

SENATE BILL No. 1359

May 28, 2008, Introduced by Senator KAHN and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 7nn.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7NN. (1) A SECONDARY 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 SECONDARY 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 SECONDARY RESIDENCE SHALL BE DETERMINED ON THE DATE AN AFFIDAVIT
8 CLAIMING AN EXEMPTION IS FILED UNDER SUBSECTION (2).

9 (2) AN OWNER OF PROPERTY MAY CLAIM AN EXEMPTION UNDER THIS
10 SECTION BY FILING AN AFFIDAVIT ON OR BEFORE MAY 1 WITH THE LOCAL

1 TAX COLLECTING UNIT IN WHICH THE PROPERTY IS LOCATED. THE AFFIDAVIT
2 SHALL STATE THAT THE PROPERTY IS OWNED AND OCCUPIED AS A SECONDARY
3 RESIDENCE BY THAT OWNER OF THE PROPERTY ON THE DATE THAT THE
4 AFFIDAVIT IS SIGNED. THE AFFIDAVIT SHALL BE ON A FORM PRESCRIBED BY
5 THE DEPARTMENT OF TREASURY. ONE COPY OF THE AFFIDAVIT SHALL BE
6 RETAINED BY THE OWNER, 1 COPY SHALL BE RETAINED BY THE LOCAL TAX
7 COLLECTING UNIT UNTIL ANY APPEAL OR AUDIT PERIOD UNDER THIS ACT HAS
8 EXPIRED, AND 1 COPY SHALL BE FORWARDED TO THE DEPARTMENT OF
9 TREASURY PURSUANT TO SUBSECTION (4), TOGETHER WITH ALL INFORMATION
10 SUBMITTED UNDER SUBSECTION (25) FOR A COOPERATIVE HOUSING
11 CORPORATION. THE AFFIDAVIT SHALL REQUIRE THE OWNER CLAIMING THE
12 EXEMPTION TO INDICATE IF THAT OWNER OR THAT OWNER'S SPOUSE HAS
13 CLAIMED ANOTHER EXEMPTION UNDER THIS SECTION ON PROPERTY IN THIS
14 STATE THAT IS NOT RESCINDED. IF THE AFFIDAVIT REQUIRES AN OWNER TO
15 INCLUDE A SOCIAL SECURITY NUMBER, THAT OWNER'S NUMBER IS SUBJECT TO
16 THE DISCLOSURE RESTRICTIONS IN 1941 PA 122, MCL 205.1 TO 205.31.

17 (3) A HUSBAND AND WIFE WHO ARE REQUIRED TO FILE OR WHO DO FILE
18 A JOINT MICHIGAN INCOME TAX RETURN ARE ENTITLED TO NOT MORE THAN 1
19 EXEMPTION UNDER THIS SECTION.

20 (4) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2)
21 AND UNLESS THE CLAIM IS DENIED UNDER THIS SECTION, THE ASSESSOR
22 SHALL EXEMPT THE PROPERTY FROM THE COLLECTION OF THE TAX LEVIED BY
23 A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES TO THE EXTENT
24 PROVIDED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA
25 451, MCL 380.1211, AS PROVIDED IN SUBSECTION (1) UNTIL DECEMBER 31
26 OF THE YEAR IN WHICH THE PROPERTY IS TRANSFERRED OR IS NO LONGER A
27 SECONDARY RESIDENCE. THE LOCAL TAX COLLECTING UNIT SHALL FORWARD

1 COPIES OF AFFIDAVITS TO THE DEPARTMENT OF TREASURY ACCORDING TO A
2 SCHEDULE PRESCRIBED BY THE DEPARTMENT OF TREASURY.

3 (5) NOT MORE THAN 90 DAYS AFTER EXEMPTED PROPERTY IS NO LONGER
4 USED AS A SECONDARY RESIDENCE BY THE OWNER CLAIMING AN EXEMPTION,
5 THAT OWNER SHALL RESCIND THE CLAIM OF EXEMPTION BY FILING WITH THE
6 LOCAL TAX COLLECTING UNIT A RESCISSION FORM PRESCRIBED BY THE
7 DEPARTMENT OF TREASURY. AN OWNER WHO FAILS TO FILE A RESCISSION AS
8 REQUIRED BY THIS SUBSECTION IS SUBJECT TO A PENALTY OF \$5.00 PER
9 DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER THE 90 DAYS HAVE
10 ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY SHALL BE
11 COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND SHALL BE
12 DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF
13 ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS PENALTY MAY BE
14 WAIVED BY THE DEPARTMENT OF TREASURY.

15 (6) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
16 THAT THE PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED IS NOT THE
17 SECONDARY RESIDENCE OF THE OWNER CLAIMING THE EXEMPTION, THE
18 ASSESSOR MAY DENY A NEW OR EXISTING CLAIM BY NOTIFYING THE OWNER
19 AND THE DEPARTMENT OF TREASURY IN WRITING OF THE REASON FOR THE
20 DENIAL AND ADVISING THE OWNER THAT THE DENIAL MAY BE APPEALED TO
21 THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX
22 TRIBUNAL WITHIN 35 DAYS AFTER THE DATE OF THE NOTICE. THE ASSESSOR
23 MAY DENY A CLAIM FOR EXEMPTION FOR THE CURRENT YEAR AND FOR THE 3
24 IMMEDIATELY PRECEDING CALENDAR YEARS. IF THE ASSESSOR DENIES AN
25 EXISTING CLAIM FOR EXEMPTION, THE ASSESSOR SHALL REMOVE THE
26 EXEMPTION OF THE PROPERTY AND, IF THE TAX ROLL IS IN THE LOCAL TAX
27 COLLECTING UNIT'S POSSESSION, AMEND THE TAX ROLL TO REFLECT THE

1 DENIAL AND THE LOCAL TREASURER SHALL WITHIN 30 DAYS OF THE DATE OF
2 THE DENIAL ISSUE A CORRECTED TAX BILL FOR ANY ADDITIONAL TAXES WITH
3 INTEREST AT THE RATE OF 1.25% PER MONTH OR FRACTION OF A MONTH AND
4 PENALTIES COMPUTED FROM THE DATE THE TAXES WERE LAST PAYABLE
5 WITHOUT INTEREST OR PENALTY. IF THE TAX ROLL IS IN THE COUNTY
6 TREASURER'S POSSESSION, THE TAX ROLL SHALL BE AMENDED TO REFLECT
7 THE DENIAL AND THE COUNTY TREASURER SHALL WITHIN 30 DAYS OF THE
8 DATE OF THE DENIAL PREPARE AND SUBMIT A SUPPLEMENTAL TAX BILL FOR
9 ANY ADDITIONAL TAXES, TOGETHER WITH INTEREST AT THE RATE OF 1.25%
10 PER MONTH OR FRACTION OF A MONTH AND PENALTIES COMPUTED FROM THE
11 DATE THE TAXES WERE LAST PAYABLE WITHOUT INTEREST OR PENALTY.
12 INTEREST ON ANY TAX SET FORTH IN A CORRECTED OR SUPPLEMENTAL TAX
13 BILL SHALL AGAIN BEGIN TO ACCRUE 60 DAYS AFTER THE DATE THE
14 CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED AT THE RATE OF 1.25%
15 PER MONTH OR FRACTION OF A MONTH. TAXES LEVIED IN A CORRECTED OR
16 SUPPLEMENTAL TAX BILL SHALL BE RETURNED AS DELINQUENT ON THE MARCH
17 1 IN THE YEAR IMMEDIATELY SUCCEEDING THE YEAR IN WHICH THE
18 CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED. IF THE ASSESSOR
19 DENIES AN EXISTING CLAIM FOR EXEMPTION, THE INTEREST DUE SHALL BE
20 DISTRIBUTED AS PROVIDED IN SUBSECTION (22). HOWEVER, IF THE
21 PROPERTY HAS BEEN TRANSFERRED TO A BONA FIDE PURCHASER BEFORE
22 ADDITIONAL TAXES WERE BILLED TO THE SELLER AS A RESULT OF THE
23 DENIAL OF A CLAIM FOR EXEMPTION, THE TAXES, INTEREST, AND PENALTIES
24 SHALL NOT BE A LIEN ON THE PROPERTY AND SHALL NOT BE BILLED TO THE
25 BONA FIDE PURCHASER, AND THE LOCAL TAX COLLECTING UNIT IF THE LOCAL
26 TAX COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR THE COUNTY
27 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL SHALL NOTIFY

1 THE DEPARTMENT OF TREASURY OF THE AMOUNT OF TAX DUE, INTEREST, AND
2 PENALTIES THROUGH THE DATE OF THAT NOTIFICATION. THE DEPARTMENT OF
3 TREASURY SHALL THEN ASSESS THE OWNER WHO CLAIMED THE EXEMPTION
4 UNDER THIS SECTION FOR THE TAX, INTEREST, AND PENALTIES ACCRUING AS
5 A RESULT OF THE DENIAL OF THE CLAIM FOR EXEMPTION, IF ANY, AS FOR
6 UNPAID TAXES PROVIDED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND
7 SHALL DEPOSIT ANY TAX OR PENALTY COLLECTED INTO THE STATE SCHOOL
8 AID FUND AND SHALL DISTRIBUTE ANY INTEREST COLLECTED AS PROVIDED IN
9 SUBSECTION (22). THE DENIAL SHALL BE MADE ON A FORM PRESCRIBED BY
10 THE DEPARTMENT OF TREASURY. IF THE PROPERTY FOR WHICH THE ASSESSOR
11 HAS DENIED A CLAIM FOR EXEMPTION UNDER THIS SUBSECTION IS LOCATED
12 IN A COUNTY IN WHICH THE COUNTY TREASURER OR THE COUNTY
13 EQUALIZATION DIRECTOR HAS ELECTED TO AUDIT EXEMPTIONS UNDER
14 SUBSECTION (10), THE ASSESSOR SHALL NOTIFY THE COUNTY TREASURER OR
15 THE COUNTY EQUALIZATION DIRECTOR OF THE DENIAL UNDER THIS
16 SUBSECTION.

17 (7) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
18 THAT THE PROPERTY FOR WHICH THE EXEMPTION IS CLAIMED IS NOT THE
19 SECONDARY RESIDENCE OF THE OWNER CLAIMING THE EXEMPTION AND HAS NOT
20 DENIED THE CLAIM, THE ASSESSOR SHALL INCLUDE A RECOMMENDATION FOR
21 DENIAL WITH ANY AFFIDAVIT THAT IS FORWARDED TO THE DEPARTMENT OF
22 TREASURY OR, FOR AN EXISTING CLAIM, SHALL SEND A RECOMMENDATION FOR
23 DENIAL TO THE DEPARTMENT OF TREASURY, STATING THE REASONS FOR THE
24 RECOMMENDATION.

25 (8) THE DEPARTMENT OF TREASURY SHALL DETERMINE IF THE PROPERTY
26 IS THE SECONDARY RESIDENCE OF THE OWNER CLAIMING THE EXEMPTION. THE
27 DEPARTMENT OF TREASURY MAY REVIEW THE VALIDITY OF EXEMPTIONS FOR

1 THE CURRENT CALENDAR YEAR AND FOR THE 3 IMMEDIATELY PRECEDING
2 CALENDAR YEARS. IF THE DEPARTMENT OF TREASURY DETERMINES THAT THE
3 PROPERTY IS NOT THE SECONDARY RESIDENCE OF THE OWNER CLAIMING THE
4 EXEMPTION, THE DEPARTMENT SHALL SEND A NOTICE OF THAT DETERMINATION
5 TO THE LOCAL TAX COLLECTING UNIT AND TO THE OWNER OF THE PROPERTY
6 CLAIMING THE EXEMPTION, INDICATING THAT THE CLAIM FOR EXEMPTION IS
7 DENIED, STATING THE REASON FOR THE DENIAL, AND ADVISING THE OWNER
8 CLAIMING THE EXEMPTION OF THE RIGHT TO APPEAL THE DETERMINATION TO
9 THE DEPARTMENT OF TREASURY AND WHAT THOSE RIGHTS OF APPEAL ARE. THE
10 DEPARTMENT OF TREASURY MAY ISSUE A NOTICE DENYING A CLAIM IF AN
11 OWNER FAILS TO RESPOND WITHIN 30 DAYS OF RECEIPT OF A REQUEST FOR
12 INFORMATION FROM THAT DEPARTMENT. AN OWNER MAY APPEAL THE DENIAL OF
13 A CLAIM OF EXEMPTION TO THE DEPARTMENT OF TREASURY WITHIN 35 DAYS
14 OF RECEIPT OF THE NOTICE OF DENIAL. AN APPEAL TO THE DEPARTMENT OF
15 TREASURY SHALL BE CONDUCTED ACCORDING TO THE PROVISIONS FOR AN
16 INFORMAL CONFERENCE IN SECTION 21 OF 1941 PA 122, MCL 205.21.
17 WITHIN 10 DAYS AFTER ACKNOWLEDGING AN APPEAL OF A DENIAL OF A CLAIM
18 OF EXEMPTION, THE DEPARTMENT OF TREASURY SHALL NOTIFY THE ASSESSOR
19 AND THE TREASURER FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED
20 THAT AN APPEAL HAS BEEN FILED. UPON RECEIPT OF A NOTICE THAT THE
21 DEPARTMENT OF TREASURY HAS DENIED A CLAIM FOR EXEMPTION, THE
22 ASSESSOR SHALL REMOVE THE EXEMPTION OF THE PROPERTY AND, IF THE TAX
23 ROLL IS IN THE LOCAL TAX COLLECTING UNIT'S POSSESSION, AMEND THE
24 TAX ROLL TO REFLECT THE DENIAL AND THE LOCAL TREASURER SHALL WITHIN
25 30 DAYS OF THE DATE OF THE DENIAL ISSUE A CORRECTED TAX BILL FOR
26 ANY ADDITIONAL TAXES WITH INTEREST AT THE RATE OF 1.25% PER MONTH
27 OR FRACTION OF A MONTH AND PENALTIES COMPUTED FROM THE DATE THE

1 TAXES WERE LAST PAYABLE WITHOUT INTEREST AND PENALTY. IF THE TAX
2 ROLL IS IN THE COUNTY TREASURER'S POSSESSION, THE TAX ROLL SHALL BE
3 AMENDED TO REFLECT THE DENIAL AND THE COUNTY TREASURER SHALL WITHIN
4 30 DAYS OF THE DATE OF THE DENIAL PREPARE AND SUBMIT A SUPPLEMENTAL
5 TAX BILL FOR ANY ADDITIONAL TAXES, TOGETHER WITH INTEREST AT THE
6 RATE OF 1.25% PER MONTH OR FRACTION OF A MONTH AND PENALTIES
7 COMPUTED FROM THE DATE THE TAXES WERE LAST PAYABLE WITHOUT INTEREST
8 OR PENALTY. INTEREST ON ANY TAX SET FORTH IN A CORRECTED OR
9 SUPPLEMENTAL TAX BILL SHALL AGAIN BEGIN TO ACCRUE 60 DAYS AFTER THE
10 DATE THE CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED AT THE RATE
11 OF 1.25% PER MONTH OR FRACTION OF A MONTH. TAXES LEVIED IN A
12 CORRECTED OR SUPPLEMENTAL TAX BILL SHALL BE RETURNED AS DELINQUENT
13 ON THE MARCH 1 IN THE YEAR IMMEDIATELY SUCCEEDING THE YEAR IN WHICH
14 THE CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED. IF THE DEPARTMENT
15 OF TREASURY DENIES AN EXISTING CLAIM FOR EXEMPTION, THE INTEREST
16 DUE SHALL BE DISTRIBUTED AS PROVIDED IN SUBSECTION (22). HOWEVER,
17 IF THE PROPERTY HAS BEEN TRANSFERRED TO A BONA FIDE PURCHASER
18 BEFORE ADDITIONAL TAXES WERE BILLED TO THE SELLER AS A RESULT OF
19 THE DENIAL OF A CLAIM FOR EXEMPTION, THE TAXES, INTEREST, AND
20 PENALTIES SHALL NOT BE A LIEN ON THE PROPERTY AND SHALL NOT BE
21 BILLED TO THE BONA FIDE PURCHASER, AND THE LOCAL TAX COLLECTING
22 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX
23 ROLL OR THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE
24 TAX ROLL SHALL NOTIFY THE DEPARTMENT OF TREASURY OF THE AMOUNT OF
25 TAX DUE AND INTEREST THROUGH THE DATE OF THAT NOTIFICATION. THE
26 DEPARTMENT OF TREASURY SHALL THEN ASSESS THE OWNER WHO CLAIMED THE
27 EXEMPTION UNDER THIS SECTION FOR THE TAX AND INTEREST PLUS PENALTY

1 ACCRUING AS A RESULT OF THE DENIAL OF THE CLAIM FOR EXEMPTION, IF
2 ANY, AS FOR UNPAID TAXES PROVIDED UNDER 1941 PA 122, MCL 205.1 TO
3 205.31, AND SHALL DEPOSIT ANY TAX OR PENALTY COLLECTED INTO THE
4 STATE SCHOOL AID FUND AND SHALL DISTRIBUTE ANY INTEREST COLLECTED
5 AS PROVIDED IN SUBSECTION (22).

6 (9) THE DEPARTMENT OF TREASURY MAY ENTER INTO AN AGREEMENT
7 REGARDING THE IMPLEMENTATION OR ADMINISTRATION OF SUBSECTION (8)
8 WITH THE ASSESSOR OF ANY LOCAL TAX COLLECTING UNIT IN A COUNTY THAT
9 HAS NOT ELECTED TO AUDIT EXEMPTIONS CLAIMED UNDER THIS SECTION AS
10 PROVIDED IN SUBSECTION (10). THE AGREEMENT MAY SPECIFY THAT FOR A
11 PERIOD OF TIME, NOT TO EXCEED 120 DAYS, THE DEPARTMENT OF TREASURY
12 WILL NOT DENY AN EXEMPTION IDENTIFIED BY THE DEPARTMENT OF TREASURY
13 IN THE LIST PROVIDED UNDER SUBSECTION (11).

14 (10) A COUNTY MAY ELECT TO AUDIT THE EXEMPTIONS CLAIMED UNDER
15 THIS SECTION IN ALL LOCAL TAX COLLECTING UNITS LOCATED IN THAT
16 COUNTY AS PROVIDED IN THIS SUBSECTION. THE ELECTION TO AUDIT
17 EXEMPTIONS SHALL BE MADE BY THE COUNTY TREASURER, OR BY THE COUNTY
18 EQUALIZATION DIRECTOR WITH THE CONCURRENCE BY RESOLUTION OF THE
19 COUNTY BOARD OF COMMISSIONERS. THE INITIAL ELECTION TO AUDIT
20 EXEMPTIONS SHALL REQUIRE AN AUDIT PERIOD OF 2 YEARS. SUBSEQUENT
21 ELECTIONS TO AUDIT EXEMPTIONS SHALL BE MADE EVERY 2 YEARS AND SHALL
22 REQUIRE 2 ANNUAL AUDIT PERIODS. AN ELECTION TO AUDIT EXEMPTIONS
23 SHALL BE MADE BY SUBMITTING AN ELECTION TO AUDIT FORM TO THE
24 ASSESSOR OF EACH LOCAL TAX COLLECTING UNIT IN THAT COUNTY AND TO
25 THE DEPARTMENT OF TREASURY NOT LATER THAN OCTOBER 1 IN THE YEAR IN
26 WHICH AN ELECTION TO AUDIT IS MADE. THE ELECTION TO AUDIT FORM
27 REQUIRED UNDER THIS SUBSECTION SHALL BE IN A FORM PRESCRIBED BY THE

1 DEPARTMENT OF TREASURY. IF A COUNTY ELECTS TO AUDIT THE EXEMPTIONS
2 CLAIMED UNDER THIS SECTION, THE DEPARTMENT OF TREASURY MAY CONTINUE
3 TO REVIEW THE VALIDITY OF EXEMPTIONS AS PROVIDED IN SUBSECTION (8).
4 IF A COUNTY DOES NOT ELECT TO AUDIT THE EXEMPTIONS CLAIMED UNDER
5 THIS SECTION AS PROVIDED IN THIS SUBSECTION, THE DEPARTMENT OF
6 TREASURY SHALL CONDUCT AN AUDIT OF EXEMPTIONS CLAIMED UNDER THIS
7 SECTION IN THE INITIAL 2-YEAR AUDIT PERIOD FOR EACH LOCAL TAX
8 COLLECTING UNIT IN THAT COUNTY UNLESS THE DEPARTMENT OF TREASURY
9 HAS ENTERED INTO AN AGREEMENT WITH THE ASSESSOR FOR THAT LOCAL TAX
10 COLLECTING UNIT UNDER SUBSECTION (9).

11 (11) IF A COUNTY ELECTS TO AUDIT THE EXEMPTIONS CLAIMED UNDER
12 THIS SECTION AS PROVIDED IN SUBSECTION (10) AND THE COUNTY
13 TREASURER OR HIS OR HER DESIGNEE OR THE COUNTY EQUALIZATION
14 DIRECTOR OR HIS OR HER DESIGNEE BELIEVES THAT THE PROPERTY FOR
15 WHICH AN EXEMPTION IS CLAIMED IS NOT THE SECONDARY RESIDENCE OF THE
16 OWNER CLAIMING THE EXEMPTION, THE COUNTY TREASURER OR HIS OR HER
17 DESIGNEE OR THE COUNTY EQUALIZATION DIRECTOR OR HIS OR HER DESIGNEE
18 MAY DENY AN EXISTING CLAIM BY NOTIFYING THE OWNER, THE ASSESSOR OF
19 THE LOCAL TAX COLLECTING UNIT, AND THE DEPARTMENT OF TREASURY IN
20 WRITING OF THE REASON FOR THE DENIAL AND ADVISING THE OWNER THAT
21 THE DENIAL MAY BE APPEALED TO THE RESIDENTIAL AND SMALL CLAIMS
22 DIVISION OF THE MICHIGAN TAX TRIBUNAL WITHIN 35 DAYS AFTER THE DATE
23 OF THE NOTICE. THE COUNTY TREASURER OR HIS OR HER DESIGNEE OR THE
24 COUNTY EQUALIZATION DIRECTOR OR HIS OR HER DESIGNEE MAY DENY A
25 CLAIM FOR EXEMPTION FOR THE CURRENT YEAR AND FOR THE 3 IMMEDIATELY
26 PRECEDING CALENDAR YEARS. IF THE COUNTY TREASURER OR HIS OR HER
27 DESIGNEE OR THE COUNTY EQUALIZATION DIRECTOR OR HIS OR HER DESIGNEE

1 DENIES AN EXISTING CLAIM FOR EXEMPTION, THE COUNTY TREASURER OR HIS
2 OR HER DESIGNEE OR THE COUNTY EQUALIZATION DIRECTOR OR HIS OR HER
3 DESIGNEE SHALL DIRECT THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT
4 IN WHICH THE PROPERTY IS LOCATED TO REMOVE THE EXEMPTION OF THE
5 PROPERTY FROM THE ASSESSMENT ROLL AND, IF THE TAX ROLL IS IN THE
6 LOCAL TAX COLLECTING UNIT'S POSSESSION, DIRECT THE ASSESSOR OF THE
7 LOCAL TAX COLLECTING UNIT TO AMEND THE TAX ROLL TO REFLECT THE
8 DENIAL, AND THE TREASURER OF THE LOCAL TAX COLLECTING UNIT SHALL
9 WITHIN 30 DAYS OF THE DATE OF THE DENIAL ISSUE A CORRECTED TAX BILL
10 FOR ANY ADDITIONAL TAXES WITH INTEREST AT THE RATE OF 1.25% PER
11 MONTH OR FRACTION OF A MONTH AND PENALTIES COMPUTED FROM THE DATE
12 THE TAXES WERE LAST PAYABLE WITHOUT INTEREST AND PENALTY. IF THE
13 TAX ROLL IS IN THE COUNTY TREASURER'S POSSESSION, THE TAX ROLL
14 SHALL BE AMENDED TO REFLECT THE DENIAL AND THE COUNTY TREASURER
15 SHALL WITHIN 30 DAYS OF THE DATE OF THE DENIAL PREPARE AND SUBMIT A
16 SUPPLEMENTAL TAX BILL FOR ANY ADDITIONAL TAXES, TOGETHER WITH
17 INTEREST AT THE RATE OF 1.25% PER MONTH OR FRACTION OF A MONTH AND
18 PENALTIES COMPUTED FROM THE DATE THE TAXES WERE LAST PAYABLE
19 WITHOUT INTEREST OR PENALTY. INTEREST ON ANY TAX SET FORTH IN A
20 CORRECTED OR SUPPLEMENTAL TAX BILL SHALL AGAIN BEGIN TO ACCRUE 60
21 DAYS AFTER THE DATE THE CORRECTED OR SUPPLEMENTAL TAX BILL IS
22 ISSUED AT THE RATE OF 1.25% PER MONTH OR FRACTION OF A MONTH. TAXES
23 LEVIED IN A CORRECTED OR SUPPLEMENTAL TAX BILL SHALL BE RETURNED AS
24 DELINQUENT ON THE MARCH 1 IN THE YEAR IMMEDIATELY SUCCEEDING THE
25 YEAR IN WHICH THE CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED. IF
26 THE COUNTY TREASURER OR HIS OR HER DESIGNEE OR THE COUNTY
27 EQUALIZATION DIRECTOR OR HIS OR HER DESIGNEE DENIES AN EXISTING

1 CLAIM FOR EXEMPTION, THE INTEREST DUE SHALL BE DISTRIBUTED AS
2 PROVIDED IN SUBSECTION (22). HOWEVER, IF THE PROPERTY HAS BEEN
3 TRANSFERRED TO A BONA FIDE PURCHASER BEFORE ADDITIONAL TAXES WERE
4 BILLED TO THE SELLER AS A RESULT OF THE DENIAL OF A CLAIM FOR
5 EXEMPTION, THE TAXES, INTEREST, AND PENALTIES SHALL NOT BE A LIEN
6 ON THE PROPERTY AND SHALL NOT BE BILLED TO THE BONA FIDE PURCHASER,
7 AND THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX COLLECTING UNIT
8 HAS POSSESSION OF THE TAX ROLL OR THE COUNTY TREASURER IF THE
9 COUNTY HAS POSSESSION OF THE TAX ROLL SHALL NOTIFY THE DEPARTMENT
10 OF TREASURY OF THE AMOUNT OF TAX DUE AND INTEREST THROUGH THE DATE
11 OF THAT NOTIFICATION. THE DEPARTMENT OF TREASURY SHALL THEN ASSESS
12 THE OWNER WHO CLAIMED THE EXEMPTION UNDER THIS SECTION FOR THE TAX
13 AND INTEREST PLUS PENALTY ACCRUING AS A RESULT OF THE DENIAL OF THE
14 CLAIM FOR EXEMPTION, IF ANY, AS FOR UNPAID TAXES PROVIDED UNDER
15 1941 PA 122, MCL 205.1 TO 205.31, AND SHALL DEPOSIT ANY TAX OR
16 PENALTY COLLECTED INTO THE STATE SCHOOL AID FUND AND SHALL
17 DISTRIBUTE ANY INTEREST COLLECTED AS PROVIDED IN SUBSECTION (22).
18 THE DEPARTMENT OF TREASURY SHALL ANNUALLY PROVIDE TO THE COUNTY
19 TREASURER OR HIS OR HER DESIGNEE OR THE COUNTY EQUALIZATION
20 DIRECTOR OR HIS OR HER DESIGNEE A LIST OF PARCELS OF PROPERTY
21 LOCATED IN THAT COUNTY FOR WHICH AN EXEMPTION MAY BE ERRONEOUSLY
22 CLAIMED. THE COUNTY TREASURER OR HIS OR HER DESIGNEE OR THE COUNTY
23 EQUALIZATION DIRECTOR OR HIS OR HER DESIGNEE SHALL FORWARD COPIES
24 OF THE LIST PROVIDED BY THE DEPARTMENT OF TREASURY TO EACH ASSESSOR
25 IN EACH LOCAL TAX COLLECTING UNIT IN THAT COUNTY WITHIN 10 DAYS OF
26 RECEIVING THE LIST.

27 (12) IF A COUNTY ELECTS TO AUDIT EXEMPTIONS CLAIMED UNDER THIS

1 SECTION AS PROVIDED IN SUBSECTION (10), THE COUNTY TREASURER OR THE
2 COUNTY EQUALIZATION DIRECTOR MAY ENTER INTO AN AGREEMENT WITH THE
3 ASSESSOR OF A LOCAL TAX COLLECTING UNIT IN THAT COUNTY REGARDING
4 THE IMPLEMENTATION OR ADMINISTRATION OF THIS SECTION. THE AGREEMENT
5 MAY SPECIFY THAT FOR A PERIOD OF TIME, NOT TO EXCEED 120 DAYS, THE
6 COUNTY WILL NOT DENY AN EXEMPTION IDENTIFIED BY THE DEPARTMENT OF
7 TREASURY IN THE LIST PROVIDED UNDER SUBSECTION (11).

8 (13) AN OWNER MAY APPEAL A DENIAL BY THE ASSESSOR OF THE LOCAL
9 TAX COLLECTING UNIT UNDER SUBSECTION (6), A FINAL DECISION OF THE
10 DEPARTMENT OF TREASURY UNDER SUBSECTION (8), OR A DENIAL BY THE
11 COUNTY TREASURER OR HIS OR HER DESIGNEE OR THE COUNTY EQUALIZATION
12 DIRECTOR OR HIS OR HER DESIGNEE UNDER SUBSECTION (11) TO THE
13 RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL
14 WITHIN 35 DAYS OF THAT DECISION. AN OWNER IS NOT REQUIRED TO PAY
15 THE AMOUNT OF TAX IN DISPUTE IN ORDER TO APPEAL A DENIAL OF A CLAIM
16 OF EXEMPTION TO THE DEPARTMENT OF TREASURY OR TO RECEIVE A FINAL
17 DETERMINATION OF THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE
18 MICHIGAN TAX TRIBUNAL. HOWEVER, INTEREST AT THE RATE OF 1.25% PER
19 MONTH OR FRACTION OF A MONTH AND PENALTIES SHALL ACCRUE AND BE
20 COMPUTED FROM THE DATE THE TAXES WERE LAST PAYABLE WITHOUT INTEREST
21 AND PENALTY. IF THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE
22 MICHIGAN TAX TRIBUNAL GRANTS AN OWNER'S APPEAL OF A DENIAL AND THAT
23 OWNER HAS PAID THE INTEREST DUE AS A RESULT OF A DENIAL UNDER
24 SUBSECTION (6), (8), OR (11), THE INTEREST RECEIVED AFTER A
25 DISTRIBUTION WAS MADE UNDER SUBSECTION (22) SHALL BE REFUNDED.

26 (14) FOR TAXES LEVIED AFTER THE EFFECTIVE DATE OF THE
27 AMENDATORY ACT THAT ADDED THIS SECTION, FOR EACH COUNTY IN WHICH

1 THE COUNTY TREASURER OR THE COUNTY EQUALIZATION DIRECTOR DOES NOT
2 ELECT TO AUDIT THE EXEMPTIONS CLAIMED UNDER THIS SECTION AS
3 PROVIDED IN SUBSECTION (10), THE DEPARTMENT OF TREASURY SHALL
4 CONDUCT AN ANNUAL AUDIT OF EXEMPTIONS CLAIMED UNDER THIS SECTION
5 FOR THE CURRENT CALENDAR YEAR.

6 (15) AN AFFIDAVIT FILED BY AN OWNER FOR THE EXEMPTION UNDER
7 THIS SECTION RESCINDS ALL PREVIOUS EXEMPTIONS FILED BY THAT OWNER
8 FOR ANY OTHER PROPERTY. THE DEPARTMENT OF TREASURY SHALL NOTIFY THE
9 ASSESSOR OF THE LOCAL TAX COLLECTING UNIT IN WHICH THE PROPERTY FOR
10 WHICH A PREVIOUS EXEMPTION WAS CLAIMED IS LOCATED THAT THE PREVIOUS
11 EXEMPTION IS RESCINDED BY THE SUBSEQUENT AFFIDAVIT. WHEN AN
12 EXEMPTION IS RESCINDED, THE ASSESSOR OF THE LOCAL TAX COLLECTING
13 UNIT SHALL REMOVE THE EXEMPTION EFFECTIVE DECEMBER 31 OF THE YEAR
14 IN WHICH THE AFFIDAVIT WAS FILED THAT RESCINDED THE EXEMPTION. FOR
15 ANY YEAR FOR WHICH THE RESCINDED EXEMPTION HAS NOT BEEN REMOVED
16 FROM THE TAX ROLL, THE EXEMPTION SHALL BE DENIED AS PROVIDED IN
17 THIS SECTION. HOWEVER, INTEREST AND PENALTY SHALL NOT BE IMPOSED
18 FOR A YEAR FOR WHICH A RESCISSION FORM HAS BEEN TIMELY FILED UNDER
19 SUBSECTION (5).

20 (16) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (25), IF THE
21 SECONDARY RESIDENCE IS PART OF A UNIT IN A MULTIPLE-UNIT DWELLING
22 OR A DWELLING UNIT IN A MULTIPLE-PURPOSE STRUCTURE, AN OWNER SHALL
23 CLAIM AN EXEMPTION FOR ONLY THAT PORTION OF THE TOTAL TAXABLE VALUE
24 OF THE PROPERTY USED AS THE SECONDARY RESIDENCE OF THAT OWNER IN A
25 MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY. IF A PORTION OF A
26 PARCEL FOR WHICH THE OWNER CLAIMS AN EXEMPTION IS USED FOR A
27 PURPOSE OTHER THAN AS A SECONDARY RESIDENCE, THE OWNER SHALL CLAIM

1 AN EXEMPTION FOR ONLY THAT PORTION OF THE TAXABLE VALUE OF THE
2 PROPERTY USED AS THE SECONDARY RESIDENCE OF THAT OWNER IN A MANNER
3 PRESCRIBED BY THE DEPARTMENT OF TREASURY.

4 (17) WHEN A COUNTY REGISTER OF DEEDS RECORDS A TRANSFER OF
5 OWNERSHIP OF A PROPERTY, HE OR SHE SHALL NOTIFY THE LOCAL TAX
6 COLLECTING UNIT IN WHICH THE PROPERTY IS LOCATED OF THE TRANSFER.

7 (18) THE DEPARTMENT OF TREASURY SHALL MAKE AVAILABLE THE
8 AFFIDAVIT FORMS AND THE FORMS TO RESCIND AN EXEMPTION UNDER THIS
9 SECTION, WHICH MAY BE ON THE SAME FORM, TO ALL CITY AND TOWNSHIP
10 ASSESSORS, COUNTY EQUALIZATION OFFICERS, COUNTY REGISTERS OF DEEDS,
11 AND CLOSING AGENTS. A PERSON WHO PREPARES A CLOSING STATEMENT FOR
12 THE SALE OF PROPERTY SHALL PROVIDE AFFIDAVIT AND RESCISSION FORMS
13 TO THE BUYER AND SELLER AT THE CLOSING AND, IF REQUESTED BY THE
14 BUYER OR SELLER AFTER EXECUTION BY THE BUYER OR SELLER, SHALL FILE
15 THE FORMS WITH THE LOCAL TAX COLLECTING UNIT IN WHICH THE PROPERTY
16 IS LOCATED. IF A CLOSING STATEMENT PREPARER FAILS TO PROVIDE
17 EXEMPTION AFFIDAVIT AND RESCISSION FORMS TO THE BUYER AND SELLER,
18 OR FAILS TO FILE THE AFFIDAVIT AND RESCISSION FORMS WITH THE LOCAL
19 TAX COLLECTING UNIT IF REQUESTED BY THE BUYER OR SELLER, THE BUYER
20 MAY APPEAL TO THE DEPARTMENT OF TREASURY WITHIN 30 DAYS OF NOTICE
21 TO THE BUYER THAT AN EXEMPTION WAS NOT RECORDED. IF THE DEPARTMENT
22 OF TREASURY DETERMINES THAT THE BUYER QUALIFIES FOR THE EXEMPTION,
23 THE DEPARTMENT OF TREASURY SHALL NOTIFY THE ASSESSOR OF THE LOCAL
24 TAX COLLECTING UNIT THAT THE EXEMPTION IS GRANTED AND THE ASSESSOR
25 OF THE LOCAL TAX COLLECTING UNIT OR, IF THE TAX ROLL IS IN THE
26 POSSESSION OF THE COUNTY TREASURER, THE COUNTY TREASURER SHALL
27 CORRECT THE TAX ROLL TO REFLECT THE EXEMPTION. THIS SUBSECTION DOES

1 NOT CREATE A CAUSE OF ACTION AT LAW OR IN EQUITY AGAINST A CLOSING
2 STATEMENT PREPARER WHO FAILS TO PROVIDE EXEMPTION AFFIDAVIT AND
3 RESCISSION FORMS TO A BUYER AND SELLER OR WHO FAILS TO FILE THE
4 AFFIDAVIT AND RESCISSION FORMS WITH THE LOCAL TAX COLLECTING UNIT
5 WHEN REQUESTED TO DO SO BY THE BUYER OR SELLER.

6 (19) AN OWNER WHO OWNED AND OCCUPIED A SECONDARY RESIDENCE ON
7 MAY 1 FOR WHICH THE EXEMPTION WAS NOT ON THE TAX ROLL MAY FILE AN
8 APPEAL WITH THE JULY BOARD OF REVIEW OR DECEMBER BOARD OF REVIEW IN
9 THE YEAR FOR WHICH THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY
10 SUCCEEDING 3 YEARS. IF AN APPEAL OF A CLAIM FOR EXEMPTION THAT WAS
11 NOT ON THE TAX ROLL IS RECEIVED NOT LATER THAN 5 DAYS PRIOR TO THE
12 DATE OF THE DECEMBER BOARD OF REVIEW, THE LOCAL TAX COLLECTING UNIT
13 SHALL CONVENE A DECEMBER BOARD OF REVIEW AND CONSIDER THE APPEAL
14 PURSUANT TO THIS SECTION AND SECTION 53B.

15 (20) IF THE ASSESSOR OR TREASURER OF THE LOCAL TAX COLLECTING
16 UNIT BELIEVES THAT THE DEPARTMENT OF TREASURY ERRONEOUSLY DENIED A
17 CLAIM FOR EXEMPTION, THE ASSESSOR OR TREASURER MAY SUBMIT WRITTEN
18 INFORMATION SUPPORTING THE OWNER'S CLAIM FOR EXEMPTION TO THE
19 DEPARTMENT OF TREASURY WITHIN 35 DAYS OF THE OWNER'S RECEIPT OF THE
20 NOTICE DENYING THE CLAIM FOR EXEMPTION. IF, AFTER REVIEWING THE
21 INFORMATION PROVIDED, THE DEPARTMENT OF TREASURY DETERMINES THAT
22 THE CLAIM FOR EXEMPTION WAS ERRONEOUSLY DENIED, THE DEPARTMENT OF
23 TREASURY SHALL GRANT THE EXEMPTION AND THE TAX ROLL SHALL BE
24 AMENDED TO REFLECT THE EXEMPTION.

25 (21) IF GRANTING THE EXEMPTION UNDER THIS SECTION RESULTS IN
26 AN OVERPAYMENT OF THE TAX, A REBATE, INCLUDING ANY INTEREST PAID,
27 SHALL BE MADE TO THE TAXPAYER BY THE LOCAL TAX COLLECTING UNIT IF

1 THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY
2 THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL
3 WITHIN 30 DAYS OF THE DATE THE EXEMPTION IS GRANTED. THE REBATE
4 SHALL BE WITHOUT INTEREST.

5 (22) SUBJECT TO SUBSECTION (23), INTEREST AT THE RATE OF 1.25%
6 PER MONTH OR FRACTION OF A MONTH COLLECTED UNDER SUBSECTION (6),
7 (8), OR (11) SHALL BE DISTRIBUTED AS FOLLOWS:

8 (A) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT DENIES
9 THE EXEMPTION UNDER THIS SECTION, AS FOLLOWS:

10 (i) TO THE LOCAL TAX COLLECTING UNIT, 70%.

11 (ii) TO THE DEPARTMENT OF TREASURY, 10%.

12 (iii) TO THE COUNTY IN WHICH THE PROPERTY IS LOCATED, 20%.

13 (B) IF THE DEPARTMENT OF TREASURY DENIES THE EXEMPTION UNDER
14 THIS SECTION, AS FOLLOWS:

15 (i) TO THE LOCAL TAX COLLECTING UNIT, 20%.

16 (ii) TO THE DEPARTMENT OF TREASURY, 70%.

17 (iii) TO THE COUNTY IN WHICH THE PROPERTY IS LOCATED, 10%.

18 (C) IF THE COUNTY TREASURER OR HIS OR HER DESIGNEE OR THE
19 COUNTY EQUALIZATION DIRECTOR OR HIS OR HER DESIGNEE DENIES THE
20 EXEMPTION UNDER THIS SECTION, AS FOLLOWS:

21 (i) TO THE LOCAL TAX COLLECTING UNIT, 20%.

22 (ii) TO THE DEPARTMENT OF TREASURY, 10%.

23 (iii) TO THE COUNTY IN WHICH THE PROPERTY IS LOCATED, 70%.

24 (23) INTEREST DISTRIBUTED UNDER SUBSECTION (22) IS SUBJECT TO
25 THE FOLLOWING CONDITIONS:

26 (A) INTEREST DISTRIBUTED TO A COUNTY SHALL BE DEPOSITED INTO A
27 RESTRICTED FUND TO BE USED SOLELY FOR THE ADMINISTRATION OF

1 EXEMPTIONS UNDER THIS SECTION. MONEY IN THAT RESTRICTED FUND SHALL
2 LAPSE TO THE COUNTY GENERAL FUND ON THE DECEMBER 31 IN THE YEAR 3
3 YEARS AFTER THE FIRST DISTRIBUTION OF INTEREST TO THE COUNTY UNDER
4 SUBSECTION (22) AND ON EACH SUCCEEDING DECEMBER 31 THEREAFTER.

5 (B) INTEREST DISTRIBUTED TO THE DEPARTMENT OF TREASURY SHALL
6 BE DEPOSITED INTO THE SECONDARY RESIDENCE PROPERTY TAX EXEMPTION
7 AUDIT FUND, WHICH IS CREATED WITHIN THE STATE TREASURY. THE STATE
8 TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR
9 DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL DIRECT THE
10 INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT TO THE
11 FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND
12 SHALL BE CONSIDERED A WORK PROJECT ACCOUNT AND AT THE CLOSE OF THE
13 FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE
14 GENERAL FUND. MONEY FROM THE FUND SHALL BE EXPENDED, UPON
15 APPROPRIATION, ONLY FOR THE PURPOSE OF AUDITING EXEMPTION
16 AFFIDAVITS.

17 (24) INTEREST DISTRIBUTED UNDER SUBSECTION (22) IS IN ADDITION
18 TO AND SHALL NOT AFFECT THE LEVY OR COLLECTION OF THE COUNTY
19 PROPERTY TAX ADMINISTRATION FEE ESTABLISHED UNDER THIS ACT.

20 (25) A COOPERATIVE HOUSING CORPORATION IS ENTITLED TO A FULL
21 OR PARTIAL EXEMPTION UNDER THIS SECTION FOR THE TAX YEAR IN WHICH
22 THE COOPERATIVE HOUSING CORPORATION FILES ALL OF THE FOLLOWING WITH
23 THE LOCAL TAX COLLECTING UNIT IN WHICH THE COOPERATIVE HOUSING
24 CORPORATION IS LOCATED IF FILED ON OR BEFORE MAY 1:

25 (A) AN AFFIDAVIT FORM.

26 (B) A STATEMENT OF THE TOTAL NUMBER OF UNITS OWNED BY THE
27 COOPERATIVE HOUSING CORPORATION AND OCCUPIED AS THE SECONDARY

1 RESIDENCE OF A TENANT STOCKHOLDER AS OF THE DATE OF THE FILING
2 UNDER THIS SUBSECTION.

3 (C) A LIST THAT INCLUDES THE NAME, ADDRESS, AND SOCIAL
4 SECURITY NUMBER OF EACH TENANT STOCKHOLDER OF THE COOPERATIVE
5 HOUSING CORPORATION OCCUPYING A UNIT IN THE COOPERATIVE HOUSING
6 CORPORATION AS HIS OR HER SECONDARY RESIDENCE AS OF THE DATE OF THE
7 FILING UNDER THIS SUBSECTION.

8 (D) A STATEMENT OF THE TOTAL NUMBER OF UNITS OF THE
9 COOPERATIVE HOUSING CORPORATION ON WHICH AN EXEMPTION UNDER THIS
10 SECTION WAS CLAIMED AND THAT WERE TRANSFERRED IN THE TAX YEAR
11 IMMEDIATELY PRECEDING THE TAX YEAR IN WHICH THE FILING UNDER THIS
12 SECTION WAS MADE.

13 (26) AS USED IN THIS SECTION, "SECONDARY RESIDENCE" MEANS REAL
14 PROPERTY CLASSIFIED AS RESIDENTIAL REAL PROPERTY UNDER SECTION 34C
15 THAT IS OWNED AND OCCUPIED BY AN OWNER AS VACATION OR RECREATIONAL
16 PROPERTY AND THAT IS NOT LEASED OR AVAILABLE FOR LEASE.

17 Enacting section 1. This amendatory act does not take effect
18 unless Senate Bill No. 1360

19 of the 94th Legislature is enacted into law.