

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4134

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7SS. (1) FOR TAXES LEVIED AFTER NOVEMBER 1, 2012, NEW
2 CONSTRUCTION ON DEVELOPMENT PROPERTY IS EXEMPT FROM THE COLLECTION
3 OF THE TAX LEVIED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
4 1976 PA 451, MCL 380.1211, FOR 3 YEARS OR UNTIL THE NEW
5 CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT PROPERTY,
6 WHICHEVER OCCURS FIRST.
7 (2) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1), AN OWNER OF
8 DEVELOPMENT PROPERTY SHALL FILE AN AFFIDAVIT CLAIMING THE EXEMPTION
9 WITH THE LOCAL TAX COLLECTING UNIT ON OR BEFORE JUNE 1 FOR THE

1 IMMEDIATELY SUCCEEDING SUMMER TAX LEVY AND ALL SUBSEQUENT TAX
2 LEVIES OR ON OR BEFORE NOVEMBER 1 FOR THE IMMEDIATELY SUCCEEDING
3 WINTER TAX LEVY AND ALL SUBSEQUENT TAX LEVIES. THE AFFIDAVIT SHALL
4 BE ON A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY.

5 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2),
6 THE ASSESSOR SHALL DETERMINE IF THE REAL PROPERTY ON WHICH NEW
7 CONSTRUCTION IS LOCATED IS DEVELOPMENT PROPERTY. IF THE REAL
8 PROPERTY IS DEVELOPMENT PROPERTY, THE ASSESSOR SHALL EXEMPT THE NEW
9 CONSTRUCTION LOCATED ON THAT DEVELOPMENT PROPERTY FROM THE
10 COLLECTION OF THE TAX LEVIED UNDER SECTION 1211 OF THE REVISED
11 SCHOOL CODE, 1976 PA 451, MCL 380.1211, FOR 3 YEARS OR UNTIL THE
12 NEW CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT PROPERTY,
13 WHICHEVER OCCURS FIRST.

14 (4) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE
15 EXEMPTED NEW CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT
16 PROPERTY, AN OWNER SHALL RESCIND THE EXEMPTION FOR THE NEW
17 CONSTRUCTION BY FILING WITH THE LOCAL TAX COLLECTING UNIT A
18 RESCISSION FORM. THE RESCISSION FORM SHALL BE AS PRESCRIBED BY THE
19 DEPARTMENT OF TREASURY.

20 (5) AN OWNER OF EXEMPTED NEW CONSTRUCTION THAT IS NO LONGER
21 LOCATED ON DEVELOPMENT PROPERTY WHO FAILS TO FILE A RESCISSION FORM
22 AS REQUIRED UNDER SUBSECTION (4) IS SUBJECT TO A PENALTY OF \$5.00
23 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER THE 90 DAYS HAVE
24 ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY SHALL BE
25 COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND SHALL BE
26 DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF
27 ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS PENALTY MAY BE

1 WAIVED BY THE DEPARTMENT OF TREASURY.

2 (6) AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON
3 DEVELOPMENT PROPERTY FOR WHICH AN EXEMPTION WAS NOT ON THE TAX ROLL
4 MAY FILE AN APPEAL WITH THE JULY OR DECEMBER BOARD OF REVIEW IN THE
5 YEAR THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY SUCCEEDING YEAR.
6 AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON DEVELOPMENT
7 PROPERTY FOR WHICH AN EXEMPTION WAS DENIED BY THE ASSESSOR IN THE
8 YEAR THE AFFIDAVIT WAS FILED MAY FILE AN APPEAL WITH THE JULY BOARD
9 OF REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT A SUMMER LEVY OF
10 SCHOOL OPERATING TAXES, WITH THE DECEMBER BOARD OF REVIEW.

11 (7) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
12 THAT NEW CONSTRUCTION FOR WHICH AN EXEMPTION HAS BEEN GRANTED IS
13 NOT LOCATED ON DEVELOPMENT PROPERTY, THE ASSESSOR MAY DENY OR
14 MODIFY AN EXISTING EXEMPTION BY NOTIFYING THE OWNER IN WRITING AT
15 THE TIME REQUIRED FOR PROVIDING A NOTICE UNDER SECTION 24C. A
16 TAXPAYER MAY APPEAL THE ASSESSOR'S DETERMINATION TO THE BOARD OF
17 REVIEW MEETING UNDER SECTION 30. A DECISION OF THE BOARD OF REVIEW
18 MAY BE APPEALED TO THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE
19 MICHIGAN TAX TRIBUNAL.

20 (8) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,
21 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT
22 WITHDRAW THE EXEMPTION. IF AN OWNER REQUESTS THAT AN EXEMPTION BE
23 WITHDRAWN, THE LOCAL ASSESSOR SHALL NOTIFY THE OWNER THAT THE
24 EXEMPTION ISSUED UNDER THIS SECTION HAS BEEN DENIED BASED ON THAT
25 OWNER'S REQUEST. IF AN EXEMPTION IS WITHDRAWN, THE NEW CONSTRUCTION
26 THAT HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED
27 ON THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX

1 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
2 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH
3 THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE
4 ISSUED FOR THE TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING
5 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX
6 ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE
7 TAX ROLL. IF AN OWNER REQUESTS THAT AN EXEMPTION UNDER THIS SECTION
8 BE WITHDRAWN BEFORE THAT OWNER IS CONTACTED IN WRITING BY THE LOCAL
9 ASSESSOR REGARDING THAT OWNER'S ELIGIBILITY FOR THE EXEMPTION AND
10 THAT OWNER PAYS THE CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
11 WITHIN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED, THAT OWNER
12 IS NOT LIABLE FOR ANY PENALTY OR INTEREST ON THE ADDITIONAL TAX. AN
13 OWNER WHO PAYS A CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
14 MORE THAN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED IS LIABLE
15 FOR THE PENALTIES AND INTEREST THAT WOULD HAVE ACCRUED IF THE
16 EXEMPTION HAD NOT BEEN GRANTED FROM THE DATE THE TAXES WERE
17 ORIGINALLY LEVIED.

18 (9) AS USED IN THIS SECTION:

19 (A) "DEVELOPMENT PROPERTY" MEANS REAL PROPERTY ON WHICH A
20 RESIDENTIAL DWELLING, CONDOMINIUM UNIT, OR OTHER RESIDENTIAL
21 STRUCTURE IS LOCATED, WHICH RESIDENTIAL DWELLING, CONDOMINIUM UNIT,
22 OR OTHER RESIDENTIAL STRUCTURE MEETS ALL OF THE FOLLOWING
23 CONDITIONS:

24 (i) IS NOT OCCUPIED AND HAS NEVER BEEN OCCUPIED.

25 (ii) IS AVAILABLE FOR SALE.

26 (iii) IS NOT LEASED.

27 (iv) IS NOT USED FOR ANY BUSINESS OR COMMERCIAL PURPOSE.

1 (B) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION
2 34D.