

STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012

Introduced by Reps. O'Brien, Agema, Bledsoe, Bumstead, Cotter, Crawford, Daley, Damrow, Denby, Farrington, Forlini, Franz, Genetski, Glardon, Goike, Haveman, Hooker, Jacobsen, Knollenberg, Kowall, Kurtz, LaFontaine, Lane, LeBlanc, Liss, Lund, Lyons, MacGregor, Muxlow, Nesbitt, Olson, Opsommer, Outman, Pettalia, Poleski, Potvin, Price, Pscholka, Rendon, Walsh, Yonker and Zorn

ENROLLED HOUSE BILL No. 4134

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," (MCL 211.1 to 211.155) by adding section 7ss.

The People of the State of Michigan enact:

Sec. 7ss. (1) For taxes levied after November 1, 2012, new construction on development property is exempt from the collection of the tax levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the new construction is no longer located on development property, whichever occurs first.

(2) To claim an exemption under subsection (1), an owner of development property shall file an affidavit claiming the exemption with the local tax collecting unit on or before June 1 for the immediately succeeding summer tax levy and all subsequent tax levies or on or before November 1 for the immediately succeeding winter tax levy and all subsequent tax levies. The affidavit shall be on a form prescribed by the department of treasury.

(3) Upon receipt of an affidavit filed under subsection (2), the assessor shall determine if the real property on which new construction is located is development property. If the real property is development property, the assessor shall exempt the new construction located on that development property from the collection of the tax levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the new construction is no longer located on development property, whichever occurs first.

(4) Not more than 90 days after all or a portion of the exempted new construction is no longer located on development property, an owner shall rescind the exemption for the new construction by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(5) An owner of exempted new construction that is no longer located on development property who fails to file a rescission form as required under subsection (4) is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00. This penalty shall be collected under 1941

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

(6) An owner of new construction that is located on development property for which an exemption was not on the tax roll may file an appeal with the July or December board of review in the year the exemption was claimed or the immediately succeeding year. An owner of new construction that is located on development property for which an exemption was denied by the assessor in the year the affidavit was filed may file an appeal with the July board of review for summer taxes or, if there is not a summer levy of school operating taxes, with the December board of review.

(7) If the assessor of the local tax collecting unit believes that new construction for which an exemption has been granted is not located on development property, the assessor may deny or modify an existing exemption by notifying the owner in writing at the time required for providing a notice under section 24c. A taxpayer may appeal the assessor's determination to the board of review meeting under section 30. A decision of the board of review may be appealed to the residential and small claims division of the Michigan tax tribunal.

(8) If an exemption under this section is erroneously granted, an owner may request in writing that the local tax collecting unit withdraw the exemption. If an owner requests that an exemption be withdrawn, the local assessor shall notify the owner that the exemption issued under this section has been denied based on that owner's request. If an exemption is withdrawn, the new construction that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. If an owner requests that an exemption under this section be withdrawn before that owner is contacted in writing by the local assessor regarding that owner's eligibility for the exemption and that owner pays the corrected tax bill issued under this subsection within 30 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. An owner who pays a corrected tax bill issued under this subsection more than 30 days after the corrected tax bill is issued is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.

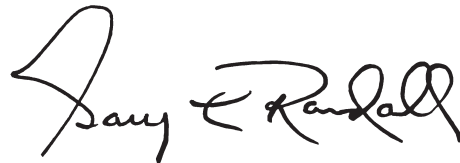
(9) As used in this section:

(a) "Development property" means real property on which a residential dwelling, condominium unit, or other residential structure is located, which residential dwelling, condominium unit, or other residential structure meets all of the following conditions:

- (i) Is not occupied and has never been occupied.
- (ii) Is available for sale.
- (iii) Is not leased.
- (iv) Is not used for any business or commercial purpose.

(b) "New construction" means that term as defined in section 34d.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

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Governor