

HOUSE BILL No. 4932

September 13, 2017, Introduced by Rep. Kosowski and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
 "The general property tax act,"
 by amending section 7u (MCL 211.7u), as amended by 2012 PA 135.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7u. (1) The principal residence of persons who, in the
 2 judgment of the supervisor and board of review, by reason of
 3 poverty, are unable to contribute toward the public charges is
 4 eligible for exemption in whole or in part from ~~taxation~~**THE**
 5 **COLLECTION OF TAXES** under this act. This section does not apply to
 6 the property of a corporation.

7 (2) To be eligible for exemption under this section, a person
 8 ~~shall~~**MUST** do all of the following on an annual basis:

9 (a) Be an owner of and occupy as a principal residence the
 10 property for which an exemption is requested.

11 (b) File a claim with the supervisor or board of review on a

1 form provided by the local assessing unit, accompanied by federal
2 and state income tax returns for all persons residing in the
3 principal residence, including any property tax credit returns,
4 filed in the immediately preceding year or in the current year.
5 Federal and state income tax returns are not required for a person
6 residing in the principal residence if that person was not required
7 to file a federal or state income tax return in the tax year in
8 which the exemption under this section is claimed or in the
9 immediately preceding tax year. If a person was not required to
10 file a federal or state income tax return in the tax year in which
11 the exemption under this section is claimed or in the immediately
12 preceding tax year, an affidavit in a form prescribed by the state
13 tax commission may be accepted in place of the federal or state
14 income tax return. The filing of a claim under this subsection
15 constitutes an appearance before the board of review for the
16 purpose of preserving the claimant's right to appeal the decision
17 of the board of review regarding the claim.

18 (c) Produce a valid driver's license or other form of
19 identification if requested by the supervisor or board of review.

20 (d) Produce a deed, land contract, or other evidence of
21 ownership of the property for which an exemption is requested if
22 required by the supervisor or board of review.

23 (e) Meet ~~the~~ **1 OF THE FOLLOWING:**

24 **(i) THE** federal poverty guidelines ~~updated annually in the~~
25 ~~federal register by the United States department of health and~~
26 ~~human services under authority of section 673 of subtitle B of~~
27 ~~title VI of the omnibus budget reconciliation act of 1981, Public~~

1 ~~Law 97-35, 42 USC 9902,~~ or alternative guidelines adopted by the
2 governing body of the local assessing unit provided the alternative
3 guidelines do not provide income eligibility requirements less than
4 the federal guidelines.

5 **(ii) IF THE PERSON IS A DISABLED OR ELDERLY PERSON, ESTABLISH**
6 **THAT THE PERSON HAS A HOUSEHOLD INCOME THAT IS AT OR BELOW 175% OF**
7 **THE FEDERAL POVERTY GUIDELINES OR AT OR BELOW 175% OF THE**
8 **ALTERNATIVE GUIDELINES DESCRIBED IN SUBPARAGRAPH (i) .**

9 (3) The application for an exemption under this section ~~shall~~
10 **MUST** be filed after January 1 but before the day prior to the last
11 day of the board of review.

12 (4) The governing body of the local assessing unit shall
13 determine and make available to the public the policy and
14 guidelines the local assessing unit uses for the granting of
15 exemptions under this section. The guidelines ~~shall~~**MUST** include
16 but not be limited to the specific income and asset levels of the
17 claimant and total household income and assets.

18 (5) The board of review shall follow the policy and guidelines
19 of the local assessing unit in granting or denying an exemption
20 under this section unless the board of review determines there are
21 substantial and compelling reasons why there should be a deviation
22 from the policy and guidelines and the substantial and compelling
23 reasons are communicated in writing to the claimant.

24 (6) A person who files a claim under this section is not
25 prohibited from also appealing the assessment on the property for
26 which that claim is made before the board of review in the same
27 year.

1 (7) As used in this section: ~~7~~ "principal

2 (A) "DISABLED PERSON" AND "ELDERLY PERSON" MEAN THOSE TERMS AS
3 DEFINED IN SECTION 7D.

4 (B) "FEDERAL POVERTY GUIDELINES" MEANS THE POVERTY GUIDELINES
5 PUBLISHED ANNUALLY IN THE FEDERAL REGISTER BY THE UNITED STATES
6 DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER ITS AUTHORITY TO
7 REVISE THE POVERTY LINE UNDER 42 USC 9902.

8 (C) "PRINCIPAL residence" means principal residence or
9 qualified agricultural property as those terms are defined in
10 section 7dd.