

# SENATE BILL NO. 1235

December 03, 2020, Introduced by Senator CHANG and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 7u and 24c (MCL 211.7u and 211.24c), section  
7u as amended by 2012 PA 135 and section 24c as amended by 2010 PA  
332.

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

1           Sec. 7u. (1) The principal residence of ~~persons~~**a person** who,  
2   in the judgment of the supervisor and board of review, by reason of  
3   poverty, ~~are~~**is** unable to contribute toward the public charges is

1 eligible for exemption in whole or in part from ~~taxation~~**the**  
2 **collection of taxes** under this act. This section does not apply to  
3 the property of a corporation.

4 (2) To be eligible for exemption under this section, a person  
5 shall, **subject to subsection (5)**, do all of the following on an  
6 annual basis:

7 (a) ~~Be an owner of~~**Own** and occupy as a principal residence the  
8 property for which an exemption is requested.

9 (b) File a claim with the supervisor or board of review on a  
10 form provided by the local assessing unit, accompanied by federal  
11 and state income tax returns for all persons residing in the  
12 principal residence, including any property tax credit returns,  
13 filed in the immediately preceding year or in the current year.  
14 Federal and state income tax returns are not required for a person  
15 residing in the principal residence if that person was not required  
16 to file a federal or state income tax return in the tax year in  
17 which the exemption under this section is claimed or in the  
18 immediately preceding tax year. If a person was not required to  
19 file a federal or state income tax return in the tax year in which  
20 the exemption under this section is claimed or in the immediately  
21 preceding tax year, an affidavit in a form prescribed by the state  
22 tax commission may be accepted in place of the federal or state  
23 income tax return. The filing of a claim under this subsection  
24 constitutes an appearance before the board of review for the  
25 purpose of preserving the claimant's right to appeal the decision  
26 of the board of review regarding the claim.

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

29 (d) Produce a deed, land contract, or other evidence of

1 ownership of the property for which an exemption is requested if  
2 required by the supervisor or board of review.

3 (e) Meet the federal poverty guidelines updated annually in  
4 the ~~federal register~~ **Federal Register** by the United States  
5 ~~department~~ **Department** of health ~~Health~~ and ~~human services~~ **Human**  
6 **Services** under **its** authority of ~~section 673 of subtitle B of title~~  
7 ~~VI of the omnibus budget reconciliation act of 1981, Public Law 97-~~  
8 ~~35,~~ **to revise the poverty line under** 42 USC 9902, or alternative  
9 guidelines adopted by the governing body of the local assessing  
10 unit provided the alternative guidelines do not provide income  
11 eligibility requirements less than the federal guidelines.

12 (3) The application for an exemption under this section ~~shall~~  
13 **must** be filed after January 1 but before the day prior to the last  
14 day of the board of review.

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

21 (5) The board of review shall follow the policy and guidelines  
22 of the local assessing unit in granting or denying an exemption  
23 under this section unless the board of review determines there are  
24 substantial and compelling reasons why there should be a deviation  
25 from the policy and guidelines and the substantial and compelling  
26 reasons are communicated in writing to the claimant. **The board of**  
27 **review may grant an exemption under this section for either or both**  
28 **of the following years in which the person claiming the exemption**  
29 **is or was qualified under the eligibility requirements in**

1 subsection (2):

2 (a) The current tax year.

3 (b) The immediately preceding tax year.

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

8 (7) The local assessing unit shall make available on any  
9 available local government web platform maintained by that  
10 community the policy and guidelines established under subsection  
11 (4), the related application materials, and information regarding  
12 submission deadlines.

13 (8) The department of treasury shall make available on its  
14 website both of the following:

15 (a) Information for use by taxpayers regarding the  
16 availability of, and application process for, the exemption under  
17 this section.

18 (b) Information and educational resources and materials for  
19 use by local treasurers and assessors that will assist them in the  
20 administration of the exemption under this section.

21 (9) ~~(7)~~—As used in this section, "principal residence" means  
22 principal residence or qualified agricultural property as those  
23 terms are defined in section 7dd.

24 Sec. 24c. (1) The assessor shall give to each owner or person  
25 or persons listed on the assessment roll of the property a notice  
26 by first-class mail of an increase in the tentative state equalized  
27 valuation or the tentative taxable value for the year. The notice  
28 ~~shall~~**must** specify each parcel of property, the tentative taxable  
29 value for the current year, and the taxable value for the

1 immediately preceding year. The notice ~~shall~~**must** also specify the  
2 time and place of the meeting of the board of review. The notice  
3 ~~shall~~**must** also specify the difference between the property's  
4 tentative taxable value in the current year and the property's  
5 taxable value in the immediately preceding year.

6 (2) The notice ~~shall~~**must** include, in addition to the  
7 information required by subsection (1), all of the following:

8 (a) The state equalized valuation for the immediately  
9 preceding year.

10 (b) The tentative state equalized valuation for the current  
11 year.

12 (c) The net change between the tentative state equalized  
13 valuation for the current year and the state equalized valuation  
14 for the immediately preceding year.

15 (d) The classification of the property as defined by section  
16 34c.

17 (e) The inflation rate for the immediately preceding year as  
18 defined in section 34d.

19 (f) A statement provided by the state tax commission  
20 explaining the relationship between state equalized valuation and  
21 taxable value. If the assessor believes that a transfer of  
22 ownership has occurred in the immediately preceding year, the  
23 statement ~~shall~~**must** state that the ownership was transferred and  
24 that the taxable value of that property is the same as the state  
25 equalized valuation of that property.

26 (g) **Except as otherwise provided in subsection (9), for**  
27 **property classified as residential real property under section 34c,**  
28 **notification of the annual application requirement applicable if**  
29 **the property owner wishes to claim an exemption under section 7u.**

1 This notification must include all of the following information  
2 regarding the exemption under section 7u:

3 (i) A brief explanation of the grounds for the exemption.

4 (ii) Notice of the application due date for the exemption.

5 (iii) Information about how one may obtain further information  
6 about the exemption and any necessary application materials for the  
7 exemption.

8 (3) When required by the income tax act of 1967, 1967 PA 281,  
9 MCL 206.1 to ~~206.532~~, **206.713**, the assessment notice ~~shall~~**must**  
10 include or be accompanied by information or forms prescribed by the  
11 income tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.532~~**206.713**.

12 (4) The assessment notice ~~shall~~**must** be addressed to the owner  
13 according to the records of the assessor and mailed not less than  
14 14 days before the meeting of the board of review. The failure to  
15 send or receive an assessment notice does not invalidate an  
16 assessment roll or an assessment on that property.

17 (5) The tentative state equalized valuation ~~shall~~**must** be  
18 calculated by multiplying the assessment by the tentative equalized  
19 valuation multiplier. If the assessor has made assessment  
20 adjustments that would have changed the tentative multiplier, the  
21 assessor may recalculate the multiplier for use in the notice.

22 (6) The state tax commission shall prepare a model assessment  
23 notice form ~~that shall be made~~**and make it** available to local units  
24 of government.

25 (7) The assessment notice under subsection (1) ~~shall~~**must**  
26 include the following statement:

27 "If you purchased your principal residence after May 1 last  
28 year, to claim the principal residence exemption, if you have not  
29 already done so, you are required to file an affidavit before May

1 1."

2 (8) For taxes levied after December 31, 2003, the assessment  
3 notice under subsection (1) ~~shall~~**must** separately state the state  
4 equalized valuation and taxable value for any leasehold  
5 improvements.

6 (9) **The notification required under subsection (2)(g) may be**  
7 **provided by a separate written insert included with the mailing of**  
8 **the assessment notice required under this section.**