

HOUSE BILL NO. 4444

May 06, 2025, Introduced by Reps. Woolford, Fox, Outman, Cavitt, Markkanen, Maddock, Robinson, Johnsen, Wozniak, Schuette, Hoadley, Frisbie, BeGole, Rigas, Roth, Schmaltz, St. Germaine and Mentzer and referred to Committee on Government Operations.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7b (MCL 211.7b), as amended by 2023 PA 150.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. (1) Real property used and owned as a homestead by
2 either of the following individuals is exempt from the collection
3 of taxes under this act:

4 (a) A disabled veteran.

5 (b) A surviving spouse of a disabled veteran who, immediately
6 before death, was eligible for the exemption under this section. An

1 exemption under this subdivision continues as long as the surviving
2 spouse does not remarry, and the exemption applies to any property
3 used and owned as a homestead by the surviving spouse, including
4 homestead property acquired after the decedent's death.

5 (2) To obtain the exemption, an individual described in
6 subsection (1)(a) or (b), or the individual's legal designee, must
7 file an application, in a form and manner prescribed by the state
8 tax commission, showing the facts required by this section and a
9 description of the real property with the assessing officer for the
10 local assessing unit after January 1 and before December 31 of the
11 calendar year for which the exemption is claimed. The application
12 when filed is open to inspection. The taxes subject to collection
13 under this act ~~shall~~**must** be canceled for any year in which an
14 individual described in subsection (1)(a) or (b) who is eligible
15 for the exemption under this section has acquired title to real
16 property exempt under this section. Upon granting the exemption
17 under this section, each local taxing unit shall bear the loss of
18 its portion of the taxes upon which the exemption has been granted.
19 An exemption granted under this section as to taxes levied on or
20 after January 1, 2025 remains in effect, without subsequent
21 reapplication, until it is rescinded by the individual who was
22 granted the exemption or is denied by the assessor, as provided in
23 section 7c.

24 (3) An exemption once granted applies to all property taxes
25 for the current tax year that have been paid by the individual who
26 qualified for the exemption under subsection (1)(a) or (b) and all
27 property taxes for the current tax year that would have been owed
28 by that individual if the property was not exempt. If the
29 individual who qualified for the exemption under subsection (1)(a)

1 or (b) does not use and own the property as a homestead for the
2 entire tax year, the exemption must be prorated under 1 of the
3 following methods:

4 (a) Based on the closing or other purchase documents, if any,
5 executed by or on behalf of the individual who qualified for the
6 exemption under subsection (1)(a) or (b). That individual shall
7 provide a copy of the closing or other purchase documents with the
8 application claiming the exemption. The local treasurer shall use
9 the closing or other purchase documents when calculating the amount
10 of taxes to be exempted. There must be no refund of any property
11 taxes not levied in the current tax year paid pursuant to the
12 closing or other purchase documents to the seller by the individual
13 who qualified for the exemption under subsection (1)(a) or (b).

14 (b) If closing or other purchase documents are not provided
15 for the proration under subdivision (a), based on a proration under
16 which the local treasurer calculates the amount of property taxes
17 levied in the current tax year to be exempted by dividing the total
18 property taxes levied in the year by 365 and then multiplying that
19 number by the number of days the individual will use and own the
20 property as a homestead.

21 (c) Based on a proration that takes into account the effective
22 date of any removal of the exemption, which the assessor shall
23 designate as the date of the relevant conveyance or disposition.
24 Using that date, the local treasurer shall calculate the amount of
25 property taxes levied in the current tax year to be exempted by
26 dividing the total property taxes levied in the year by 365 and
27 then multiplying that number by the number of days the individual,
28 while qualified for the exemption, used and owned the property as a
29 homestead.

(4) Real property exempt under this section on and after December 31, 2025, is subject to the specific tax levied under the disabled veteran's homestead specific tax act. As provided in section 5(2) of the disabled veteran's homestead specific tax act, for a tax year in which an exemption under this section is prorated under subsection (3), the amount of the specific tax levied under the disabled veteran's homestead specific tax act must also be prorated to reflect the partial period of exemption for that year.

(5) ~~(4)~~ As used in this section:

(a) "Disabled veteran" means a veteran who is a resident of this state and who meets 1 of the following criteria:

(i) Has been determined by the United States Department of Veterans Affairs to be permanently ~~and totally~~ disabled as a result of military service and entitled to veterans' benefits ~~at the 100% rate~~. **because of that disability.**

(ii) Has a certificate from the United States Department of Veterans Affairs certifying that the veteran is receiving or has received pecuniary assistance due to disability for specially adapted housing.

(iii) Has been rated by the United States Department of Veterans Affairs as individually unemployable.

(b) "Own" or "owned" means 1 of the following:

(i) For an individual described in subsection (1)(a), legal title to the property is held solely by that individual or jointly by that individual and that individual's spouse.

(ii) For an individual described in subsection (1)(b), legal title to the property is held solely by that individual.

(c) "Veteran" means an individual who served in the United States Armed Forces, including the reserve components, and was

1 discharged or released under honorable conditions.

2 Enacting section 1. This amendatory act does not take effect
3 unless House Bill No. 4443 (request no. H01115'25) of the 103rd
4 Legislature is enacted into law.