) of the 92nd Legislature is enacted into law.