

# HOUSE BILL No. 4824

April 22, 2009, Introduced by Reps. Meltzer, Lund, Lori, Calley and Genetski 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 211.155) by adding section 7pp.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 7PP. (1) IF THE OWNERSHIP OF AN ELIGIBLE PRINCIPAL  
2 RESIDENCE IS TRANSFERRED TO A QUALIFIED PURCHASER AND THE TAXABLE  
3 VALUE OF THE ELIGIBLE PRINCIPAL RESIDENCE IS ADJUSTED UNDER SECTION  
4 27A(3), THE INCREASE IN THE ELIGIBLE PRINCIPAL RESIDENCE'S TAXABLE  
5 VALUE IS EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT UNTIL  
6 THERE IS A SUBSEQUENT TRANSFER OF OWNERSHIP OF THE ELIGIBLE  
7 PRINCIPAL RESIDENCE.

8           (2) UPON THE TRANSFER OF OWNERSHIP OF AN ELIGIBLE PRINCIPAL  
9 RESIDENCE SUBJECT TO THE EXEMPTION UNDER SUBSECTION (1), THE  
10 TAXABLE VALUE OF THE ELIGIBLE PRINCIPAL RESIDENCE SHALL BE ADJUSTED  
11 PURSUANT TO SECTION 27A(3).

1 (3) AS USED IN THIS SECTION:

2 (A) "ELIGIBLE PRINCIPAL RESIDENCE" MEANS A PRINCIPAL RESIDENCE  
3 LOCATED IN THE SAME COUNTY IN WHICH A QUALIFIED PURCHASER HAD  
4 PREVIOUSLY CLAIMED A PRINCIPAL RESIDENCE, WHICH PRINCIPAL RESIDENCE  
5 EXEMPTION WAS RESCINDED UNDER SECTION 7CC(5) UPON THE PURCHASE OF  
6 THE ELIGIBLE PRINCIPAL RESIDENCE.

7 (B) "FEDERAL POVERTY LEVEL" MEANS THE POVERTY GUIDELINES  
8 PUBLISHED ANNUALLY IN THE FEDERAL REGISTER BY THE UNITED STATES  
9 DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER ITS AUTHORITY TO  
10 REVISE THE POVERTY LINE UNDER SECTION 673(2) OF SUBTITLE B OF TITLE  
11 VI OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981, PUBLIC LAW 97-  
12 35, 42 USC 9902.

13 (C) "HOUSEHOLD INCOME" MEANS THAT TERM AS DEFINED IN SECTION  
14 508 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508.

15 (D) "PRINCIPAL RESIDENCE" MEANS PROPERTY SUBJECT TO A  
16 PRINCIPAL RESIDENCE EXEMPTION.

17 (E) "PRINCIPAL RESIDENCE EXEMPTION" MEANS THE EXEMPTION FROM  
18 THE COLLECTION OF TAXES LEVIED UNDER SECTION 1211 OF THE REVISED  
19 SCHOOL CODE, 1976 PA 451, MCL 380.1211, PROVIDED UNDER SECTION 7CC.

20 (F) "QUALIFIED PURCHASER" MEANS A PERSON WHO MEETS ALL OF THE  
21 FOLLOWING CONDITIONS:

22 (i) CLAIMED A PRINCIPAL RESIDENCE EXEMPTION UNDER SECTION 7CC  
23 FOR PROPERTY LOCATED IN THE SAME COUNTY IN WHICH HIS OR HER  
24 ELIGIBLE PRINCIPAL RESIDENCE IS LOCATED FOR NOT LESS THAN 3 YEARS  
25 AND RESCINDED THAT PRINCIPAL RESIDENCE EXEMPTION PURSUANT TO  
26 SECTION 7CC(5) UPON THE PURCHASE OF HIS OR HER ELIGIBLE PRINCIPAL  
27 RESIDENCE.

1           (ii) CLAIMED A PRINCIPAL RESIDENCE EXEMPTION FOR HIS OR HER  
2 ELIGIBLE PRINCIPAL RESIDENCE AS PROVIDED IN SECTION 7CC.

3           (iii) HAS NOT PREVIOUSLY CLAIMED AN EXEMPTION UNDER THIS  
4 SECTION.

5           (iv) HAS HOUSEHOLD INCOME OF LESS THAN 3 TIMES THE FEDERAL  
6 POVERTY LEVEL.

7           (G) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN  
8 SECTION 27A.