

# HOUSE BILL No. 4214

February 19, 2019, Introduced by Reps. Leutheuser, Farrington, Maddock, Kahle, Webber, Bollin, Eisen, 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  
 5 personal property shall claim the exemption under this section by  
 6 filing a statement with the local tax collecting unit in which the  
 7 eligible personal property is located not later than February 20 of  
 8 the first year the exemption is claimed or, if February 20 of the

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

24 (3) If a statement claiming the exemption under this section  
25 is filed as provided in subsection (2), the owner of that eligible  
26 personal property is not required to file a statement under section  
27 19.

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

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

1           (8) IF AN OWNER OF ELIGIBLE PERSONAL PROPERTY DOES NOT TIMELY  
2 FILE A STATEMENT PURSUANT TO SUBSECTION (2) FOR THE FIRST YEAR THAT  
3 THE PROPERTY WAS ELIGIBLE FOR THE EXEMPTION UNDER THIS SECTION,  
4 THAT OWNER MAY FILE AN APPEAL WITH THE MARCH OR JULY BOARD OF  
5 REVIEW IN THE IMMEDIATELY SUCCEEDING YEAR TO CLAIM THE EXEMPTION  
6 FOR THAT FIRST YEAR OF ELIGIBILITY. THIS EXTENSION IS AVAILABLE  
7 ONLY TO AN OWNER OF ELIGIBLE PERSONAL PROPERTY WHO MISSED THE  
8 FILING DEADLINE FOR THE FIRST YEAR THAT THE PROPERTY WAS ELIGIBLE  
9 FOR THE EXEMPTION UNDER THIS SECTION.

10           (9) ~~(8)~~—As used in this section:

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

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

1 or through 1 or more intermediary entities.

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

4 (i) Is industrial personal property or commercial personal  
5 property.

6 (ii) The combined true cash value of all industrial personal  
7 property and commercial personal property in that local tax  
8 collecting unit owned by, leased to, or in the possession of the  
9 person claiming an exemption under this section or a related entity  
10 on December 31 of the immediately preceding year is less than  
11 \$80,000.00.

12 (iii) Is not leased to or used by a person that previously  
13 owned the property or a person that, directly or indirectly,  
14 controls, is controlled by, or is under common control with the  
15 person that previously owned the property.

16 (d) "Industrial personal property" means personal property  
17 that is classified as industrial personal property under section  
18 34c or would be classified as industrial personal property under  
19 section 34c if not exempt from the collection of taxes under this  
20 act under this section or section 9m or 9n.

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

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

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

1 (2) The governing body of the city or township may authorize,  
2 by adoption of an ordinance or resolution, alternative starting  
3 dates in March when the board of review shall initially meet, which  
4 alternative starting dates ~~shall~~**MUST** be the Tuesday or Wednesday  
5 following the second Monday of March.

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

21 (4) A board of review shall meet a total of at least 12 hours  
22 during the week beginning the second Monday in March to hear  
23 protests. At the request of a person whose property is assessed on  
24 the assessment roll or of his or her agent, and if sufficient cause  
25 is shown, the board of review shall correct the assessed value or  
26 tentative taxable value of the property in a manner that will make  
27 the valuation of the property relatively just and proper under this

1 act. For the appeal of a denial of a claim of exemption for  
2 personal property under section 9m, 9n, or 9o, ~~or for~~ **INCLUDING** an  
3 appeal under section ~~9o(7),~~ **9o(6) OR (8)**, if an exemption is  
4 approved, the board of review shall remove the personal property  
5 from the assessment roll. The board of review may examine under  
6 oath the person making the application, or any other person  
7 concerning the matter. A member of the board of review may  
8 administer the oath. A nonresident taxpayer may file his or her  
9 appearance, protest, and papers in support of the protest by  
10 letter, and his or her personal appearance is not required. The  
11 board of review, on its own motion, may change assessed values or  
12 tentative taxable values or add to the roll property omitted from  
13 the roll that is liable to assessment if the person who is assessed  
14 for the altered valuation or for the omitted property is promptly  
15 notified and granted an opportunity to file objections to the  
16 change at the meeting or at a subsequent meeting. An objection to a  
17 change in assessed value or tentative taxable value or to the  
18 addition of property to the tax roll shall be promptly heard and  
19 determined. Each person who makes a request, protest, or  
20 application to the board of review for the correction of the  
21 assessed value or tentative taxable value of the person's property  
22 or for the exemption of that person's personal property under  
23 section 9m, 9n, or 9o shall be notified in writing, not later than  
24 the first Monday in June, of the board of review's action on the  
25 request, protest, or application, of the state equalized valuation  
26 or tentative taxable value of the property, and of information  
27 regarding the right of further appeal to the tax tribunal.



1 Information regarding the right of further appeal to the tax  
2 tribunal ~~shall~~**MUST** include, but is not limited to, a statement of  
3 the right to appeal to the tax tribunal, the address of the tax  
4 tribunal, and the final date for filing an appeal with the tax  
5 tribunal.

6 (5) If an exemption for personal property under section 9m,  
7 9n, or 9o is approved, the board of review shall file an affidavit  
8 with the proper officials involved in the assessment and collection  
9 of taxes and all affected official records shall be corrected. If  
10 the board of review does not approve an exemption under section 9m,  
11 9n, or 9o, the person claiming the exemption for that personal  
12 property may appeal that decision in writing to the Michigan tax  
13 tribunal. A correction under this subsection that approves an  
14 exemption under section 9o may be made for the year in which the  
15 appeal was filed and the immediately preceding 3 tax years. A  
16 correction under this subsection that approves an exemption under  
17 section 9m or 9n may be made only for the year in which the appeal  
18 was filed.

19 (6) After the board of review completes the review of the  
20 assessment roll, a majority of the board of review shall indorse  
21 the roll and sign a statement to the effect that the roll is the  
22 assessment roll for the year in which it has been prepared and  
23 approved by the board of review.

24 (7) The completed assessment roll shall be delivered by the  
25 appropriate assessing officer to the county equalization director  
26 not later than the tenth day after the adjournment of the board of  
27 review, or the Wednesday following the first Monday in April,

1 whichever date occurs first.

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

10 Sec. 53b. (1) If there has been a qualified error, the  
11 qualified error shall be verified by the local assessing officer  
12 and approved by the board of review. Except as otherwise provided  
13 in subsection (7), the board of review shall meet for the purposes  
14 of this section on Tuesday following the second Monday in December  
15 and on Tuesday following the third Monday in July. If approved, the  
16 board of review shall file an affidavit within 30 days relative to  
17 the qualified error with the proper officials and all affected  
18 official records shall be corrected. If the qualified error results  
19 in an overpayment or underpayment, the rebate, including any  
20 interest paid, shall be made to the taxpayer or the taxpayer shall  
21 be notified and payment made within 30 days of the notice. A rebate  
22 shall be without interest. The treasurer in possession of the  
23 appropriate tax roll may deduct the rebate from the appropriate tax  
24 collecting unit's subsequent distribution of taxes. The treasurer  
25 in possession of the appropriate tax roll shall bill to the  
26 appropriate tax collecting unit the tax collecting unit's share of  
27 taxes rebated. Except as otherwise provided in subsection (6) and

1 section 27a(4), a correction under this subsection may be made for  
2 the current year and the immediately preceding year only.

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

5 (3) The board of review meeting in July and December shall  
6 meet only for the purpose described in subsection (1) and ~~to~~**FOR**  
7 **THE FOLLOWING:**

8 (A) **TO** hear appeals provided for in sections 7u, 7cc, 7ee, and  
9 7jj.

10 (B) **FOR THE JULY MEETING ONLY, TO HEAR APPEALS PROVIDED FOR IN**  
11 **SECTION 9o.** If an exemption under section 7u is approved, the board  
12 of review shall file an affidavit with the proper officials  
13 involved in the assessment and collection of taxes and all affected  
14 official records shall be corrected. If an appeal under section  
15 7cc, 7ee, ~~or~~7jj, **OR 9o** results in a determination that an  
16 overpayment has been made, the board of review shall file an  
17 affidavit and a rebate shall be made at the times and in the manner  
18 provided in subsection (1). Except as otherwise provided in  
19 sections 7cc, 7ee, ~~and~~7jj, **AND 9o**, a correction under this  
20 subsection shall be made for the year in which the appeal is made  
21 only. If the board of review approves an exemption or provides a  
22 rebate for property under section 7cc, 7ee, or 7jj as provided in  
23 this subsection, the board of review shall require the owner to  
24 execute the affidavit provided for in section 7cc, 7ee, or 7jj and  
25 shall forward a copy of any section 7cc affidavits to the  
26 department of treasury.

27 (4) If an exemption under section 7cc is approved by the board

1 of review under this section, the provisions of section 7cc apply.  
2 If an exemption under section 7cc is not approved by the board of  
3 review under this section, the owner may appeal that decision in  
4 writing to the department of treasury within 35 days of the board  
5 of review's denial and the appeal shall be conducted as provided in  
6 section 7cc(8).

7 (5) An owner or assessor may appeal a decision of the board of  
8 review under this section regarding an exemption under section 7ee  
9 or 7jj to the residential and small claims division of the Michigan  
10 tax tribunal. An owner is not required to pay the amount of tax in  
11 dispute in order to receive a final determination of the  
12 residential and small claims division of the Michigan tax tribunal.  
13 However, interest and penalties, if any, shall accrue and be  
14 computed based on interest and penalties that would have accrued  
15 from the date the taxes were originally levied as if there had not  
16 been an exemption.

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

21 **(7) FOR THE APPEAL OF A DENIAL OF A CLAIM OF EXEMPTION FOR**  
22 **PERSONAL PROPERTY UNDER SECTION 9o, IF AN EXEMPTION IS APPROVED,**  
23 **THE BOARD OF REVIEW SHALL REMOVE THE PERSONAL PROPERTY FROM THE**  
24 **ASSESSMENT ROLL.**

25 **(8) IF AN EXEMPTION FOR PERSONAL PROPERTY UNDER SECTION 9o IS**  
26 **APPROVED, THE BOARD OF REVIEW SHALL FILE A STATEMENT WITH THE**  
27 **PROPER OFFICIALS INVOLVED IN THE ASSESSMENT AND COLLECTION OF TAXES**

1 AND ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. IF THE BOARD  
2 OF REVIEW DOES NOT APPROVE AN EXEMPTION UNDER SECTION 9o, THE  
3 PERSON CLAIMING THE EXEMPTION FOR THAT PERSONAL PROPERTY MAY APPEAL  
4 THAT DECISION IN WRITING TO THE MICHIGAN TAX TRIBUNAL.

5 (9) ~~(7)~~—The governing body of the city or township may  
6 authorize, by adoption of an ordinance or resolution, 1 or more of  
7 the following alternative meeting dates for the purposes of this  
8 section:

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

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

13 (10) ~~(8)~~—As used in this section, "qualified error" means 1 or  
14 more of the following:

15 (a) A clerical error relative to the correct assessment  
16 figures, the rate of taxation, or the mathematical computation  
17 relating to the assessing of taxes.

18 (b) A mutual mistake of fact.

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

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

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

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

27 (g) An error made by the taxpayer in preparing the statement

1 of assessable personal property under section 19.

2 ~~—— (h) An error made in the denial of a claim of exemption for~~

3 ~~personal property under section 90.~~