

# HOUSE BILL No. 6347

August 16, 2006, Introduced by Reps. Gaffney, Stakoe, Rocca, Hune, Hildenbrand, Ward, Waters and Mortimer and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7cc (MCL 211.7cc), as amended by 2003 PA 247.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7cc. (1) A principal residence is exempt from the tax  
2 levied by a local school district for school operating purposes to  
3 the extent provided under section 1211 of the revised school code,  
4 1976 PA 451, MCL 380.1211, if an owner of that principal residence  
5 claims an exemption as provided in this section. Notwithstanding  
6 the tax day provided in section 2, the status of property as a  
7 principal residence shall be determined on the date an affidavit  
8 claiming an exemption is filed under subsection (2).

9           (2) ~~An~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), AN**

1 owner of property may claim ~~an~~ 1 exemption under this section by  
2 filing an affidavit on or before May 1 with the local tax  
3 collecting unit in which the property is located. The affidavit  
4 shall state that the property is owned and occupied as a principal  
5 residence by that owner of the property on the date that the  
6 affidavit is signed. The affidavit shall be on a form prescribed by  
7 the department of treasury. One copy of the affidavit shall be  
8 retained by the owner, 1 copy shall be retained by the local tax  
9 collecting unit until any appeal or audit period under this act has  
10 expired, and 1 copy shall be forwarded to the department of  
11 treasury pursuant to subsection (4), together with all information  
12 submitted under subsection (26) for a cooperative housing  
13 corporation. The affidavit shall require the owner claiming the  
14 exemption to indicate if that owner or that owner's spouse has  
15 claimed another exemption on property in this state that is not  
16 rescinded or a substantially similar exemption, deduction, or  
17 credit on property in another state that is not rescinded. If the  
18 affidavit requires an owner to include a social security number,  
19 that owner's number is subject to the disclosure restrictions in  
20 1941 PA 122, MCL 205.1 to 205.31. If an owner of property filed an  
21 affidavit for an exemption under this section before January 1,  
22 2004, that affidavit shall be considered the affidavit required  
23 under this subsection for a principal residence exemption and that  
24 exemption shall remain in effect until rescinded as provided in  
25 this section.

26 (3) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), A**  
27 husband and wife who are required to file or who do file a joint

1 Michigan income tax return are entitled to not more than 1  
2 exemption under this section. For taxes levied after December 31,  
3 2002, a person is not entitled to an exemption under this section  
4 if any of the following conditions occur:

5 (a) That person has claimed a substantially similar exemption,  
6 deduction, or credit on property in another state that is not  
7 rescinded.

8 (b) Subject to subdivision (a), that person or his or her  
9 spouse owns property in a state other than this state for which  
10 that person or his or her spouse claims an exemption, deduction, or  
11 credit substantially similar to the exemption provided under this  
12 section, unless that person and his or her spouse file separate  
13 income tax returns.

14 (c) That person has filed a nonresident Michigan income tax  
15 return, except active duty military personnel stationed in this  
16 state with his or her principal residence in this state.

17 (d) That person has filed an income tax return in a state  
18 other than this state as a resident, except active duty military  
19 personnel stationed in this state with his or her principal  
20 residence in this state.

21 (e) That person has previously rescinded an exemption under  
22 this section for the same property for which an exemption is now  
23 claimed and there has not been a transfer of ownership of that  
24 property after the previous exemption was rescinded, if either of  
25 the following conditions is satisfied:

26 (i) That person has claimed an exemption under this section for  
27 any other property for that tax year.

1           (ii) That person has rescinded an exemption under this section  
2 on other property, which exemption remains in effect for that tax  
3 year, and there has not been a transfer of ownership of that  
4 property.

5           (4) Upon receipt of an affidavit filed under subsection (2)  
6 and unless the claim is denied under this section, the assessor  
7 shall exempt the property from the collection of the tax levied by  
8 a local school district for school operating purposes to the extent  
9 provided under section 1211 of the revised school code, 1976 PA  
10 451, MCL 380.1211, as provided in subsection (1) until December 31  
11 of the year in which the property is transferred or, **EXCEPT AS**  
12 **OTHERWISE PROVIDED IN SUBSECTION (5)**, is no longer a principal  
13 residence as defined in section 7dd. The local tax collecting unit  
14 shall forward copies of affidavits to the department of treasury  
15 according to a schedule prescribed by the department of treasury.

16           (5) Not more than 90 days after exempted property is no longer  
17 used as a principal residence by the owner claiming an exemption,  
18 that owner shall rescind the claim of exemption by filing with the  
19 local tax collecting unit a rescission form prescribed by the  
20 department of treasury. **HOWEVER, IN ADDITION TO AN EXEMPTION**  
21 **CLAIMED FOR AN OWNER'S CURRENT PRINCIPAL RESIDENCE, THAT OWNER MAY**  
22 **RETAIN AN EXEMPTION FOR NOT MORE THAN 3 YEARS ON PROPERTY**  
23 **PREVIOUSLY EXEMPT AS HIS OR HER PRINCIPAL RESIDENCE IF THAT**  
24 **PROPERTY IS NOT OCCUPIED AND IS FOR SALE.** An owner who fails to  
25 file a rescission as required by this subsection is subject to a  
26 penalty of \$5.00 per day for each separate failure beginning after  
27 the 90 days have elapsed, up to a maximum of \$200.00. This penalty

1 shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and  
2 shall be deposited in the state school aid fund established in  
3 section 11 of article IX of the state constitution of 1963. This  
4 penalty may be waived by the department of treasury.

5 (6) ~~If~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), IF**  
6 the assessor of the local tax collecting unit believes that the  
7 property for which an exemption is claimed is not the principal  
8 residence of the owner claiming the exemption, the assessor may  
9 deny a new or existing claim by notifying the owner and the  
10 department of treasury in writing of the reason for the denial and  
11 advising the owner that the denial may be appealed to the  
12 residential and small claims division of the Michigan tax tribunal  
13 within 35 days after the date of the notice. The assessor may deny  
14 a claim for exemption for the current year and for the 3  
15 immediately preceding calendar years. If the assessor denies an  
16 existing claim for exemption, the assessor shall remove the  
17 exemption of the property and, if the tax roll is in the local tax  
18 collecting unit's possession, amend the tax roll to reflect the  
19 denial and the local treasurer shall within 30 days of the date of  
20 the denial issue a corrected tax bill for any additional taxes with  
21 interest at the rate of 1.25% per month or fraction of a month and  
22 penalties computed from the date the taxes were last payable  
23 without interest or penalty. If the tax roll is in the county  
24 treasurer's possession, the tax roll shall be amended to reflect  
25 the denial and the county treasurer shall within 30 days of the  
26 date of the denial prepare and submit a supplemental tax bill for  
27 any additional taxes, together with interest at the rate of 1.25%

1 per month or fraction of a month and penalties computed from the  
2 date the taxes were last payable without interest or penalty.  
3 Interest on any tax set forth in a corrected or supplemental tax  
4 bill shall again begin to accrue 60 days after the date the  
5 corrected or supplemental tax bill is issued at the rate of 1.25%  
6 per month or fraction of a month. Taxes levied in a corrected or  
7 supplemental tax bill shall be returned as delinquent on the March  
8 1 in the year immediately succeeding the year in which the  
9 corrected or supplemental tax bill is issued. If the assessor  
10 denies an existing claim for exemption, the interest due shall be  
11 distributed as provided in subsection (23). However, if the  
12 property has been transferred to a bona fide purchaser before  
13 additional taxes were billed to the seller as a result of the  
14 denial of a claim for exemption, the taxes, interest, and penalties  
15 shall not be a lien on the property and shall not be billed to the  
16 bona fide purchaser, and the local tax collecting unit if the local  
17 tax collecting unit has possession of the tax roll or the county  
18 treasurer if the county has possession of the tax roll shall notify  
19 the department of treasury of the amount of tax due, interest, and  
20 penalties through the date of that notification. The department of  
21 treasury shall then assess the owner who claimed the exemption  
22 under this section for the tax, interest, and penalties accruing as  
23 a result of the denial of the claim for exemption, if any, as for  
24 unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and  
25 shall deposit any tax or penalty collected into the state school  
26 aid fund and shall distribute any interest collected as provided in  
27 subsection (23). The denial shall be made on a form prescribed by

1 the department of treasury. If the property for which the assessor  
2 has denied a claim for exemption under this subsection is located  
3 in a county in which the county treasurer or the county  
4 equalization director have elected to audit exemptions under  
5 subsection (10), the assessor shall notify the county treasurer or  
6 the county equalization director of the denial under this  
7 subsection.

8 (7) If the assessor of the local tax collecting unit believes  
9 that the property for which the exemption is claimed is not the  
10 principal residence of the owner claiming the exemption and has not  
11 denied the claim, the assessor shall include a recommendation for  
12 denial with any affidavit that is forwarded to the department of  
13 treasury or, for an existing claim, shall send a recommendation for  
14 denial to the department of treasury, stating the reasons for the  
15 recommendation.

16 (8) The department of treasury shall determine if the property  
17 is the principal residence of the owner claiming the exemption. The  
18 department of treasury may review the validity of exemptions for  
19 the current calendar year and for the 3 immediately preceding  
20 calendar years. ~~If~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION**  
21 **(5), IF** the department of treasury determines that the property is  
22 not the principal residence of the owner claiming the exemption,  
23 the department shall send a notice of that determination to the  
24 local tax collecting unit and to the owner of the property claiming  
25 the exemption, indicating that the claim for exemption is denied,  
26 stating the reason for the denial, and advising the owner claiming  
27 the exemption of the right to appeal the determination to the

1 department of treasury and what those rights of appeal are. The  
2 department of treasury may issue a notice denying a claim if an  
3 owner fails to respond within 30 days of receipt of a request for  
4 information from that department. An owner may appeal the denial of  
5 a claim of exemption to the department of treasury within 35 days  
6 of receipt of the notice of denial. An appeal to the department of  
7 treasury shall be conducted according to the provisions for an  
8 informal conference in section 21 of 1941 PA 122, MCL 205.21.  
9 Within 10 days after acknowledging an appeal of a denial of a claim  
10 of exemption, the department of treasury shall notify the assessor  
11 and the treasurer for the county in which the property is located  
12 that an appeal has been filed. Upon receipt of a notice that the  
13 department of treasury has denied a claim for exemption, the  
14 assessor shall remove the exemption of the property and, if the tax  
15 roll is in the local tax collecting unit's possession, amend the  
16 tax roll to reflect the denial and the local treasurer shall within  
17 30 days of the date of the denial issue a corrected tax bill for  
18 any additional taxes with interest at the rate of 1.25% per month  
19 or fraction of a month and penalties computed from the date the  
20 taxes were last payable without interest and penalty. If the tax  
21 roll is in the county treasurer's possession, the tax roll shall be  
22 amended to reflect the denial and the county treasurer shall within  
23 30 days of the date of the denial prepare and submit a supplemental  
24 tax bill for any additional taxes, together with interest at the  
25 rate of 1.25% per month or fraction of a month and penalties  
26 computed from the date the taxes were last payable without interest  
27 or penalty. Interest on any tax set forth in a corrected or



1 supplemental tax bill shall again begin to accrue 60 days after the  
2 date the corrected or supplemental tax bill is issued at the rate  
3 of 1.25% per month or fraction of a month. Taxes levied in a  
4 corrected or supplemental tax bill shall be returned as delinquent  
5 on the March 1 in the year immediately succeeding the year in which  
6 the corrected or supplemental tax bill is issued. If the department  
7 of treasury denies an existing claim for exemption, the interest  
8 due shall be distributed as provided in subsection (23). However,  
9 if the property has been transferred to a bona fide purchaser  
10 before additional taxes were billed to the seller as a result of  
11 the denial of a claim for exemption, the taxes, interest, and  
12 penalties shall not be a lien on the property and shall not be  
13 billed to the bona fide purchaser, and the local tax collecting  
14 unit if the local tax collecting unit has possession of the tax  
15 roll or the county treasurer if the county has possession of the  
16 tax roll shall notify the department of treasury of the amount of  
17 tax due and interest through the date of that notification. The  
18 department of treasury shall then assess the owner who claimed the  
19 exemption under this section for the tax and interest plus penalty  
20 accruing as a result of the denial of the claim for exemption, if  
21 any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to  
22 205.31, and shall deposit any tax or penalty collected into the  
23 state school aid fund and shall distribute any interest collected  
24 as provided in subsection (23).

25 (9) The department of treasury may enter into an agreement  
26 regarding the implementation or administration of subsection (8)  
27 with the assessor of any local tax collecting unit in a county that

1 has not elected to audit exemptions claimed under this section as  
2 provided in subsection (10). The agreement may specify that for a  
3 period of time, not to exceed 120 days, the department of treasury  
4 will not deny an exemption identified by the department of treasury  
5 in the list provided under subsection (11).

6 (10) A county may elect to audit the exemptions claimed under  
7 this section in all local tax collecting units located in that  
8 county as provided in this subsection. The election to audit  
9 exemptions shall be made by the county treasurer, or by the county  
10 equalization director with the concurrence by resolution of the  
11 county board of commissioners. The initial election to audit  
12 exemptions shall require an audit period of 2 years. Subsequent  
13 elections to audit exemptions shall be made every 2 years and shall  
14 require 2 annual audit periods. An election to audit exemptions  
15 shall be made by submitting an election to audit form to the  
16 assessor of each local tax collecting unit in that county and to  
17 the department of treasury not later than October 1 in the year in  
18 which an election to audit is made. The election to audit form  
19 required under this subsection shall be in a form prescribed by the  
20 department of treasury. If a county elects to audit the exemptions  
21 claimed under this section, the department of treasury may continue  
22 to review the validity of exemptions as provided in subsection (8).  
23 If a county does not elect to audit the exemptions claimed under  
24 this section as provided in this subsection, the department of  
25 treasury shall conduct an audit of exemptions claimed under this  
26 section in the initial 2-year audit period for each local tax  
27 collecting unit in that county unless the department of treasury

1 has entered into an agreement with the assessor for that local tax  
2 collecting unit under subsection (9).

3 (11) If a county elects to audit the exemptions claimed under  
4 this section as provided in subsection (10) and the county  
5 treasurer or his or her designee or the county equalization  
6 director or his or her designee believes that the property for  
7 which an exemption is claimed is not the principal residence of the  
8 owner claiming the exemption, the county treasurer or his or her  
9 designee or the county equalization director or his or her designee  
10 may, **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)**, deny an  
11 existing claim by notifying the owner, the assessor of the local  
12 tax collecting unit, and the department of treasury in writing of  
13 the reason for the denial and advising the owner that the denial  
14 may be appealed to the residential and small claims division of the  
15 Michigan tax tribunal within 35 days after the date of the notice.  
16 The county treasurer or his or her designee or the county  
17 equalization director or his or her designee may deny a claim for  
18 exemption for the current year and for the 3 immediately preceding  
19 calendar years. If the county treasurer or his or her designee or  
20 the county equalization director or his or her designee denies an  
21 existing claim for exemption, the county treasurer or his or her  
22 designee or the county equalization director or his or her designee  
23 shall direct the assessor of the local tax collecting unit in which  
24 the property is located to remove the exemption of the property  
25 from the assessment roll and, if the tax roll is in the local tax  
26 collecting unit's possession, direct the assessor of the local tax  
27 collecting unit to amend the tax roll to reflect the denial and the

1 treasurer of the local tax collecting unit shall within 30 days of  
2 the date of the denial issue a corrected tax bill for any  
3 additional taxes with interest at the rate of 1.25% per month or  
4 fraction of a month and penalties computed from the date the taxes  
5 were last payable without interest and penalty. If the tax roll is  
6 in the county treasurer's possession, the tax roll shall be amended  
7 to reflect the denial and the county treasurer shall within 30 days  
8 of the date of the denial prepare and submit a supplemental tax  
9 bill for any additional taxes, together with interest at the rate  
10 of 1.25% per month or fraction of a month and penalties computed  
11 from the date the taxes were last payable without interest or  
12 penalty. Interest on any tax set forth in a corrected or  
13 supplemental tax bill shall again begin to accrue 60 days after the  
14 date the corrected or supplemental tax bill is issued at the rate  
15 of 1.25% per month or fraction of a month. Taxes levied in a  
16 corrected or supplemental tax bill shall be returned as delinquent  
17 on the March 1 in the year immediately succeeding the year in which  
18 the corrected or supplemental tax bill is issued. If the county  
19 treasurer or his or her designee or the county equalization  
20 director or his or her designee denies an existing claim for  
21 exemption, the interest due shall be distributed as provided in  
22 subsection (23). However, if the property has been transferred to a  
23 bona fide purchaser before additional taxes were billed to the  
24 seller as a result of the denial of a claim for exemption, the  
25 taxes, interest, and penalties shall not be a lien on the property  
26 and shall not be billed to the bona fide purchaser, and the local  
27 tax collecting unit if the local tax collecting unit has possession

1 of the tax roll or the county treasurer if the county has  
2 possession of the tax roll shall notify the department of treasury  
3 of the amount of tax due and interest through the date of that  
4 notification. The department of treasury shall then assess the  
5 owner who claimed the exemption under this section for the tax and  
6 interest plus penalty accruing as a result of the denial of the  
7 claim for exemption, if any, as for unpaid taxes provided under  
8 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or  
9 penalty collected into the state school aid fund and shall  
10 distribute any interest collected as provided in subsection (23).  
11 The department of treasury shall annually provide the county  
12 treasurer or his or her designee or the county equalization  
13 director or his or her designee a list of parcels of property  
14 located in that county for which an exemption may be erroneously  
15 claimed. The county treasurer or his or her designee or the county  
16 equalization director or his or her designee shall forward copies  
17 of the list provided by the department of treasury to each assessor  
18 in each local tax collecting unit in that county within 10 days of  
19 receiving the list.

20 (12) If a county elects to audit exemptions claimed under this  
21 section as provided in subsection (10), the county treasurer or the  
22 county equalization director may enter into an agreement with the  
23 assessor of a local tax collecting unit in that county regarding  
24 the implementation or administration of this section. The agreement  
25 may specify that for a period of time, not to exceed 120 days, the  
26 county will not deny an exemption identified by the department of  
27 treasury in the list provided under subsection (11).

1           (13) An owner may appeal a denial by the assessor of the local  
2 tax collecting unit under subsection (6), a final decision of the  
3 department of treasury under subsection (8), or a denial by the  
4 county treasurer or his or her designee or the county equalization  
5 director or his or her designee under subsection (11) to the  
6 residential and small claims division of the Michigan tax tribunal  
7 within 35 days of that decision. An owner is not required to pay  
8 the amount of tax in dispute in order to appeal a denial of a claim  
9 of exemption to the department of treasury or to receive a final  
10 determination of the residential and small claims division of the  
11 Michigan tax tribunal. However, interest at the rate of 1.25% per  
12 month or fraction of a month and penalties shall accrue and be  
13 computed from the date the taxes were last payable without interest  
14 and penalty. If the residential and small claims division of the  
15 Michigan tax tribunal grants an owner's appeal of a denial and that  
16 owner has paid the interest due as a result of a denial under  
17 subsection (6), (8), or (11), the interest received after a  
18 distribution was made under subsection (23) shall be refunded.

19           (14) For taxes levied after December 31, 2005, for each county  
20 in which the county treasurer or the county equalization director  
21 does not elect to audit the exemptions claimed under this section  
22 as provided in subsection (10), the department of treasury shall  
23 conduct an annual audit of exemptions claimed under this section  
24 for the current calendar year.

25           (15) ~~An~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), AN**  
26 affidavit filed by an owner for the exemption under this section  
27 rescinds all previous exemptions filed by that owner for any other

1 property. The department of treasury shall notify the assessor of  
2 the local tax collecting unit in which the property for which a  
3 previous exemption was claimed is located ~~that~~ **IF** the previous  
4 exemption is rescinded by the subsequent affidavit. When an  
5 exemption is rescinded, the assessor of the local tax collecting  
6 unit shall remove the exemption effective December 31 of the year  
7 in which the affidavit was filed that rescinded the exemption. For  
8 any year for which the rescinded exemption has not been removed  
9 from the tax roll, the exemption shall be denied as provided in  
10 this section. However, interest and penalty shall not be imposed  
11 for a year for which a rescission form has been timely filed under  
12 subsection (5).

13 (16) If the principal residence is part of a unit in a  
14 multiple-unit dwelling or a dwelling unit in a multiple-purpose  
15 structure, an owner shall claim an exemption for only that portion  
16 of the total taxable value of the property used as the principal  
17 residence of that owner in a manner prescribed by the department of  
18 treasury. If a portion of a parcel for which the owner claims an  
19 exemption is used for a purpose other than as a principal  
20 residence, the owner shall claim an exemption for only that portion  
21 of the taxable value of the property used as the principal  
22 residence of that owner in a manner prescribed by the department of  
23 treasury.

24 (17) When a county register of deeds records a transfer of  
25 ownership of a property, he or she shall notify the local tax  
26 collecting unit in which the property is located of the transfer.

27 (18) The department of treasury shall make available the

1 affidavit forms and the forms to rescind an exemption, which may be  
2 on the same form, to all city and township assessors, county  
3 equalization officers, county registers of deeds, and closing  
4 agents. A person who prepares a closing statement for the sale of  
5 property shall provide affidavit and rescission forms to the buyer  
6 and seller at the closing and, if requested by the buyer or seller  
7 after execution by the buyer or seller, shall file the forms with  
8 the local tax collecting unit in which the property is located. If  
9 a closing statement preparer fails to provide exemption affidavit  
10 and rescission forms to the buyer and seller, or fails to file the  
11 affidavit and rescission forms with the local tax collecting unit  
12 if requested by the buyer or seller, the buyer may appeal to the  
13 department of treasury within 30 days of notice to the buyer that  
14 an exemption was not recorded. If the department of treasury  
15 determines that the buyer qualifies for the exemption, the  
16 department of treasury shall notify the assessor of the local tax  
17 collecting unit that the exemption is granted and the assessor of  
18 the local tax collecting unit or, if the tax roll is in the  
19 possession of the county treasurer, the county treasurer shall  
20 correct the tax roll to reflect the exemption. This subsection does  
21 not create a cause of action at law or in equity against a closing  
22 statement preparer who fails to provide exemption affidavit and  
23 rescission forms to a buyer and seller or who fails to file the  
24 affidavit and rescission forms with the local tax collecting unit  
25 when requested to do so by the buyer or seller.

26 (19) An owner who owned and occupied a principal residence on  
27 May 1 for which the exemption was not on the tax roll may file an



1 appeal with the July board of review or December board of review in  
2 the year for which the exemption was claimed or the immediately  
3 succeeding 3 years. If an appeal of a claim for exemption that was  
4 not on the tax roll is received not later than 5 days prior to the  
5 date of the December board of review, the local tax collecting unit  
6 shall convene a December board of review and consider the appeal  
7 pursuant to this section and section 53b.

8 (20) If the assessor or treasurer of the local tax collecting  
9 unit believes that the department of treasury erroneously denied a  
10 claim for exemption, the assessor or treasurer may submit written  
11 information supporting the owner's claim for exemption to the  
12 department of treasury within 35 days of the owner's receipt of the  
13 notice denying the claim for exemption. If, after reviewing the  
14 information provided, the department of treasury determines that  
15 the claim for exemption was erroneously denied, the department of  
16 treasury shall grant the exemption and the tax roll shall be  
17 amended to reflect the exemption.

18 (21) If granting the exemption under this section results in  
19 an overpayment of the tax, a rebate, including any interest paid,  
20 shall be made to the taxpayer by the local tax collecting unit if  
21 the local tax collecting unit has possession of the tax roll or by  
22 the county treasurer if the county has possession of the tax roll  
23 within 30 days of the date the exemption is granted. The rebate  
24 shall be without interest.

25 (22) If an exemption under this section is erroneously granted  
26 for an affidavit filed before October 1, 2003, an owner may request  
27 in writing that the department of treasury withdraw the exemption.

1 The request to withdraw the exemption shall be received not later  
2 than November 1, 2003. If an owner requests that an exemption be  
3 withdrawn, the department of treasury shall issue an order  
4 notifying the local assessor that the exemption issued under this  
5 section has been denied based on the owner's request. If an  
6 exemption is withdrawn, the property that had been subject to that  
7 exemption shall be immediately placed on the tax roll by the local  
8 tax collecting unit if the local tax collecting unit has possession  
9 of the tax roll or by the county treasurer if the county has  
10 possession of the tax roll as though the exemption had not been  
11 granted. A corrected tax bill shall be issued for the tax year  
12 being adjusted by the local tax collecting unit if the local tax  
13 collecting unit has possession of the tax roll or by the county  
14 treasurer if the county has possession of the tax roll. Unless a  
15 denial has been issued prior to July 1, 2003, if an owner requests  
16 that an exemption under this section be withdrawn and that owner  
17 pays the corrected tax bill issued under this subsection within 30  
18 days after the corrected tax bill is issued, that owner is not  
19 liable for any penalty or interest on the additional tax. An owner  
20 who pays a corrected tax bill issued under this subsection more  
21 than 30 days after the corrected tax bill is issued is liable for  
22 the penalties and interest that would have accrued if the exemption  
23 had not been granted from the date the taxes were originally  
24 levied.

25 (23) Subject to subsection (24), interest at the rate of 1.25%  
26 per month or fraction of a month collected under subsection (6),  
27 (8), or (11) shall be distributed as follows:

1 (a) If the assessor of the local tax collecting unit denies  
2 the exemption under this section, as follows:

3 (i) To the local tax collecting unit, 70%.

4 (ii) To the department of treasury, 10%.

5 (iii) To the county in which the property is located, 20%.

6 (b) If the department of treasury denies the exemption under  
7 this section, as follows:

8 (i) To the local tax collecting unit, 20%.

9 (ii) To the department of treasury, 70%.

10 (iii) To the county in which the property is located, 10%.

11 (c) If the county treasurer or his or her designee or the  
12 county equalization director or his or her designee denies the  
13 exemption under this section, as follows:

14 (i) To the local tax collecting unit, 20%.

15 (ii) To the department of treasury, 10%.

16 (iii) To the county in which the property is located, 70%.

17 (24) Interest distributed under subsection (23) is subject to  
18 the following conditions:

19 (a) Interest distributed to a county shall be deposited into a  
20 restricted fund to be used solely for the administration of  
21 exemptions under this section. Money in that restricted fund shall  
22 lapse to the county general fund on the December 31 in the year 3  
23 years after the first distribution of interest to the county under  
24 subsection (23) and on each succeeding December 31 thereafter.

25 (b) Interest distributed to the department of treasury shall  
26 be deposited into the principal residence property tax exemption  
27 audit fund, which is created within the state treasury. The state

1 treasurer may receive money or other assets from any source for  
2 deposit into the fund. The state treasurer shall direct the  
3 investment of the fund. The state treasurer shall credit to the  
4 fund interest and earnings from fund investments. Money in the fund  
5 shall be considered a work project account and at the close of the  
6 fiscal year shall remain in the fund and shall not lapse to the  
7 general fund. Money from the fund shall be expended, upon  
8 appropriation, only for the purpose of auditing exemption  
9 affidavits.

10 (25) Interest distributed under subsection (23) is in addition  
11 to and shall not affect the levy or collection of the county  
12 property tax administration fee established under this act.

13 (26) A cooperative housing corporation is entitled to a full  
14 or partial exemption under this section for the tax year in which  
15 the cooperative housing corporation files all of the following with  
16 the local tax collecting unit in which the cooperative housing  
17 corporation is located if filed on or before May 1:

18 (a) An affidavit form.

19 (b) A statement of the total number of units owned by the  
20 cooperative housing corporation and occupied as the principal  
21 residence of a tenant stockholder as of the date of the filing  
22 under this subsection.

23 (c) A list that includes the name, address, and social  
24 security number of each tenant stockholder of the cooperative  
25 housing corporation occupying a unit in the cooperative housing  
26 corporation as his or her principal residence as of the date of the  
27 filing under this subsection.

1 (d) A statement of the total number of units of the  
2 cooperative housing corporation on which an exemption under this  
3 section was claimed and that were transferred in the tax year  
4 immediately preceding the tax year in which the filing under this  
5 section was made.

6 (27) Before May 1, 2004 and before May 1, 2005, the treasurer  
7 of each county shall forward to the department of education a  
8 statement of the taxable value of each school district and fraction  
9 of a school district within the county for the preceding 4 calendar  
10 years. This requirement is in addition to the requirement set forth  
11 in section 151 of the state school aid act of 1979, 1979 PA 94, MCL  
12 388.1751.