



**House  
Legislative  
Analysis  
Section**

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**"PRINCIPAL RESIDENCE" TO  
REPLACE "HOMESTEAD"**

**House Bills 4189-4192, 4194, and 4196  
Sponsor: Rep. John Stakoe**

**House Bill 4193  
Sponsor: Rep. Chris Ward**

**House Bill 4195  
Sponsor: Rep. Joe Hune**

**Committee: Tax Policy**

**Complete to 2-21-03**

**A SUMMARY OF HOUSE BILLS 4189-4196 AS INTRODUCED 2-11-03**

Under Michigan's school financing system, homesteads (that is, owner-occupied principal residences) pay the state school property tax but are exempt from local school operating property taxes (with a few exceptions). To receive the exemption, a homeowner must file an affidavit with the local tax collecting unit. Once an affidavit has been filed, the exemption remains in place until the property is transferred or ceases to be a homestead; homeowners need not file each year. The bills in this package would replace the term "homestead" in a number of statutes with the term "principal residence". The new definition of the term "principal residence" would be the same as the current definition of the term "homestead", meaning that there should not be any substantive changes to the statutes.

House Bill 4189 would amend the General Property Tax Act (MCL 211.7u et al.). House Bill 4190 would amend Public Act 27 of 2002 (MCL 125.2802), which deals with blighted property. House Bill 4191 would amend the State Real Estate Transfer Tax Act (MCL 207.526). House Bill 4192 would amend the Tax Tribunal Act (MCL 205.735 et al.). House Bill 4193 would amend the Revised School Code (MCL 380.1211 et al.). House Bill 4194 would amend the Neighborhood Enterprise Zone Act (MCL 207.779). House Bill 4195 would amend the Seller Disclosure Act (MCL 565.957). House Bill 4196 would amend the State School Aid Act (MCL 388.1620). House Bill 4189 is tie-barred to all of the other bills, and each of the other bills is tie-barred to House Bill 4189, meaning that none could not take effect unless they all were enacted.

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.