



COUNTY EQUALIZATION DIRECTORS  
ASSESSING OFFICERS  
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schedule. The same is true of the computer equipment schedule which has eight lines rather than the usual seven lines

Assessors should be alerted to review personal property statements for use of incorrect multipliers.

5. There are now two definitions of a homestead for purposes of property tax exemption pertaining to 1994 taxes. Which definition becomes applicable for 1994 will depend on whether or not the March 15, 1994 ballot proposal is approved by the electorate. If the Ballot Proposal passes, the definition of a homestead property in 1993 PA 312, signed on November 29, 1993 with immediate effect, will apply. Otherwise the definition of homestead property contained in 1993 PA 331 will apply. In either case, there will be a homestead property tax exemption from part of millages levied for schools in 1994. Under either definition of homestead, the following will be true.

The homestead property tax exemption provided for in 1993 PA 331 (State Education Tax Act) or in 1993 PA 312 (the State Code), does not affect the 1994 assessment of homestead property. Each version provides for an exemption to be applied to specific millage rates utilized on the 1994 TAX ROLL AND NOT TO THE 1994 ASSESSMENT ROLL.

Again, 1994 assessments of homestead property shall be assessed at the required percentage of value, the same as all other property on the assessment roll, without reduction for any homestead exemption. The Property Tax Division is now developing a form (affidavit) for use in identifying qualifying homestead property, and is holding meetings with assessors and equalization directors regarding this form. This subject will be addressed in detail in subsequent bulletins. The Michigan Department of Treasury will administer the homestead exemption.

6. Senate Joint Resolution S will become a ballot proposal and will be placed on a ballot before the electorate on March 15, 1994.

This proposal includes a "cap" on assessment increases of five percent or the consumer price index, whichever is the lesser, starting with 1995 assessments. Please note that this "cap" will not become law unless approved by the electorate and will NOT be applied to 1994 assessments. If passed, this "cap" would become effective beginning with 1995 assessments.

7. The fact that the election for the ballot proposal has been scheduled for March 15, 1994 has caused a great deal of concern among property tax administrators, because this date conflicts with the operation of the March boards of review.

It is our understanding that the legislature is aware of this problem and is considering legislative action to remedy the situation.

Please notify all assessors in your county of these changes for 1994 assessments.