

# HOUSE BILL NO. 4214

February 19, 2019, Introduced by Reps. Leutheuser, Farrington, Maddock, Kahle, Webber, Bollin, Ellison, Berman, Inman, Paquette, Slagh, Wozniak, Markkanen, Bellino, Rendon, Cherry, Lasinski, Chirkun, LaGrand, Brann, Hoadley, Miller and Cambensy and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 9o, 30, and 53b (MCL 211.9o, 211.30, and 211.53b), section 9o as amended by 2018 PA 132, section 30 as amended by 2013 PA 153, and section 53b as amended by 2017 PA 261.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1           Sec. 9o. (1) Beginning December 31, 2013, eligible personal
- 2 property for which an exemption has been properly claimed under
- 3 this section is exempt from the collection of taxes under this act.
- 4           (2) ~~An~~ **Subject to subsection (8), an** owner of eligible



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1 personal property shall claim the exemption under this section by  
2 filing a statement with the local tax collecting unit in which the  
3 eligible personal property is located not later than February 20 of  
4 the first year the exemption is claimed or, if February 20 of the  
5 first year the exemption is claimed is a Saturday, Sunday, or legal  
6 holiday, not later than the next day that is not a Saturday,  
7 Sunday, or legal holiday. For purposes of a statement delivered by  
8 the United States Postal Service, the filing is timely if the  
9 postmark date is on or before the filing deadline prescribed in  
10 this subsection. If the statement is not timely filed with the  
11 local tax collecting unit, a late submission may be filed directly  
12 with the March **or July** board of review before ~~its~~**the** final  
13 adjournment **of its July meeting** by submitting the statement  
14 prescribed in this subsection. The board of review shall not accept  
15 a filing after adjournment of its ~~March~~**July** meeting. An appeal of  
16 a denial by the March **or July** board of review may be made by filing  
17 a petition with the Michigan tax tribunal within 35 days of the  
18 denial notice. A statement filed under this subsection ~~shall~~**must**  
19 be in a form prescribed by the state tax commission and ~~shall~~**must**  
20 include any address where any property owned by, leased to, or in  
21 the possession of that owner or a related entity is located within  
22 that local tax collecting unit. ~~The~~**In the** statement, **the owner**  
23 shall ~~require the owner to~~ attest that the combined true cash value  
24 of all industrial personal property and commercial personal  
25 property in that local tax collecting unit owned by, leased to, or  
26 in the possession of that owner or a related entity on December 31  
27 of the immediately preceding year is less than \$80,000.00.

28 (3) If a statement claiming the exemption under this section  
29 is filed as provided in subsection (2), the owner of that eligible



1 personal property is not required to file a statement under section  
2 19.

3 (4) A person who claims an exemption for eligible personal  
4 property under this section shall maintain books and records and  
5 shall provide access to those books and records as provided in  
6 section 22. A local unit of government may develop and implement an  
7 audit program that includes, but is not limited to, the audit of  
8 all information submitted under subsection (2) for the current  
9 calendar year and the 3 calendar years immediately preceding the  
10 commencement of an audit. Any assessment as a result of an audit  
11 must be paid in full within 35 days of issuance and must include  
12 interest as described in subsection (5).

13 (5) An exemption granted under this section remains in effect  
14 until the personal property is no longer eligible personal  
15 property. An owner whose personal property is no longer eligible  
16 personal property shall file by February 20 of the year that the  
17 property is no longer eligible a rescission and the statement  
18 required under section 19. The rescission shall be filed on a form  
19 prescribed by the department of treasury. Upon receipt of a  
20 rescission form, the local assessor shall immediately remove the  
21 exemption. An owner who fails to file a rescission and whose  
22 property is later determined to be ineligible for the exemption  
23 will be subject to repayment of any additional taxes with interest  
24 as described in this subsection. Upon discovery that the property  
25 is no longer eligible personal property, the assessor shall remove  
26 the exemption of that personal property and, if the tax roll is in  
27 the local tax collecting unit's possession, amend the tax roll to  
28 reflect the removal of the exemption, and the local treasurer shall  
29 within 30 days of the date of the discovery issue a corrected tax



1 bill for any additional taxes with interest at the rate of 1% per  
2 month or fraction of a month and penalties computed from the date  
3 the taxes were last payable without interest or penalty. If the tax  
4 roll is in the county treasurer's possession, the tax roll shall be  
5 amended to reflect the removal of the exemption and the county  
6 treasurer shall within 30 days of the date of the removal prepare  
7 and submit a supplemental tax bill for any additional taxes,  
8 together with interest at the rate of 1% per month or fraction of a  
9 month and penalties computed from the date the taxes were last  
10 payable without interest or penalty. Interest on any tax set forth  
11 in a corrected or supplemental tax bill again begins to accrue 60  
12 days after the date the corrected or supplemental tax bill is  
13 issued at the rate of 1% per month or fraction of a month. Taxes  
14 levied in a corrected or supplemental tax bill shall be returned as  
15 delinquent on the March 1 in the year immediately succeeding the  
16 year in which the corrected or supplemental tax bill is issued.

17 (6) If the assessor of the local tax collecting unit believes  
18 that personal property for which a statement claiming an exemption  
19 is timely and properly filed under subsection (2) is not eligible  
20 personal property, the assessor may deny that claim for exemption  
21 by notifying the person that filed the statement in writing of the  
22 reason for the denial and advising the person that the denial may  
23 be appealed to the board of review under section 30 **or 53b** during  
24 that tax year.

25 (7) If a person fraudulently claims an exemption for personal  
26 property under this section, that person is subject to the  
27 penalties provided for in section 21(2).

28 **(8) If an owner of eligible personal property does not timely**  
29 **file a statement pursuant to subsection (2) for the first year that**



1 the property was eligible for the exemption under this section,  
 2 that owner may file an appeal with the March or July board of  
 3 review in the immediately succeeding year to claim the exemption  
 4 for that first year of eligibility. This extension is available  
 5 only to an owner of eligible personal property who missed the  
 6 filing deadline for the first year that the property was eligible  
 7 for the exemption under this section.

8 (9) ~~(8)~~—As used in this section:

9 (a) "Commercial personal property" means personal property  
 10 that is classified as commercial personal property under section  
 11 34c or would be classified as commercial personal property under  
 12 section 34c if not exempt from the collection of taxes under this  
 13 act under this section or section 9m or 9n.

14 (b) "Control", "controlled by", and "under common control  
 15 with" mean the possession of the power to direct or cause the  
 16 direction of the management and policies of a related entity,  
 17 directly or indirectly, whether derived from a management position,  
 18 official office, or corporate office held by an individual; by an  
 19 ownership interest, beneficial interest, or equitable interest; or  
 20 by contractual agreement or other similar arrangement. There is a  
 21 rebuttable presumption that control exists if any person, directly  
 22 or indirectly, owns, controls, or holds the power to vote, directly  
 23 or by proxy, 10% or more of the ownership interest of any other  
 24 person or has contributed more than 10% of the capital of the other  
 25 person. Indirect ownership includes ownership through attribution  
 26 or through 1 or more intermediary entities.

27 (c) "Eligible personal property" means property that meets all  
 28 of the following conditions:

29 (i) Is industrial personal property or commercial personal



1 property.

2 (ii) The combined true cash value of all industrial personal  
3 property and commercial personal property in that local tax  
4 collecting unit owned by, leased to, or in the possession of the  
5 person claiming an exemption under this section or a related entity  
6 on December 31 of the immediately preceding year is less than  
7 \$80,000.00.

8 (iii) Is not leased to or used by a person that previously owned  
9 the property or a person that, directly or indirectly, controls, is  
10 controlled by, or is under common control with the person that  
11 previously owned the property.

12 (d) "Industrial personal property" means personal property  
13 that is classified as industrial personal property under section  
14 34c or would be classified as industrial personal property under  
15 section 34c if not exempt from the collection of taxes under this  
16 act under this section or section 9m or 9n.

17 (e) "Person" means an individual, partnership, corporation,  
18 association, limited liability company, or any other legal entity.

19 (f) "Related entity" means a person that, directly or  
20 indirectly, controls, is controlled by, or is under common control  
21 with the person claiming an exemption under this section.

22 Sec. 30. (1) Except as otherwise provided in subsection (2),  
23 the board of review shall meet on the second Monday in March.

24 (2) The governing body of the city or township may authorize,  
25 by adoption of an ordinance or resolution, alternative starting  
26 dates in March when the board of review shall initially meet, which  
27 alternative starting dates ~~shall~~**must** be the Tuesday or Wednesday  
28 following the second Monday of March.

29 (3) The first meeting of the board of review ~~shall~~**must** start



1 not earlier than 9 a.m. and not later than 3 p.m. and last for ~~not~~  
2 ~~less than~~ **at least** 6 hours. The board of review shall also meet for  
3 ~~not less than~~ **at least** 6 hours during the remainder of that week.  
4 Persons or their agents who have appeared to file a protest before  
5 the board of review at a scheduled meeting or at a scheduled  
6 appointment shall be afforded an opportunity to be heard by the  
7 board of review. The board of review shall schedule a final meeting  
8 after the board of review makes a change in the assessed value or  
9 tentative taxable value of property, adds property to the  
10 assessment roll, or exempts personal property under section 9m, 9n,  
11 or 9o and removes it from the assessment roll. The board of review  
12 shall hold at least 3 hours of its required sessions for review of  
13 assessment rolls during the week of the second Monday in March  
14 after 6 p.m.

15 (4) A board of review shall meet a total of at least 12 hours  
16 during the week beginning the second Monday in March to hear  
17 protests. At the request of a person whose property is assessed on  
18 the assessment roll or of his or her agent, and if sufficient cause  
19 is shown, the board of review shall correct the assessed value or  
20 tentative taxable value of the property in a manner that will make  
21 the valuation of the property relatively just and proper under this  
22 act. For the appeal of a denial of a claim of exemption for  
23 personal property under section 9m, 9n, or 9o, ~~or for~~ **including** an  
24 appeal under section ~~9o(7),~~ **9o(6) or (8)**, if an exemption is  
25 approved, the board of review shall remove the personal property  
26 from the assessment roll. The board of review may examine under  
27 oath the person making the application, or any other person  
28 concerning the matter. A member of the board of review may  
29 administer the oath. A nonresident taxpayer may file his or her



1 appearance, protest, and papers in support of the protest by  
2 letter, and his or her personal appearance is not required. The  
3 board of review, on its own motion, may change assessed values or  
4 tentative taxable values or add to the roll property omitted from  
5 the roll that is liable to assessment if the person who is assessed  
6 for the altered valuation or for the omitted property is promptly  
7 notified and granted an opportunity to file objections to the  
8 change at the meeting or at a subsequent meeting. An objection to a  
9 change in assessed value or tentative taxable value or to the  
10 addition of property to the tax roll shall be promptly heard and  
11 determined. Each person who makes a request, protest, or  
12 application to the board of review for the correction of the  
13 assessed value or tentative taxable value of the person's property  
14 or for the exemption of that person's personal property under  
15 section 9m, 9n, or 9o shall be notified in writing, not later than  
16 the first Monday in June, of the board of review's action on the  
17 request, protest, or application, of the state equalized valuation  
18 or tentative taxable value of the property, and of information  
19 regarding the right of further appeal to the tax tribunal.  
20 Information regarding the right of further appeal to the tax  
21 tribunal ~~shall~~**must** include, but is not limited to, a statement of  
22 the right to appeal to the tax tribunal, the address of the tax  
23 tribunal, and the final date for filing an appeal with the tax  
24 tribunal.

25 (5) If an exemption for personal property under section 9m,  
26 9n, or 9o is approved, the board of review shall file an affidavit  
27 with the proper officials involved in the assessment and collection  
28 of taxes and all affected official records shall be corrected. If  
29 the board of review does not approve an exemption under section 9m,





1 9n, or 9o, the person claiming the exemption for that personal  
2 property may appeal that decision in writing to the Michigan tax  
3 tribunal. A correction under this subsection that approves an  
4 exemption under section 9o may be made for the year in which the  
5 appeal was filed and the immediately preceding 3 tax years. A  
6 correction under this subsection that approves an exemption under  
7 section 9m or 9n may be made only for the year in which the appeal  
8 was filed.

9 (6) After the board of review completes the review of the  
10 assessment roll, a majority of the board of review shall indorse  
11 the roll and sign a statement to the effect that the roll is the  
12 assessment roll for the year in which it has been prepared and  
13 approved by the board of review.

14 (7) The completed assessment roll shall be delivered by the  
15 appropriate assessing officer to the county equalization director  
16 not later than the tenth day after the adjournment of the board of  
17 review, or the Wednesday following the first Monday in April,  
18 whichever date occurs first.

19 (8) The governing body of the township or city may authorize,  
20 by adoption of an ordinance or resolution, a resident taxpayer to  
21 file his or her protest before the board of review by letter  
22 without a personal appearance by the taxpayer or his or her agent.  
23 If that ordinance or resolution is adopted, the township or city  
24 shall include a statement notifying taxpayers of this option in  
25 each assessment notice under section 24c and on each notice or  
26 publication of the meeting of the board of review.

27 Sec. 53b. (1) If there has been a qualified error, the  
28 qualified error shall be verified by the local assessing officer  
29 and approved by the board of review. Except as otherwise provided



1 in subsection (7), the board of review shall meet for the purposes  
 2 of this section on Tuesday following the second Monday in December  
 3 and on Tuesday following the third Monday in July. If approved, the  
 4 board of review shall file an affidavit within 30 days relative to  
 5 the qualified error with the proper officials and all affected  
 6 official records shall be corrected. If the qualified error results  
 7 in an overpayment or underpayment, the rebate, including any  
 8 interest paid, shall be made to the taxpayer or the taxpayer shall  
 9 be notified and payment made within 30 days of the notice. A rebate  
 10 shall be without interest. The treasurer in possession of the  
 11 appropriate tax roll may deduct the rebate from the appropriate tax  
 12 collecting unit's subsequent distribution of taxes. The treasurer  
 13 in possession of the appropriate tax roll shall bill to the  
 14 appropriate tax collecting unit the tax collecting unit's share of  
 15 taxes rebated. Except as otherwise provided in subsection (6) and  
 16 section 27a(4), a correction under this subsection may be made for  
 17 the current year and the immediately preceding year only.

18 (2) Action pursuant to subsection (1) may be initiated by the  
 19 taxpayer or the assessing officer.

20 (3) The board of review meeting in July and December shall  
 21 meet only for the purpose described in subsection (1) and ~~to~~**for**  
 22 **the following:**

23 (a) **To** hear appeals provided for in sections 7u, 7cc, 7ee, and  
 24 7jj.

25 (b) **For the July meeting only, to hear appeals provided for in**  
 26 **section 9o.** If an exemption under section 7u is approved, the board  
 27 of review shall file an affidavit with the proper officials  
 28 involved in the assessment and collection of taxes and all affected  
 29 official records shall be corrected. If an appeal under section



1 7cc, 7ee, ~~or 7jj~~, **or 9o** results in a determination that an  
2 overpayment has been made, the board of review shall file an  
3 affidavit and a rebate shall be made at the times and in the manner  
4 provided in subsection (1). Except as otherwise provided in  
5 sections 7cc, 7ee, ~~and 7jj~~, **and 9o**, a correction under this  
6 subsection shall be made for the year in which the appeal is made  
7 only. If the board of review approves an exemption or provides a  
8 rebate for property under section 7cc, 7ee, or 7jj as provided in  
9 this subsection, the board of review shall require the owner to  
10 execute the affidavit provided for in section 7cc, 7ee, or 7jj and  
11 shall forward a copy of any section 7cc affidavits to the  
12 department of treasury.

13 (4) If an exemption under section 7cc is approved by the board  
14 of review under this section, the provisions of section 7cc apply.  
15 If an exemption under section 7cc is not approved by the board of  
16 review under this section, the owner may appeal that decision in  
17 writing to the department of treasury within 35 days of the board  
18 of review's denial and the appeal shall be conducted as provided in  
19 section 7cc(8).

20 (5) An owner or assessor may appeal a decision of the board of  
21 review under this section regarding an exemption under section 7ee  
22 or 7jj to the residential and small claims division of the Michigan  
23 tax tribunal. An owner is not required to pay the amount of tax in  
24 dispute in order to receive a final determination of the  
25 residential and small claims division of the Michigan tax tribunal.  
26 However, interest and penalties, if any, shall accrue and be  
27 computed based on interest and penalties that would have accrued  
28 from the date the taxes were originally levied as if there had not  
29 been an exemption.



1 (6) A correction under this section that approves a principal  
 2 residence exemption pursuant to section 7cc may be made for the  
 3 year in which the appeal was filed and the 3 immediately preceding  
 4 tax years.

5 (7) For the appeal of a denial of a claim of exemption for  
 6 personal property under section 9o, if an exemption is approved,  
 7 the board of review shall remove the personal property from the  
 8 assessment roll.

9 (8) If an exemption for personal property under section 9o is  
 10 approved, the board of review shall file a statement with the  
 11 proper officials involved in the assessment and collection of taxes  
 12 and all affected official records shall be corrected. If the board  
 13 of review does not approve an exemption under section 9o, the  
 14 person claiming the exemption for that personal property may appeal  
 15 that decision in writing to the Michigan tax tribunal.

16 (9) ~~(7)~~—The governing body of the city or township may  
 17 authorize, by adoption of an ordinance or resolution, 1 or more of  
 18 the following alternative meeting dates for the purposes of this  
 19 section:

20 (a) An alternative meeting date during the week of the second  
 21 Monday in December.

22 (b) An alternative meeting date during the week of the third  
 23 Monday in July.

24 (10) ~~(8)~~—As used in this section, "qualified error" means 1 or  
 25 more of the following:

26 (a) A clerical error relative to the correct assessment  
 27 figures, the rate of taxation, or the mathematical computation  
 28 relating to the assessing of taxes.

29 (b) A mutual mistake of fact.



1 (c) An adjustment under section 27a(4) or an exemption under  
2 section 7hh(3) (b) .

3 (d) An error of measurement or calculation of the physical  
4 dimensions or components of the real property being assessed.

5 (e) An error of omission or inclusion of a part of the real  
6 property being assessed.

7 (f) An error regarding the correct taxable status of the real  
8 property being assessed.

9 (g) An error made by the taxpayer in preparing the statement  
10 of assessable personal property under section 19.

11 ~~(h) An error made in the denial of a claim of exemption for~~  
12 ~~personal property under section 9o.~~

