

**SUBSTITUTE FOR
SENATE BILL NO. 1038**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 7b, 7u, 7cc, 7ee, 9m, 9n, 9o, 24c, 27a, 28,
29, 30, 34c, 53b, 53c, and 154 (MCL 211.7b, 211.7u, 211.7cc,
211.7ee, 211.9m, 211.9n, 211.9o, 211.24c, 211.27a, 211.28, 211.29,
211.30, 211.34c, 211.53b, 211.53c, and 211.154), section 7b as
amended by 2013 PA 161, section 7u as amended by 2012 PA 135,
section 7cc as amended by 2014 PA 40, sections 7ee and 154 as
amended by 2003 PA 247, section 9m as amended by 2014 PA 87,
section 9n as amended by 2013 PA 154, sections 9o, 30, and 53b as
amended by 2013 PA 153, section 24c as amended by 2010 PA 332,
section 27a as amended by 2013 PA 50, section 28 as amended by 2006
PA 143, section 34c as amended by 2012 PA 409, and section 53c as

added by 1995 PA 74, and by adding section 53e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7b. (1) Real property used and owned as a homestead by a
2 disabled veteran who was discharged from the armed forces of the
3 United States under honorable conditions or by an individual
4 described in subsection (2) is exempt from the collection of taxes
5 under this act. To obtain the exemption, an affidavit showing the
6 facts required by this section and a description of the real
7 property shall be filed by the property owner or his or her legal
8 designee with the supervisor or other assessing officer during the
9 period beginning with the tax day for each year and ending at the
10 time of the final adjournment of the ~~local~~**DECEMBER** board of
11 review. The affidavit when filed shall be open to inspection. The
12 county treasurer shall cancel taxes subject to collection under
13 this act for any year in which a disabled veteran eligible for the
14 exemption under this section has acquired title to real property
15 exempt under this section. Upon granting the exemption under this
16 section, each local taxing unit shall bear the loss of its portion
17 of the taxes upon which the exemption has been granted.

18 (2) If a disabled veteran who is otherwise eligible for the
19 exemption under this section dies, either before or after the
20 exemption under this section is granted, the exemption shall remain
21 available to or shall continue for his or her unremarried surviving
22 spouse. The surviving spouse shall comply with the requirements of
23 subsection (1) and shall indicate on the affidavit that he or she
24 is the surviving spouse of a disabled veteran entitled to the
25 exemption under this section. The exemption shall continue as long

1 as the surviving spouse remains unremarried.

2 (3) A PERSON CLAIMING AN EXEMPTION UNDER THIS SECTION MAY
3 APPEAL THE DECISION OF THE MARCH BOARD OF REVIEW TO THE MICHIGAN
4 TAX TRIBUNAL NOT LATER THAN JULY 31 IN THAT YEAR. A PERSON CLAIMING
5 AN EXEMPTION UNDER THIS SECTION MAY APPEAL THE DECISION OF THE JULY
6 OR DECEMBER BOARD OF REVIEW TO THE MICHIGAN TAX TRIBUNAL NOT LATER
7 THAN 60 DAYS AFTER THE DATE OF THAT DECISION. AN APPEAL OF THE
8 DENIAL OF A CLAIM OF EXEMPTION UNDER THIS SECTION MAY BE FOR THE
9 CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS; HOWEVER, AN
10 APPEAL MAY NOT BE TAKEN FOR A YEAR PRIOR TO 2014.

11 (4) ~~(3)~~—As used in this section, "disabled veteran" means a
12 person who is a resident of this state and who meets 1 of the
13 following criteria:

14 (a) Has been determined by the United States department of
15 veterans affairs to be permanently and totally disabled as a result
16 of military service and entitled to veterans' benefits at the 100%
17 rate.

18 (b) Has a certificate from the United States veterans'
19 administration, or its successors, certifying that he or she is
20 receiving or has received pecuniary assistance due to disability
21 for specially adapted housing.

22 (c) Has been rated by the United States department of veterans
23 affairs as individually unemployable.

24 Sec. 7u. (1) The principal residence of persons who, in the
25 judgment of the supervisor and board of review, by reason of
26 poverty, are unable to contribute toward the public charges is
27 eligible for exemption in whole or in part from taxation under this

1 act. This section does not apply to the property of a corporation.

2 (2) To be eligible for exemption under this section, a person
3 shall do all of the following on an annual basis:

4 (a) Be an owner of and occupy as a principal residence the
5 property for which an exemption is requested.

6 (b) File a claim with the supervisor or board of review on a
7 form provided by the local assessing unit, accompanied by federal
8 and state income tax returns for all persons residing in the
9 principal residence, including any property tax credit returns,
10 filed in the immediately preceding year or in the current year.
11 Federal and state income tax returns are not required for a person
12 residing in the principal residence if that person was not required
13 to file a federal or state income tax return in the tax year in
14 which the exemption under this section is claimed or in the
15 immediately preceding tax year. If a person was not required to
16 file a federal or state income tax return in the tax year in which
17 the exemption under this section is claimed or in the immediately
18 preceding tax year, an affidavit in a form prescribed by the state
19 tax commission may be accepted in place of the federal or state
20 income tax return. The filing of a claim under this subsection
21 constitutes an appearance before the board of review for the
22 purpose of preserving the claimant's right to appeal the decision
23 of the board of review regarding the claim.

24 (c) Produce a valid driver's license or other form of
25 identification if requested by the supervisor or board of review.

26 (d) Produce a deed, land contract, or other evidence of
27 ownership of the property for which an exemption is requested if

1 required by the supervisor or board of review.

2 (e) Meet the federal poverty guidelines updated annually in
3 the federal register by the United States department of health and
4 human services under authority of ~~section 673 of subtitle B of~~
5 ~~title VI of the omnibus budget reconciliation act of 1981, Public~~
6 ~~Law 97-35,~~ 42 USC 9902 , or alternative guidelines adopted by the
7 governing body of the local assessing unit provided the alternative
8 guidelines do not provide income eligibility requirements less than
9 the federal guidelines.

10 (3) The application for an exemption under this section shall
11 be filed after January 1 but before the day prior to the last day
12 of the **DECEMBER** board of review.

13 (4) The governing body of the local assessing unit shall
14 determine and make available to the public the policy and
15 guidelines the local assessing unit uses for the granting of
16 exemptions under this section. The guidelines shall include but not
17 be limited to the specific income and asset levels of the claimant
18 and total household income and assets.

19 (5) The board of review shall follow the policy and guidelines
20 of the local assessing unit in granting or denying an exemption
21 under this section unless the board of review determines there are
22 substantial and compelling reasons why there should be a deviation
23 from the policy and guidelines and the substantial and compelling
24 reasons are communicated in writing to the claimant.

25 (6) A person who files a claim under this section is not
26 prohibited from also appealing the assessment on the property for
27 which that claim is made before the board of review in the same

1 year.

2 (7) A PERSON CLAIMING AN EXEMPTION UNDER THIS SECTION MAY
3 APPEAL THE DECISION OF THE MARCH BOARD OF REVIEW TO THE MICHIGAN
4 TAX TRIBUNAL NOT LATER THAN JULY 31 IN THAT YEAR. A PERSON CLAIMING
5 AN EXEMPTION UNDER THIS SECTION MAY APPEAL THE DECISION OF THE JULY
6 OR DECEMBER BOARD OF REVIEW TO THE MICHIGAN TAX TRIBUNAL NOT LATER
7 THAN 60 DAYS AFTER THE DATE OF THAT DECISION.

8 (8) ~~(7)~~—As used in this section, "principal residence" means
9 principal residence or qualified agricultural property as those
10 terms are defined in section 7dd.

11 Sec. 7cc. (1) A principal residence is exempt from the tax
12 levied by a local school district for school operating purposes to
13 the extent provided under section 1211 of the revised school code,
14 1976 PA 451, MCL 380.1211, if an owner of that principal residence
15 claims an exemption as provided in this section. Notwithstanding
16 the tax day provided in section 2, the status of property as a
17 principal residence shall be determined on the date an affidavit
18 claiming an exemption is filed under subsection (2).

19 (2) Except as otherwise provided in subsection (5), an owner
20 of property may claim 1 exemption under this section by filing an
21 affidavit on or before May 1 for taxes levied before January 1,
22 2012 or, for taxes levied after December 31, 2011, on or before
23 June 1 for the immediately succeeding summer tax levy and all
24 subsequent tax levies or on or before November 1 for the
25 immediately succeeding winter tax levy and all subsequent tax
26 levies with the local tax collecting unit in which the property is
27 located. The affidavit shall state that the property is owned and

1 occupied as a principal residence by that owner of the property on
2 the date that the affidavit is signed. The affidavit shall be on a
3 form prescribed by the department of treasury. One copy of the
4 affidavit shall be retained by the owner, 1 copy shall be retained
5 by the local tax collecting unit until any appeal or audit period
6 under this act has expired, and 1 copy shall be forwarded to the
7 department of treasury pursuant to subsection (4), together with
8 all information submitted under subsection ~~(28)~~ (27) for a
9 cooperative housing corporation. The affidavit shall require the
10 owner claiming the exemption to indicate if that owner or that
11 owner's spouse has claimed another exemption on property in this
12 state that is not rescinded or a substantially similar exemption,
13 deduction, or credit on property in another state that is not
14 rescinded. If the affidavit requires an owner to include a social
15 security number, that owner's number is subject to the disclosure
16 restrictions in 1941 PA 122, MCL 205.1 to 205.31. If an owner of
17 property filed an affidavit for an exemption under this section
18 before January 1, 2004, that affidavit shall be considered the
19 affidavit required under this subsection for a principal residence
20 exemption and that exemption shall remain in effect until rescinded
21 as provided in this section.

22 (3) Except as otherwise provided in subsection (5), a husband
23 and wife who are required to file or who do file a joint Michigan
24 income tax return are entitled to not more than 1 exemption under
25 this section. For taxes levied after December 31, 2002, a person is
26 not entitled to an exemption under this section if any of the
27 following conditions occur:

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

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

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

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

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

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

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

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

12 (5) Except as otherwise provided in this subsection, not more
13 than 90 days after exempted property is no longer used as a
14 principal residence by the owner claiming an exemption, that owner
15 shall rescind the claim of exemption by filing with the local tax
16 collecting unit a rescission form prescribed by the department of
17 treasury. If an owner is eligible for and claims an exemption for
18 that owner's current principal residence, that owner may retain an
19 exemption for not more than 3 tax years on property previously
20 exempt as his or her principal residence if that property is not
21 occupied, is for sale, is not leased, and is not used for any
22 business or commercial purpose by filing a conditional rescission
23 form prescribed by the department of treasury with the local tax
24 collecting unit within the time period prescribed in subsection
25 (2). Beginning in the 2012 tax year, subject to the payment
26 requirement set forth in this subsection, if a land contract
27 vendor, bank, credit union, or other lending institution owns

1 property as a result of a foreclosure or forfeiture of a recorded
2 instrument under chapter 31, 32, or 57 of the revised judicature
3 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701
4 to 600.5759, or through deed or conveyance in lieu of a foreclosure
5 or forfeiture on that property and that property had been exempt
6 under this section immediately preceding the foreclosure, that land
7 contract vendor, bank, credit union, or other lending institution
8 may retain an exemption on that property at the same percentage of
9 exemption that the property previously had under this section if
10 that property is not occupied other than by the person who claimed
11 the exemption under this section immediately preceding the
12 foreclosure or forfeiture, is for sale, is not leased to any person
13 other than the person who claimed the exemption under this section
14 immediately preceding the foreclosure, and is not used for any
15 business or commercial purpose. A land contract vendor, bank,
16 credit union, or other lending institution may claim an exemption
17 under this subsection by filing a conditional rescission form
18 prescribed by the department of treasury with the local tax
19 collecting unit within the time period prescribed in subsection
20 (2). Property is eligible for a conditional rescission if that
21 property is available for lease and all other conditions under this
22 subsection are met. A copy of a conditional rescission form shall
23 be forwarded to the department of treasury according to a schedule
24 prescribed by the department of treasury. An owner or a land
25 contract vendor, bank, credit union, or other lending institution
26 that files a conditional rescission form shall annually verify to
27 the assessor of the local tax collecting unit on or before December

1 31 that the property for which the principal residence exemption is
2 retained is not occupied other than by the person who claimed the
3 exemption under this section immediately preceding the foreclosure
4 or forfeiture, is for sale, is not leased except as otherwise
5 provided in this section, and is not used for any business or
6 commercial purpose. The land contract vendor, bank, credit union,
7 or other lending institution may retain the exemption authorized
8 under this section for not more than 3 tax years. If an owner or a
9 land contract vendor, bank, credit union, or other lending
10 institution does not annually verify by December 31 that the
11 property for which the principal residence exemption is retained is
12 not occupied other than by the person who claimed the exemption
13 under this section immediately preceding the foreclosure or
14 forfeiture, is for sale, is not leased except as otherwise provided
15 in this section, and is not used for any business or commercial
16 purpose, the assessor of the local tax collecting unit shall deny
17 the principal residence exemption on that property. Except as
18 otherwise provided in this section, if property subject to a
19 conditional rescission is leased, the local tax collecting unit
20 shall deny that conditional rescission and that denial is
21 retroactive and is effective on December 31 of the year immediately
22 preceding the year in which the property subject to the conditional
23 rescission is leased. An owner who fails to file a rescission as
24 required by this subsection is subject to a penalty of \$5.00 per
25 day for each separate failure beginning after the 90 days have
26 elapsed, up to a maximum of \$200.00. This penalty shall be
27 collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be

1 deposited in the state school aid fund established in section 11 of
2 article IX of the state constitution of 1963. This penalty may be
3 waived by the department of treasury. If a land contract vendor,
4 bank, credit union, or other lending institution retains an
5 exemption on property under this subsection, that land contract
6 vendor, bank, credit union, or other lending institution shall pay
7 an amount equal to the additional amount that land contract vendor,
8 bank, credit union, or other lending institution would have paid
9 under section 1211 of the revised school code, 1976 PA 451, MCL
10 380.1211, if an exemption had not been retained on that property,
11 together with an administration fee equal to the property tax
12 administration fee imposed under section 44. The payment required
13 under this subsection shall be collected by the local tax
14 collecting unit at the same time and in the same manner as taxes
15 collected under this act. The administration fee shall be retained
16 by the local tax collecting unit. The amount collected that the
17 land contract vendor, bank, credit union, or other lending
18 institution would have paid under section 1211 of the revised
19 school code, 1976 PA 451, MCL 380.1211, if an exemption had not
20 been retained on that property is an amount that is not captured by
21 any authority as tax increment revenues and shall be distributed to
22 the department of treasury monthly for deposit into the state
23 school aid fund established in section 11 of article IX of the
24 state constitution of 1963. If a land contract vendor, bank, credit
25 union, or other lending institution transfers ownership of property
26 for which an exemption is retained under this subsection, that land
27 contract vendor, bank, credit union, or other lending institution

1 shall rescind the exemption as provided in this section and shall
2 notify the treasurer of the local tax collecting unit of that
3 transfer of ownership. If a land contract vendor, bank, credit
4 union, or other lending institution fails to make the payment
5 required under this subsection for any property within the period
6 for which property taxes are due and payable without penalty, the
7 local tax collecting unit shall deny that conditional rescission
8 and that denial is retroactive and is effective on December 31 of
9 the immediately preceding year. If the local tax collecting unit
10 denies a conditional rescission, the local tax collecting unit
11 shall remove the exemption of the property and the amount due from
12 the land contract vendor, bank, credit union, or other lending
13 institution shall be a tax so that the additional taxes, penalties,
14 and interest shall be collected as provided for in this section. If
15 payment of the tax under this subsection is not made by the March 1
16 following the levy of the tax, the tax shall be turned over to the
17 county treasurer and collected in the same manner as delinquent
18 taxes under this act. A person who previously occupied property as
19 his or her principal residence but now resides in a nursing home or
20 assisted living facility may retain an exemption on that property
21 if the owner manifests an intent to return to that property by
22 satisfying all of the following conditions:

23 (a) The owner continues to own that property while residing in
24 the nursing home or assisted living facility.

25 (b) The owner has not established a new principal residence.

26 (c) The owner maintains or provides for the maintenance of
27 that property while residing in the nursing home or assisted living

1 facility.

2 (d) That property is not occupied, is not leased, and is not
3 used for any business or commercial purpose.

4 (6) Except as otherwise provided in subsection (5), if the
5 assessor of the local tax collecting unit believes that the
6 property for which an exemption is claimed is not the principal
7 residence of the owner claiming the exemption, the assessor may
8 deny a new or existing claim by notifying the owner and the
9 department of treasury in writing of the reason for the denial and
10 advising the owner that the denial may be appealed to the
11 residential **PROPERTY** and small claims division of the Michigan tax
12 tribunal within ~~35~~—60 days after the date **OF MAILING** of the notice
13 **OF DENIAL**. The assessor may deny a claim for exemption for the
14 current year and for the 3 immediately preceding calendar years. If
15 the assessor denies an existing claim for exemption, the assessor
16 shall remove the exemption of the property and, if the tax roll is
17 in the local tax collecting unit's possession, amend the tax roll
18 to reflect the denial and the local treasurer shall within 30 days
19 of the date of the denial issue a corrected tax bill for any
20 additional taxes with interest at the rate of 1.25% per month or
21 fraction of a month and penalties computed from the date the taxes
22 were last payable without interest or penalty. If the tax roll is
23 in the county treasurer's possession, the tax roll shall be amended
24 to reflect the denial and the county treasurer shall within 30 days
25 of the date of the denial prepare and submit a supplemental tax
26 bill for any additional taxes, together with interest at the rate
27 of 1.25% per month or fraction of a month and penalties computed

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

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

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

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

1 ~~department of treasury and what those rights of appeal are. THAT~~
2 **THE DENIAL MAY BE APPEALED TO THE RESIDENTIAL PROPERTY AND SMALL**
3 **CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL WITHIN 60 DAYS AFTER**
4 **THE DATE OF MAILING OF THE NOTICE OF DENIAL.** The department of
5 treasury may issue a notice denying a claim if an owner fails to
6 respond within 30 days of receipt of a request for information from
7 that department. An owner may appeal the denial of a claim of
8 exemption to the ~~department of treasury~~ **RESIDENTIAL PROPERTY AND**
9 **SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL** within ~~35~~ **60**
10 days **AFTER THE DATE** of ~~receipt~~ **MAILING** of the notice of denial. An
11 ~~appeal to the department of treasury shall be conducted according~~
12 ~~to the provisions for an informal conference in section 21 of 1941~~
13 ~~PA 122, MCL 205.21. Within 10 days after acknowledging an appeal of~~
14 ~~a denial of a claim of exemption, the department of treasury shall~~
15 ~~notify the assessor and the treasurer for the county in which the~~
16 ~~property is located that an appeal has been filed. Upon receipt of~~
17 a notice that the department of treasury has denied a claim for
18 exemption, the assessor shall remove the exemption of the property
19 and, if the tax roll is in the local tax collecting unit's
20 possession, amend the tax roll to reflect the denial and the local
21 treasurer shall within 30 days of the date of the denial issue a
22 corrected tax bill for any additional taxes with interest at the
23 rate of 1.25% per month or fraction of a month and penalties
24 computed from the date the taxes were last payable without interest
25 and penalty. If the tax roll is in the county treasurer's
26 possession, the tax roll shall be amended to reflect the denial and
27 the county treasurer shall within 30 days of the date of the denial

1 prepare and submit a supplemental tax bill for any additional
2 taxes, together with interest at the rate of 1.25% per month or
3 fraction of a month and penalties computed from the date the taxes
4 were last payable without interest or penalty. Interest on any tax
5 set forth in a corrected or supplemental tax bill shall again begin
6 to accrue 60 days after the date the corrected or supplemental tax
7 bill is issued at the rate of 1.25% per month or fraction of a
8 month. The department of treasury may waive interest on any tax set
9 forth in a corrected or supplemental tax bill for the current tax
10 year and the immediately preceding 3 tax years if the assessor of
11 the local tax collecting unit files with the department of treasury
12 a sworn affidavit in a form prescribed by the department of
13 treasury stating that the tax set forth in the corrected or
14 supplemental tax bill is a result of the assessor's classification
15 error or other error or the assessor's failure to rescind the
16 exemption after the owner requested in writing that the exemption
17 be rescinded. Taxes levied in a corrected or supplemental tax bill
18 shall be returned as delinquent on the March 1 in the year
19 immediately succeeding the year in which the corrected or
20 supplemental tax bill is issued. If the department of treasury
21 denies an existing claim for exemption, the interest due shall be
22 distributed as provided in subsection ~~(25)~~—(24). However, if the
23 property has been transferred to a bona fide purchaser before
24 additional taxes were billed to the seller as a result of the
25 denial of a claim for exemption, the taxes, interest, and penalties
26 shall not be a lien on the property and shall not be billed to the
27 bona fide purchaser, and the local tax collecting unit if the local

1 tax collecting unit has possession of the tax roll or the county
2 treasurer if the county has possession of the tax roll shall notify
3 the department of treasury of the amount of tax due and interest
4 through the date of that notification. The department of treasury
5 shall then assess the owner who claimed the exemption under this
6 section for the tax and interest plus penalty accruing as a result
7 of the denial of the claim for exemption, if any, as for unpaid
8 taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall
9 deposit any tax or penalty collected into the state school aid fund
10 and shall distribute any interest collected as provided in
11 subsection ~~(25)~~. **(24)**.

12 (9) The department of treasury may enter into an agreement
13 regarding the implementation or administration of subsection (8)
14 with the assessor of any local tax collecting unit in a county that
15 has not elected to audit exemptions claimed under this section as
16 provided in subsection (10). The agreement may specify that for a
17 period of time, not to exceed 120 days, the department of treasury
18 will not deny an exemption identified by the department of treasury
19 in the list provided under subsection (11).

20 (10) A county may elect to audit the exemptions claimed under
21 this section in all local tax collecting units located in that
22 county as provided in this subsection. The election to audit
23 exemptions shall be made by the county treasurer, or by the county
24 equalization director with the concurrence by resolution of the
25 county board of commissioners. The initial election to audit
26 exemptions shall require an audit period of 2 years. Before 2009,
27 subsequent elections to audit exemptions shall be made every 2

1 years and shall require 2 annual audit periods. Beginning in 2009,
2 an election to audit exemptions shall be made every 5 years and
3 shall require 5 annual audit periods. An election to audit
4 exemptions shall be made by submitting an election to audit form to
5 the assessor of each local tax collecting unit in that county and
6 to the department of treasury not later than April 1 preceding the
7 October 1 in the year in which an election to audit is made. The
8 election to audit form required under this subsection shall be in a
9 form prescribed by the department of treasury. If a county elects
10 to audit the exemptions claimed under this section, the department
11 of treasury may continue to review the validity of exemptions as
12 provided in subsection (8). If a county does not elect to audit the
13 exemptions claimed under this section as provided in this
14 subsection, the department of treasury shall conduct an audit of
15 exemptions claimed under this section in the initial 2-year audit
16 period for each local tax collecting unit in that county unless the
17 department of treasury has entered into an agreement with the
18 assessor for that local tax collecting unit under subsection (9).

19 (11) If a county elects to audit the exemptions claimed under
20 this section as provided in subsection (10) and the county
21 treasurer or his or her designee or the county equalization
22 director or his or her designee believes that the property for
23 which an exemption is claimed is not the principal residence of the
24 owner claiming the exemption, the county treasurer or his or her
25 designee or the county equalization director or his or her designee
26 may, except as otherwise provided in subsection (5), deny an
27 existing claim by notifying the owner, the assessor of the local

1 tax collecting unit, and the department of treasury in writing of
2 the reason for the denial and advising the owner that the denial
3 may be appealed to the residential **PROPERTY** and small claims
4 division of the Michigan tax tribunal within ~~35~~—60 days after the
5 date **OF MAILING** of the notice **OF DENIAL**. The county treasurer or
6 his or her designee or the county equalization director or his or
7 her designee may deny a claim for exemption for the current year
8 and for the 3 immediately preceding calendar years. If the county
9 treasurer or his or her designee or the county equalization
10 director or his or her designee denies an existing claim for
11 exemption, the county treasurer or his or her designee or the
12 county equalization director or his or her designee shall direct
13 the assessor of the local tax collecting unit in which the property
14 is located to remove the exemption of the property from the
15 assessment roll and, if the tax roll is in the local tax collecting
16 unit's possession, direct the assessor of the local tax collecting
17 unit to amend the tax roll to reflect the denial and the treasurer
18 of the local tax collecting unit shall within 30 days of the date
19 of the denial issue a corrected tax bill for any additional taxes
20 with interest at the rate of 1.25% per month or fraction of a month
21 and penalties computed from the date the taxes were last payable
22 without interest and penalty. If the tax roll is in the county
23 treasurer's possession, the tax roll shall be amended to reflect
24 the denial and the county treasurer shall within 30 days of the
25 date of the denial prepare and submit a supplemental tax bill for
26 any additional taxes, together with interest at the rate of 1.25%
27 per month or fraction of a month and penalties computed from the

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

1 (24). The department of treasury shall annually provide the county
2 treasurer or his or her designee or the county equalization
3 director or his or her designee a list of parcels of property
4 located in that county for which an exemption may be erroneously
5 claimed. The county treasurer or his or her designee or the county
6 equalization director or his or her designee shall forward copies
7 of the list provided by the department of treasury to each assessor
8 in each local tax collecting unit in that county within 10 days of
9 receiving the list.

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

18 (13) An owner may appeal a denial by the assessor of the local
19 tax collecting unit under subsection (6), a final decision of the
20 department of treasury under subsection (8), or a denial by the
21 county treasurer or his or her designee or the county equalization
22 director or his or her designee under subsection (11) to the
23 residential **PROPERTY** and small claims division of the Michigan tax
24 tribunal within ~~35-60~~ days **AFTER THE DATE** of **MAILING OF NOTICE OF**
25 that decision. An owner is not required to pay the amount of tax in
26 dispute in order to ~~appeal a denial of a claim of exemption to the~~
27 ~~department of treasury or to receive a final determination of the~~

1 residential **PROPERTY** and small claims division of the Michigan tax
2 tribunal. However, interest at the rate of 1.25% per month or
3 fraction of a month and penalties shall accrue and be computed from
4 the date the taxes were last payable without interest and penalty.
5 If the residential **PROPERTY** and small claims division of the
6 Michigan tax tribunal grants an owner's appeal of a denial and that
7 owner has paid the interest due as a result of a denial under
8 subsection (6), (8), or (11), the interest received after a
9 distribution was made under subsection ~~(25)~~—(24) shall be refunded.

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

16 (15) Except as otherwise provided in subsection (5), an
17 affidavit filed by an owner for the exemption under this section
18 rescinds all previous exemptions filed by that owner for any other
19 property. The department of treasury shall notify the assessor of
20 the local tax collecting unit in which the property for which a
21 previous exemption was claimed is located if the previous exemption
22 is rescinded by the subsequent affidavit. When an exemption is
23 rescinded, the assessor of the local tax collecting unit shall
24 remove the exemption effective December 31 of the year in which the
25 affidavit was filed that rescinded the exemption. For any year for
26 which the rescinded exemption has not been removed from the tax
27 roll, the exemption shall be denied as provided in this section.

1 However, interest and penalty shall not be imposed for a year for
2 which a rescission form has been timely filed under subsection (5).

3 (16) Except as otherwise provided in subsection ~~(30)~~, **(28)**, if
4 the principal residence is part of a unit in a multiple-unit
5 dwelling or a dwelling unit in a multiple-purpose structure, an
6 owner shall claim an exemption for only that portion of the total
7 taxable value of the property used as the principal residence of
8 that owner in a manner prescribed by the department of treasury. If
9 a portion of a parcel for which the owner claims an exemption is
10 used for a purpose other than as a principal residence, the owner
11 shall claim an exemption for only that portion of the taxable value
12 of the property used as the principal residence of that owner in a
13 manner prescribed by the department of treasury.

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

17 (18) The department of treasury shall make available the
18 affidavit forms and the forms to rescind an exemption, which may be
19 on the same form, to all city and township assessors, county
20 equalization officers, county registers of deeds, and closing
21 agents. A person who prepares a closing statement for the sale of
22 property shall provide affidavit and rescission forms to the buyer
23 and seller at the closing and, if requested by the buyer or seller
24 after execution by the buyer or seller, shall file the forms with
25 the local tax collecting unit in which the property is located. If
26 a closing statement preparer fails to provide exemption affidavit
27 and rescission forms to the buyer and seller, or fails to file the

1 affidavit and rescission forms with the local tax collecting unit
2 if requested by the buyer or seller, the buyer may appeal to the
3 ~~department of treasury~~ **RESIDENTIAL PROPERTY AND SMALL CLAIMS**
4 **DIVISION OF THE MICHIGAN TAX TRIBUNAL** within ~~30~~ **60** days **AFTER THE**
5 **DATE of MAILING OF** notice to the buyer that an exemption was not
6 recorded. ~~If the department of treasury determines that the buyer~~
7 ~~qualifies for the exemption, the department of treasury shall~~
8 ~~notify the assessor of the local tax collecting unit that the~~
9 ~~exemption is granted and the assessor of the local tax collecting~~
10 ~~unit or, if the tax roll is in the possession of the county~~
11 ~~treasurer, the county treasurer shall correct the tax roll to~~
12 ~~reflect the exemption.~~ This subsection does not create a cause of
13 action at law or in equity against a closing statement preparer who
14 fails to provide exemption affidavit and rescission forms to a
15 buyer and seller or who fails to file the affidavit and rescission
16 forms with the local tax collecting unit when requested to do so by
17 the buyer or seller.

18 (19) An owner who owned and occupied a principal residence on
19 May 1 for taxes levied before January 1, 2012 for which the
20 exemption was not on the tax roll may file an appeal with the ~~July~~
21 ~~board of review or December board of review~~ **RESIDENTIAL PROPERTY**
22 **AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL** in the year
23 for which the exemption was claimed or the immediately succeeding 3
24 years. For taxes levied after December 31, 2011, an owner who owned
25 and occupied a principal residence on June 1 or November 1 for
26 which the exemption was not on the tax roll may file an appeal with
27 the ~~July board of review or December board of review~~ **RESIDENTIAL**

1 **PROPERTY AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL** 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) An owner who owned and occupied a principal residence
9 within the time period prescribed in subsection (2) in any year
10 before the 3 immediately preceding tax years for which the
11 exemption was not on the tax roll as a result of a qualified error
12 on the part of the local tax collecting unit may file a request for
13 the exemption for those tax years with the department of treasury.
14 The request for the exemption shall be in a form prescribed by the
15 department of treasury and shall include all documentation the
16 department of treasury considers necessary to consider the request
17 and to correct any affected official records if a qualified error
18 on the part of the local tax collecting unit is recognized and an
19 exemption is granted. If the department of treasury denies a
20 request for the exemption under this subsection, the owner is
21 responsible for all costs related to the request as determined by
22 the department of treasury. If the department of treasury grants a
23 request for the exemption under this subsection and the exemption
24 results in an overpayment of the tax in the years under
25 consideration, the department of treasury shall notify the
26 treasurer of the local tax collecting unit, the county treasurer,
27 and other affected officials of the error and the granting of the

1 request for the exemption and all affected official records shall
2 be corrected consistent with guidance provided by the department of
3 treasury. If granting the request for the exemption results in an
4 overpayment, a rebate, including any interest paid by the owner,
5 shall be paid to the owner within 30 days of the receipt of the
6 notice. A rebate shall be without interest. The treasurer in
7 possession of the appropriate tax roll may deduct the rebate from
8 the appropriate tax collecting unit's subsequent distribution of
9 taxes. The treasurer in possession of the appropriate tax roll
10 shall bill to the appropriate tax collecting unit the tax
11 collecting unit's share of taxes rebated. A local tax collecting
12 unit responsible for a qualified error under this subsection shall
13 reimburse each county treasurer and other affected local official
14 required to correct official records under this subsection for the
15 costs incurred in complying with this subsection.

16 (21) If an owner of property received a principal residence
17 exemption to which that owner was not entitled in any year before
18 the 3 immediately preceding tax years, as a result of a qualified
19 error on the part of the local tax collecting unit, the department
20 of treasury may deny the principal residence exemption as provided
21 in subsection (8). If the department of treasury denies an
22 exemption under this subsection, the owner shall be issued a
23 corrected or supplemental tax bill as provided in subsection (8),
24 except interest shall not accrue until 60 days after the date the
25 corrected or supplemental tax bill is issued. A local tax
26 collecting unit responsible for a qualified error under this
27 subsection shall reimburse each county treasurer and other affected

1 local official required to correct official records under this
2 subsection for the costs incurred in complying with this
3 subsection.

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

14 (23) If granting the exemption under this section results in
15 an overpayment of the tax, a rebate, including any interest paid,
16 shall be made to the taxpayer by the local tax collecting unit if
17 the local tax collecting unit has possession of the tax roll or by
18 the county treasurer if the county has possession of the tax roll
19 within 30 days of the date the exemption is granted. The rebate
20 shall be without interest. ~~If an exemption for property classified~~
21 ~~as timber-cutover real property is granted under this section for~~
22 ~~the 2008 or 2009 tax year, the tax roll shall be corrected and any~~
23 ~~delinquent and unpaid penalty, interest, and tax resulting from~~
24 ~~that property not having been exempt under this section for the~~
25 ~~2008 or 2009 tax year shall be waived.~~

26 ~~—— (24) If an exemption under this section is erroneously granted~~
27 ~~for an affidavit filed before October 1, 2003, an owner may request~~

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

26 (24) ~~(25)~~ Subject to subsection ~~(26)~~, **(25)**, interest at the
27 rate of 1.25% per month or fraction of a month collected under

1 subsection (6), (8), or (11) shall be distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

18 **(25)** ~~(26)~~—Interest distributed under subsection ~~(25)~~—**(24)** is
19 subject to the following conditions:

20 (a) Interest distributed to a county shall be deposited into a
21 restricted fund to be used solely for the administration of
22 exemptions under this section. Money in that restricted fund shall
23 lapse to the county general fund on the December 31 in the year 3
24 years after the first distribution of interest to the county under
25 subsection ~~(25)~~—**(24)** and on each succeeding December 31 thereafter.

26 (b) Interest distributed to the department of treasury shall
27 be deposited into the principal residence property tax exemption

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

11 (26) ~~(27)~~—Interest distributed under subsection ~~(25)~~—(24) is
12 in addition to and shall not affect the levy or collection of the
13 county property tax administration fee established under this act.

14 (27) ~~(28)~~—A cooperative housing corporation is entitled to a
15 full or partial exemption under this section for the tax year in
16 which the cooperative housing corporation files all of the
17 following with the local tax collecting unit in which the
18 cooperative housing corporation is located if filed within the time
19 period prescribed in subsection (2):

20 (a) An affidavit form.

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

25 (c) A list that includes the name, address, and social
26 security number of each tenant stockholder of the cooperative
27 housing corporation occupying a unit in the cooperative housing

1 corporation as his or her principal residence as of the date of the
2 filing under this subsection.

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

8 ~~—— (29) Before May 1, 2004 and before May 1, 2005, the treasurer~~
9 ~~of each county shall forward to the department of education a~~
10 ~~statement of the taxable value of each school district and fraction~~
11 ~~of a school district within the county for the preceding 4 calendar~~
12 ~~years. This requirement is in addition to the requirement set forth~~
13 ~~in section 151 of the state school aid act of 1979, 1979 PA 94, MCL~~
14 ~~388.1751.~~

15 (28) ~~(30)~~ For a parcel of property open and available for use
16 as a bed and breakfast, the portion of the taxable value of the
17 property used as a principal residence under subsection (16) shall
18 be calculated in the following manner:

19 (a) Add all of the following:

20 (i) The square footage of the property used exclusively as that
21 owner's principal residence.

22 (ii) 50% of the square footage of the property's common area.

23 (iii) If the property was not open and available for use as a
24 bed and breakfast for 90 or more consecutive days in the
25 immediately preceding 12-month period, the result of the following
26 calculation:

27 (A) Add the square footage of the property that is open and

1 available regularly and exclusively as a bed and breakfast, and 50%
2 of the square footage of the property's common area.

3 (B) Multiply the result of the calculation in sub-subparagraph
4 (A) by a fraction, the numerator of which is the number of
5 consecutive days in the immediately preceding 12-month period that
6 the property was not open and available for use as a bed and
7 breakfast and the denominator of which is 365.

8 (b) Divide the result of the calculation in subdivision (a) by
9 the total square footage of the property.

10 (29) ~~(31)~~—The owner claiming an exemption under this section
11 for property open and available as a bed and breakfast shall file
12 an affidavit claiming the exemption within the time period
13 prescribed in subsection (2) with the local tax collecting unit in
14 which the property is located. The affidavit shall be in a form
15 prescribed by the department of treasury.

16 (30) ~~(32)~~—As used in this section:

17 (a) "Bed and breakfast" means property classified as
18 residential real property under section 34c that meets all of the
19 following criteria:

20 (i) Has 10 or fewer sleeping rooms, including sleeping rooms
21 occupied by the owner of the property, 1 or more of which are
22 available for rent to transient tenants.

23 (ii) Serves meals at no extra cost to its transient tenants.

24 (iii) Has a smoke detector in proper working order in each
25 sleeping room and a fire extinguisher in proper working order on
26 each floor.

27 (b) "Common area" includes, but is not limited to, a kitchen,

1 dining room, living room, fitness room, porch, hallway, laundry
2 room, or bathroom that is available for use by guests of a bed and
3 breakfast or, unless guests are specifically prohibited from access
4 to the area, an area that is used to provide a service to guests of
5 a bed and breakfast.

6 (c) "Qualified error" means that term as defined in section
7 ~~53b-53E~~.

8 Sec. 7ee. (1) Qualified agricultural property is exempt from
9 the tax levied by a local school district for school operating
10 purposes to the extent provided under section 1211 of the revised
11 school code, 1976 PA 451, MCL 380.1211, according to the provisions
12 of this section.

13 (2) Qualified agricultural property that is classified as
14 agricultural under section 34c is exempt under subsection (1) and
15 the owner is not required to file an affidavit claiming an
16 exemption with the local tax collecting unit unless requested by
17 the assessor to determine whether the property includes structures
18 that are not exempt under this section. To claim an exemption under
19 subsection (1) for qualified agricultural property that is not
20 classified as agricultural under section 34c, the owner shall file
21 an affidavit claiming the exemption with the local tax collecting
22 unit by May 1.

23 (3) The affidavit shall be on a form prescribed by the
24 department of treasury.

25 (4) For property classified as agricultural, and upon receipt
26 of an affidavit filed under subsection (2) for property not
27 classified as agricultural, the assessor shall determine if the

1 property is qualified agricultural property and if so shall exempt
2 the property from the collection of the tax as provided in
3 subsection (1) until December 31 of the year in which the property
4 is no longer qualified agricultural property as defined in section
5 7dd. An owner is required to file a new claim for exemption on the
6 same property as requested by the assessor under subsection (2).

7 (5) Not more than 90 days after all or a portion of the
8 exempted property is no longer qualified agricultural property, the
9 owner shall rescind the exemption for the applicable portion of the
10 property by filing with the local tax collecting unit a rescission
11 form prescribed by the department of treasury. An owner who fails
12 to file a rescission as required by this subsection is subject to a
13 penalty of \$5.00 per day for each separate failure beginning after
14 the 90 days have elapsed, up to a maximum of \$200.00. This penalty
15 shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and
16 shall be deposited in the state school aid fund established in
17 section 11 of article IX of the state constitution of 1963. This
18 penalty may be waived by the department of treasury.

19 (6) An owner of property that is qualified agricultural
20 property on May 1 for which an exemption was not on the tax roll
21 may file an appeal with the ~~July or December board of review~~
22 **RESIDENTIAL PROPERTY AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX**
23 **TRIBUNAL** in the year the exemption was claimed or the immediately
24 succeeding year. **AN APPEAL SHALL BE FILED WITHIN 60 DAYS AFTER THE**
25 **DATE OF MAILING OF THE TAX BILL.** An owner of property that is
26 qualified agricultural property on May 1 for which an exemption was
27 denied by the assessor in the year the affidavit was filed, may

1 file an appeal with the ~~July board of review for summer taxes or,~~
2 ~~if there is not a summer levy of school operating taxes, with the~~
3 ~~December board of review.~~ **RESIDENTIAL PROPERTY AND SMALL CLAIMS**
4 **DIVISION OF THE MICHIGAN TAX TRIBUNAL WITHIN 60 DAYS OF THE DENIAL.**
5 **AN APPEAL TO THE RESIDENTIAL PROPERTY AND SMALL CLAIMS DIVISION OF**
6 **THE MICHIGAN TAX TRIBUNAL UNDER THIS SUBSECTION MAY INCLUDE THE**
7 **CURRENT ASSESSMENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS.**

8 (7) If the assessor of the local tax collecting unit believes
9 that the property for which an exemption has been granted is not
10 qualified agricultural property, the assessor may deny or modify an
11 existing exemption by notifying the owner in writing at the time
12 required for providing a notice under section 24c. A taxpayer may
13 appeal the assessor's determination to the ~~board of review meeting~~
14 ~~under section 30. A decision of the board of review may be appealed~~
15 ~~to the residential~~ **PROPERTY** and small claims division of the
16 Michigan tax tribunal **WITHIN 60 DAYS OF THE DENIAL OR MODIFICATION.**

17 (8) If an exemption under this section is erroneously granted,
18 an owner may request in writing that the local tax collecting unit
19 withdraw the exemption. If an owner requests that an exemption be
20 withdrawn, the local assessor shall notify the owner that the
21 exemption issued under this section has been denied based on that
22 owner's request. If an exemption is withdrawn, the property that
23 had been subject to that exemption shall be immediately placed on
24 the tax roll by the local tax collecting unit if the local tax
25 collecting unit has possession of the tax roll or by the county
26 treasurer if the county has possession of the tax roll as though
27 the exemption had not been granted. A corrected tax bill shall be

1 issued for the tax year being adjusted by the local tax collecting
2 unit if the local tax collecting unit has possession of the tax
3 roll or by the county treasurer if the county has possession of the
4 tax roll. If an owner requests that an exemption under this section
5 be withdrawn before that owner is contacted in writing by the local
6 assessor regarding that owner's eligibility for the exemption and
7 that owner pays the corrected tax bill issued under this subsection
8 within 30 days after the corrected tax bill is issued, that owner
9 is not liable for any penalty or interest on the additional tax. An
10 owner who pays a corrected tax bill issued under this subsection
11 more than 30 days after the corrected tax bill is issued is liable
12 for the penalties and interest that would have accrued if the
13 exemption had not been granted from the date the taxes were
14 originally levied.

15 Sec. 9m. (1) Beginning December 31, 2015 and each year
16 thereafter, qualified new personal property for which an exemption
17 has been properly claimed under subsection (2) is exempt from the
18 collection of taxes under this act.

19 (2) A person shall claim the exemption under this section by
20 filing an affidavit with the local tax collecting unit in which the
21 qualified new personal property is located as provided in
22 subsection (3). The affidavit shall be in a form prescribed by the
23 state tax commission. An affidavit claiming an exemption under this
24 section applies to all existing and subsequently acquired qualified
25 new personal property. The local tax collecting unit shall transmit
26 the affidavits filed, or the information contained in the
27 affidavits filed, under this section and under section 9n to the

1 department of treasury in the form and in the manner prescribed by
2 the department of treasury.

3 (3) If a person claiming an exemption under this section has
4 not filed an affidavit under this section in any prior year with
5 the local tax collecting unit in which the qualified new personal
6 property is located, that person shall file the affidavit described
7 under subsection (2) with that local tax collecting unit not later
8 than February 10 of the first year for which the person is claiming
9 the exemption for qualified new personal property in the local tax
10 collecting unit.

11 (4) Except for a person claiming an exemption under this
12 section for personal property that was subject to section 9f or
13 1974 PA 198, MCL 207.551 to 207.572, in 2015, if an affidavit
14 claiming the exemption under this section is filed as provided in
15 subsection (3) by February 10, 2016, and the person claiming the
16 exemption under this section complied with section 19(9) in 2015,
17 or if the filing requirement under section 19(9) was not applicable
18 because the qualified new personal property was acquired in 2015,
19 the person claiming the exemption under this section is not
20 required to file a statement under section 19 for that qualified
21 new personal property in 2016. Except for a person claiming an
22 exemption under this section for personal property that was subject
23 to section 9f or 1974 PA 198, MCL 207.551 to 207.572, in 2015, if
24 an affidavit claiming the exemption under this section is filed as
25 provided in subsection (3), beginning in 2017, the person claiming
26 the exemption under this section is not required to file a
27 statement under section 19 for qualified new personal property

1 exempt under this section. For a person claiming an exemption under
2 this section for personal property that was subject to section 9f
3 or 1974 PA 198, MCL 207.551 to 207.572, in 2015, if an affidavit
4 claiming the exemption under this section is filed as provided in
5 subsection (3) and the person claiming the exemption under this
6 section complied with section 19(9) in 2015, the person claiming
7 the exemption under this section is not required to file a
8 statement under section 19 for that qualified new personal property
9 in the first year for which that person is claiming an exemption
10 under this section or in any subsequent year. For a person claiming
11 an exemption under this section for personal property that was
12 subject to section 9f or 1974 PA 198, MCL 207.551 to 207.572, in
13 2015, if an affidavit claiming the exemption under this section is
14 filed as provided in subsection (3), but the person claiming the
15 exemption under this section did not comply with section 19(9) in
16 2015, the person claiming the exemption under this section shall
17 file a statement under section 19 for that person's qualified new
18 personal property in the first year for which that person is
19 claiming an exemption under this section for qualified new personal
20 property, but that person is not required to file a statement under
21 section 19 for that qualified new personal property in any
22 subsequent year. If the person claiming the exemption under this
23 section has not filed an affidavit as required under subsection
24 (2), the personal property for which the person is claiming an
25 exemption is subject to the collection of taxes under this act and
26 that person shall file a statement under section 19.

27 (5) If the assessor of the local tax collecting unit believes

1 that personal property for which an affidavit claiming an exemption
2 is filed under subsection (2) is not qualified new personal
3 property, the assessor may deny that claim for exemption by
4 notifying the person that filed the affidavit in writing of the
5 reason for the denial and advising the person that the denial may
6 be appealed to the board of review under section 30. ~~or 53b.~~ **A**

7 **QUALIFIED ERROR MAY BE APPEALED TO THE STATE TAX COMMISSION UNDER**
8 **SECTION 53E.** The assessor may deny a claim for exemption under this
9 subsection for the current year only. If the assessor denies a
10 claim for exemption, the assessor shall remove the exemption of
11 that personal property and amend the tax roll to reflect the denial
12 and the local treasurer shall within 30 days of the date of the
13 denial issue a corrected tax bill for any additional taxes.

14 (6) A person claiming an exemption for qualified new personal
15 property exempt under this section shall maintain books and records
16 and shall provide access to those books and records as provided in
17 section 22.

18 (7) If a person fraudulently claims an exemption for personal
19 property under this section, that person is subject to the
20 penalties provided for in section 21(2).

21 (8) As used in this section:

22 (a) "Affiliated person" means a sole proprietorship,
23 partnership, limited liability company, corporation, association,
24 flow-through entity, member of a unitary business group, or other
25 entity related to a person claiming an exemption under this
26 section.

27 (b) "Direct integrated support" means any of the following:

1 (i) Research and development related to goods produced in
2 industrial processing and conducted in furtherance of that
3 industrial processing.

4 (ii) Testing and quality control functions related to goods
5 produced in industrial processing and conducted in furtherance of
6 that industrial processing.

7 (iii) Engineering related to goods produced in industrial
8 processing and conducted in furtherance of that industrial
9 processing.

10 (iv) Receiving or storing equipment, materials, supplies,
11 parts, or components for industrial processing, or scrap materials
12 or waste resulting from industrial processing, at the industrial
13 processing site or at another site owned or leased by the owner or
14 lessee of the industrial processing site.

15 (v) Storing of finished goods inventory if the inventory was
16 produced by a business engaged primarily in industrial processing
17 and if the inventory is stored either at the site where it was
18 produced or at another site owned or leased by the business that
19 produced the inventory.

20 (vi) Sorting, distributing, or sequencing functions that
21 optimize transportation and just-in-time inventory management and
22 material handling for inputs to industrial processing.

23 (c) "Eligible manufacturing personal property" means all
24 personal property located on occupied real property if that
25 personal property is predominantly used in industrial processing or
26 direct integrated support. Personal property located on occupied
27 real property is predominantly used in industrial processing or

1 direct integrated support if the result of the following
2 calculation is more than 50%:

3 (i) Multiply the original cost of all personal property located
4 on that occupied real property by its percentage of use in
5 industrial processing or in direct integrated support. Personal
6 property is used in industrial processing if it is not used to
7 generate, transmit, or distribute electricity for sale, if it is
8 not utility personal property as described in section 34c(3)(e),
9 and if its purchase or use by the person claiming the exemption
10 would be eligible for exemption under section 4t of the general
11 sales tax act, 1933 PA 167, MCL 205.54t, or section 4o of the use
12 tax act, 1937 PA 94, MCL 205.94o. For an item of personal property
13 that is used in industrial processing, its percentage of use in
14 industrial processing shall equal the percentage of the exemption
15 the property would be eligible for under section 4t of the general
16 sales tax act, 1933 PA 167, MCL 205.54t, or section 4o of the use
17 tax act, 1937 PA 94, MCL 205.94o. Utility personal property as
18 described in section 34c(3)(e) is not used in direct integrated
19 support.

20 (ii) Divide the result of the calculation under subparagraph (i)
21 by the total original cost of all personal property located on that
22 occupied real property.

23 (d) "Industrial processing" means that term as defined in
24 section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t,
25 or section 4o of the use tax act, 1937 PA 94, MCL 205.94o.
26 Industrial processing does not include the generation,
27 transmission, or distribution of electricity for sale.

1 (e) "New personal property" means property that was initially
2 placed in service in this state or outside of this state after
3 December 31, 2012.

4 (f) "Occupied real property" means all of the following:

5 (i) A parcel of real property that is entirely owned, leased,
6 or otherwise occupied by a person claiming an exemption under this
7 section.

8 (ii) Contiguous parcels of real property that are entirely
9 owned, leased, or otherwise occupied by a person claiming an
10 exemption under this section and that host a single, integrated
11 business operation engaged primarily in industrial processing,
12 direct integrated support, or both. A business operation is not
13 engaged primarily in industrial processing, direct integrated
14 support, or both if it engages in significant business activities
15 that are not directly related to industrial processing or direct
16 integrated support.

17 (iii) The portion of a parcel of real property that is owned,
18 leased, or otherwise occupied by a person claiming the exemption or
19 by an affiliated person.

20 (g) "Original cost" means the fair market value of eligible
21 manufacturing personal property at the time of acquisition by the
22 current owner. There is a rebuttable presumption that the
23 acquisition price paid by the current owner for eligible
24 manufacturing personal property reflects the fair market value of
25 that eligible manufacturing personal property. The department may
26 provide guidelines for circumstances in which the actual
27 acquisition cost of eligible manufacturing personal property is not

1 determinative of the fair market value of that eligible
2 manufacturing personal property and for the basis of determining
3 fair market value of eligible manufacturing personal property in
4 those circumstances.

5 **(H) "QUALIFIED ERROR" MEANS THAT TERM AS DEFINED IN SECTION**
6 **53E.**

7 **(I)** ~~(h)~~ "Qualified new personal property" means property that
8 meets all of the following conditions:

9 (i) Is eligible manufacturing personal property.

10 (ii) Is new personal property.

11 Sec. 9n. (1) Beginning December 31, 2015 and each year
12 thereafter, qualified previously existing personal property for
13 which an exemption has been properly claimed under subsection (2)
14 is exempt from the collection of taxes under this act.

15 (2) A person shall claim the exemption under this section by
16 filing an affidavit with the local tax collecting unit in which the
17 qualified previously existing personal property is located as
18 provided in subsection (3). The affidavit shall be in a form
19 prescribed by the state tax commission. A person claiming an
20 exemption for previously existing personal property is only
21 required to file the affidavit claiming the exemption under this
22 section for the first year for which the exemption for that
23 qualified previously existing personal property is claimed in the
24 local tax collecting unit.

25 (3) If a person claiming an exemption under this section has
26 not filed an affidavit under this section in any prior year with
27 the local tax collecting unit in which the qualified previously

1 existing personal property is located claiming an exemption for
2 that qualified previously existing personal property, that person
3 shall file the affidavit described under subsection (2) with that
4 local tax collecting unit not later than February 10 of the first
5 year for which the person is claiming the exemption for that
6 qualified previously existing personal property in the local tax
7 collecting unit. If an affidavit claiming the exemption for
8 qualified previously existing personal property under this section
9 is filed as provided in this subsection and the person claiming an
10 exemption for that qualified previously existing personal property
11 complied with section 19(9) with respect to that qualified
12 previously existing personal property in 2015, or if the filing
13 requirement under section 19(9) was not applicable because the
14 qualified previously existing personal property was acquired in
15 2015 or later, the person claiming the exemption under this section
16 is not required to also file a statement under section 19 for that
17 qualified previously existing personal property in the first year
18 for which the exemption is claimed or in any subsequent year. If an
19 affidavit claiming the exemption for qualified previously existing
20 personal property under this section is filed as provided in this
21 subsection but the person claiming the exemption under this section
22 did not comply with section 19(9) with respect to that qualified
23 previously existing personal property in 2015, the person claiming
24 the exemption under this section shall file a statement under
25 section 19 for that qualified previously existing personal property
26 in the first year for which the person is claiming an exemption for
27 that qualified previously existing personal property, but the

1 person is not required to file a statement under section 19 for
2 that qualified previously existing personal property in any
3 subsequent year. If a person claiming an exemption for qualified
4 previously existing personal property has not filed an affidavit as
5 required under this section, that person's qualified previously
6 existing personal property is subject to the collection of taxes
7 under this act and that person shall file a statement under section
8 19.

9 (4) If the assessor of the local tax collecting unit believes
10 that personal property for which an affidavit claiming an exemption
11 is filed under subsection (2) is not qualified previously existing
12 personal property, the assessor may deny that claim for exemption
13 by notifying the person that filed the affidavit in writing of the
14 reason for the denial and advising the person that the denial may
15 be appealed to the board of review under section 30. ~~or 53b.~~ **A**
16 **QUALIFIED ERROR MAY BE APPEALED TO THE STATE TAX COMMISSION UNDER**
17 **SECTION 53E.** The assessor may deny a claim for exemption under this
18 subsection for the current year only. If the assessor denies a
19 claim for exemption, the assessor shall remove the exemption of
20 that personal property and amend the tax roll to reflect the denial
21 and the local treasurer shall within 30 days of the date of the
22 denial issue a corrected tax bill for any additional taxes.

23 (5) A person claiming an exemption for qualified previously
24 existing personal property exempt under this section shall maintain
25 books and records and shall provide access to those books and
26 records as provided in section 22.

27 (6) If a person fraudulently claims an exemption for personal

1 property under this section, that person is subject to the
2 penalties provided for in section 21(2).

3 (7) As used in this section:

4 (a) "Direct integrated support", "eligible manufacturing
5 personal property", and "industrial processing" mean those terms as
6 defined in section 9m.

7 **(B) "QUALIFIED ERROR" MEANS THAT TERM AS DEFINED IN SECTION**
8 **53E.**

9 **(C) ~~(b)~~**"Qualified previously existing personal property"
10 means personal property that meets all of the following conditions:

11 (i) Is eligible manufacturing personal property.

12 (ii) Meets any of the following conditions:

13 (A) Has been subject to or exempt from the collection of taxes
14 under this act for the immediately preceding 10 years.

15 (B) If that personal property was located both outside of and
16 within this state in the immediately preceding 10 years, that
17 personal property was subject to or exempt from the collection of
18 taxes under this act, or would have been subject to or exempt from
19 the collection of taxes under this act if located in this state,
20 for the immediately preceding 10 years.

21 (C) If that personal property was located outside of this
22 state in the immediately preceding 10 years, that personal property
23 would have been subject to or exempt from the collection of taxes
24 under this act for the immediately preceding 10 years if that
25 personal property had been located in this state.

26 Sec. 9o. (1) Beginning December 31, 2013, eligible personal
27 property for which an exemption has been properly claimed under

1 this section is exempt from the collection of taxes under this act.

2 (2) An owner of eligible personal property shall claim the
3 exemption under this section by annually filing an affidavit with
4 the local tax collecting unit in which the eligible personal
5 property is located not later than February 10 in each tax year.
6 The affidavit shall be in a form prescribed by the state tax
7 commission and shall include any address where any property owned
8 by, leased to, or in the possession of that owner or a related
9 entity is located within that local tax collecting unit. The
10 affidavit shall require the owner to attest that the combined true
11 cash value of all industrial personal property and commercial
12 personal property in that local tax collecting unit owned by,
13 leased to, or in the possession of that owner or a related entity
14 on December 31 of the immediately preceding year is less than
15 \$80,000.00.

16 (3) If an affidavit claiming the exemption under this section
17 is filed as provided in subsection (2), the owner of that eligible
18 personal property is not required to also file a statement under
19 section 19 in that tax year.

20 (4) A person who claims an exemption for eligible personal
21 property under this section shall maintain books and records and
22 shall provide access to those books and records as provided in
23 section 22.

24 (5) If the assessor of the local tax collecting unit believes
25 that personal property for which an affidavit claiming an exemption
26 is filed under subsection (2) is not eligible personal property,
27 the assessor may deny that claim for exemption by notifying the

1 person that filed the affidavit in writing of the reason for the
2 denial and advising the person that the denial may be appealed to
3 the board of review under section 30 ~~or 53b~~ during that tax year. **A**
4 **QUALIFIED ERROR MAY BE APPEALED TO THE STATE TAX COMMISSION UNDER**
5 **SECTION 53E.** The assessor may deny a claim for exemption for the
6 current year and for the 3 immediately preceding calendar years. If
7 the assessor denies a claim for exemption, the assessor shall
8 remove the exemption of that personal property and, if the tax roll
9 is in the local tax collecting unit's possession, amend the tax
10 roll to reflect the denial and the local treasurer shall within 30
11 days of the date of the denial issue a corrected tax bill for any
12 additional taxes with interest at the rate of 1% per month or
13 fraction of a month and penalties computed from the date the taxes
14 were last payable without interest or penalty. If the tax roll is
15 in the county treasurer's possession, the tax roll shall be amended
16 to reflect the denial and the county treasurer shall within 30 days
17 of the date of the denial prepare and submit a supplemental tax
18 bill for any additional taxes, together with interest at the rate
19 of 1% per month or fraction of a month and penalties computed from
20 the date the taxes were last payable without interest or penalty.
21 Interest on any tax set forth in a corrected or supplemental tax
22 bill shall again begin to accrue 60 days after the date the
23 corrected or supplemental tax bill is issued at the rate of 1% per
24 month or fraction of a month. Taxes levied in a corrected or
25 supplemental tax bill shall be returned as delinquent on the March
26 1 in the year immediately succeeding the year in which the
27 corrected or supplemental tax bill is issued.

1 (6) If a person fraudulently claims an exemption for personal
2 property under this section, that person is subject to the
3 penalties provided for in section 21(2).

4 (7) For 2014 only, if an owner of eligible personal property
5 did not timely file an affidavit to claim the exemption under this
6 section, that owner may file an appeal with the March 2014 board of
7 review to claim the exemption.

8 (8) As used in this section:

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

14 (b) "Control", "controlled by", and "under common control
15 with" mean the possession of the power to direct or cause the
16 direction of the management and policies of a related entity,
17 directly or indirectly, whether derived from a management position,
18 official office, or corporate office held by an individual; by an
19 ownership interest, beneficial interest, or equitable interest; or
20 by contractual agreement or other similar arrangement. There is a
21 rebuttable presumption that control exists if any person, directly
22 or indirectly, owns, controls, or holds the power to vote, directly
23 or by proxy, 10% or more of the ownership interest of any other
24 person or has contributed more than 10% of the capital of the other
25 person. Indirect ownership includes ownership through attribution
26 or through 1 or more intermediary entities.

27 (c) "Eligible personal property" means property that meets all

1 of the following conditions:

2 (i) Is industrial personal property or commercial personal
3 property.

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

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

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

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

21 **(F) "QUALIFIED ERROR" MEANS THAT TERM AS DEFINED IN SECTION**
22 **53E.**

23 **(G) ~~(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. 24c. (1) The assessor shall give to each owner or person
27 or persons listed on the assessment roll of the property a notice

1 by first-class mail of an increase in the tentative state equalized
2 valuation or the tentative taxable value for the year. The notice
3 shall specify each parcel of property, the tentative taxable value
4 for the current year, and the taxable value for the immediately
5 preceding year. The notice shall also specify the time and place of
6 the meeting of the board of review. The notice shall also specify
7 the difference between the property's tentative taxable value in
8 the current year and the property's taxable value in the
9 immediately preceding year.

10 (2) The notice shall include, in addition to the information
11 required by subsection (1), all of the following:

12 (a) The state equalized valuation for the immediately
13 preceding year.

14 (b) The tentative state equalized valuation for the current
15 year.

16 (c) The net change between the tentative state equalized
17 valuation for the current year and the state equalized valuation
18 for the immediately preceding year.

19 (d) The classification of the property as defined by section
20 34c.

21 (e) The inflation rate for the immediately preceding year as
22 defined in section 34d.

23 (f) A statement provided by the state tax commission
24 explaining the relationship between state equalized valuation and
25 taxable value. If the assessor believes that a transfer of
26 ownership has occurred in the immediately preceding year, the
27 statement shall state that the ownership was transferred and that

1 the taxable value of that property is the same as the state
2 equalized valuation of that property.

3 (G) THE ASSESSOR'S OFFICE TELEPHONE NUMBER.

4 (H) A STATEMENT THAT THE OWNER OR PERSON OR PERSONS LISTED ON
5 THE ASSESSMENT ROLL MAY MEET WITH THE ASSESSOR OR HIS OR HER
6 DESIGNEE PRIOR TO THE BOARD OF REVIEW.

7 (3) When required by the income tax act of 1967, 1967 PA 281,
8 MCL 206.1 to ~~206.532~~, **206.713**, the assessment notice shall include
9 or be accompanied by information or forms prescribed by the income
10 tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.532~~ **206.713**.

11 (4) The assessment notice shall be addressed to the owner
12 according to the records of the assessor and mailed not less than
13 14 days before the meeting of the board of review. The failure to
14 send or receive an assessment notice does not invalidate an
15 assessment roll or an assessment on that property.

16 (5) The tentative state equalized valuation shall be
17 calculated by multiplying the assessment by the tentative equalized
18 valuation multiplier. If the assessor has made assessment
19 adjustments that would have changed the tentative multiplier, the
20 assessor may recalculate the multiplier for use in the notice.

21 (6) The state tax commission shall prepare a model assessment
22 notice form that shall be made available to local units of
23 government.

24 (7) The assessment notice under subsection (1) shall include
25 the following statement:

26 "If you purchased your principal residence after May 1 last
27 year, to claim the principal residence exemption, if you have not

1 already done so, you are required to file an affidavit before May
2 1."

3 (8) For taxes levied after December 31, 2003, the assessment
4 notice under subsection (1) shall separately state the state
5 equalized valuation and taxable value for any leasehold
6 improvements.

7 Sec. 27a. (1) Except as otherwise provided in this section,
8 property shall be assessed at 50% of its true cash value under
9 section 3 of article IX of the state constitution of 1963.

10 (2) Except as otherwise provided in subsection (3), for taxes
11 levied in 1995 and for each year after 1995, the taxable value of
12 each parcel of property is the lesser of the following:

13 (a) The property's taxable value in the immediately preceding
14 year minus any losses, multiplied by the lesser of 1.05 or the
15 inflation rate, plus all additions. For taxes levied in 1995, the
16 property's taxable value in the immediately preceding year is the
17 property's state equalized valuation in 1994.

18 (b) The property's current state equalized valuation.

19 (3) Upon a transfer of ownership of property after 1994, the
20 property's taxable value for the calendar year following the year
21 of the transfer is the property's state equalized valuation for the
22 calendar year following the transfer.

23 (4) If the taxable value of property is adjusted under
24 subsection (3), a subsequent increase in the property's taxable
25 value is subject to the limitation set forth in subsection (2)
26 until a subsequent transfer of ownership occurs. If the taxable
27 value of property is adjusted under subsection (3) and the assessor

1 determines that there had not been a transfer of ownership, the
2 taxable value of the property shall be adjusted at the July or
3 December board of review. ~~Notwithstanding the limitation provided~~
4 ~~in section 53b(1) on the number of years for which a correction may~~
5 ~~be made, the July or December board of review~~ **FOR A QUALIFIED**
6 **ERROR, THE STATE TAX COMMISSION** may adjust the taxable value of
7 property under this subsection for the current year and for the 3
8 immediately preceding calendar years **UNDER SECTION 53E**. A corrected
9 tax bill shall be issued for each tax year for which the taxable
10 value is adjusted by the local tax collecting unit if the local tax
11 collecting unit has possession of the tax roll or by the county
12 treasurer if the county has possession of the tax roll. For
13 purposes of section 53b, an adjustment under this subsection shall
14 be considered the correction of a clerical error.

15 (5) Assessment of property, as required in this section and
16 section 27, is inapplicable to the assessment of property subject
17 to the levy of ad valorem taxes within voted tax limitation
18 increases to pay principal and interest on limited tax bonds issued
19 by any governmental unit, including a county, township, community
20 college district, or school district, before January 1, 1964, if
21 the assessment required to be made under this act would be less
22 than the assessment as state equalized prevailing on the property
23 at the time of the issuance of the bonds. This inapplicability
24 shall continue until levy of taxes to pay principal and interest on
25 the bonds is no longer required. The assessment of property
26 required by this act shall be applicable for all other purposes.

27 (6) As used in this act, "transfer of ownership" means the

1 conveyance of title to or a present interest in property, including
2 the beneficial use of the property, the value of which is
3 substantially equal to the value of the fee interest. Transfer of
4 ownership of property includes, but is not limited to, the
5 following:

6 (a) A conveyance by deed.

7 (b) A conveyance by land contract. The taxable value of
8 property conveyed by a land contract executed after December 31,
9 1994 shall be adjusted under subsection (3) for the calendar year
10 following the year in which the contract is entered into and shall
11 not be subsequently adjusted under subsection (3) when the deed
12 conveying title to the property is recorded in the office of the
13 register of deeds in the county in which the property is located.

14 (c) A conveyance to a trust after December 31, 1994, except if
15 the settlor or the settlor's spouse, or both, conveys the property
16 to the trust and the sole present beneficiary or beneficiaries are
17 the settlor or the settlor's spouse, or both.

18 (d) A conveyance by distribution from a trust, except if the
19 distributee is the sole present beneficiary or the spouse of the
20 sole present beneficiary, or both.

21 (e) A change in the sole present beneficiary or beneficiaries
22 of a trust, except a change that adds or substitutes the spouse of
23 the sole present beneficiary.

24 (f) A conveyance by distribution under a will or by intestate
25 succession, except if the distributee is the decedent's spouse.

26 (g) A conveyance by lease if the total duration of the lease,
27 including the initial term and all options for renewal, is more

1 than 35 years or the lease grants the lessee a bargain purchase
2 option. As used in this subdivision, "bargain purchase option"
3 means the right to purchase the property at the termination of the
4 lease for not more than 80% of the property's projected true cash
5 value at the termination of the lease. After December 31, 1994, the
6 taxable value of property conveyed by a lease with a total duration
7 of more than 35 years or with a bargain purchase option shall be
8 adjusted under subsection (3) for the calendar year following the
9 year in which the lease is entered into. This subdivision does not
10 apply to personal property except buildings described in section
11 14(6) and personal property described in section 8(h), (i), and
12 (j). This subdivision does not apply to that portion of the
13 property not subject to the leasehold interest conveyed.

14 (h) Except as otherwise provided in this subdivision, a
15 conveyance of an ownership interest in a corporation, partnership,
16 sole proprietorship, limited liability company, limited liability
17 partnership, or other legal entity if the ownership interest
18 conveyed is more than 50% of the corporation, partnership, sole
19 proprietorship, limited liability company, limited liability
20 partnership, or other legal entity. Unless notification is provided
21 under subsection (10), the corporation, partnership, sole
22 proprietorship, limited liability company, limited liability
23 partnership, or other legal entity shall notify the assessing
24 officer on a form provided by the state tax commission not more
25 than 45 days after a conveyance of an ownership interest that
26 constitutes a transfer of ownership under this subdivision. Both of
27 the following apply to a corporation subject to 1897 PA 230, MCL

1 455.1 to 455.24:

2 (i) A transfer of stock of the corporation is a transfer of
3 ownership only with respect to the real property that is assessed
4 to the transferor lessee stockholder.

5 (ii) A cumulative conveyance of more than 50% of the
6 corporation's stock does not constitute a transfer of ownership of
7 the corporation's real property.

8 (i) A transfer of property held as a tenancy in common, except
9 that portion of the property not subject to the ownership interest
10 conveyed.

11 (j) A conveyance of an ownership interest in a cooperative
12 housing corporation, except that portion of the property not
13 subject to the ownership interest conveyed.

14 (7) Transfer of ownership does not include the following:

15 (a) The transfer of property from 1 spouse to the other spouse
16 or from a decedent to a surviving spouse.

17 (b) A transfer from a husband, a wife, or a husband and wife
18 creating or disjoining a tenancy by the entirety in the grantors
19 or the grantor and his or her spouse.

20 (c) A transfer of that portion of property subject to a life
21 estate or life lease retained by the transferor, until expiration
22 or termination of the life estate or life lease. That portion of
23 property transferred that is not subject to a life lease shall be
24 adjusted under subsection (3).

25 (d) A transfer through foreclosure or forfeiture of a recorded
26 instrument under chapter 31, 32, or 57 of the revised judicature
27 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701

1 to 600.5759, or through deed or conveyance in lieu of a foreclosure
2 or forfeiture, until the mortgagee or land contract vendor
3 subsequently transfers the property. If a mortgagee does not
4 transfer the property within 1 year of the expiration of any
5 applicable redemption period, the property shall be adjusted under
6 subsection (3).

7 (e) A transfer by redemption by the person to whom taxes are
8 assessed of property previously sold for delinquent taxes.

9 (f) A conveyance to a trust if the settlor or the settlor's
10 spouse, or both, conveys the property to the trust and the sole
11 present beneficiary of the trust is the settlor or the settlor's
12 spouse, or both.

13 (g) A transfer pursuant to a judgment or order of a court of
14 record making or ordering a transfer, unless a specific monetary
15 consideration is specified or ordered by the court for the
16 transfer.

17 (h) A transfer creating or terminating a joint tenancy between
18 2 or more persons if at least 1 of the persons was an original
19 owner of the property before the joint tenancy was initially
20 created and, if the property is held as a joint tenancy at the time
21 of conveyance, at least 1 of the persons was a joint tenant when
22 the joint tenancy was initially created and that person has
23 remained a joint tenant since the joint tenancy was initially
24 created. A joint owner at the time of the last transfer of
25 ownership of the property is an original owner of the property. For
26 purposes of this subdivision, a person is an original owner of
27 property owned by that person's spouse.

1 (i) A transfer for security or an assignment or discharge of a
2 security interest.

3 (j) A transfer of real property or other ownership interests
4 among members of an affiliated group. As used in this subsection,
5 "affiliated group" means 1 or more corporations connected by stock
6 ownership to a common parent corporation. Upon request by the state
7 tax commission, a corporation shall furnish proof within 45 days
8 that a transfer meets the requirements of this subdivision. A
9 corporation that fails to comply with a request by the state tax
10 commission under this subdivision is subject to a fine of \$200.00.

11 (k) Normal public trading of shares of stock or other
12 ownership interests that, over any period of time, cumulatively
13 represent more than 50% of the total ownership interest in a
14 corporation or other legal entity and are traded in multiple
15 transactions involving unrelated individuals, institutions, or
16 other legal entities.

17 (l) A transfer of real property or other ownership interests
18 among corporations, partnerships, limited liability companies,
19 limited liability partnerships, or other legal entities if the
20 entities involved are commonly controlled. Upon request by the
21 state tax commission, a corporation, partnership, limited liability
22 company, limited liability partnership, or other legal entity shall
23 furnish proof within 45 days that a transfer meets the requirements
24 of this subdivision. A corporation, partnership, limited liability
25 company, limited liability partnership, or other legal entity that
26 fails to comply with a request by the state tax commission under
27 this subdivision is subject to a fine of \$200.00.

1 (m) A direct or indirect transfer of real property or other
2 ownership interests resulting from a transaction that qualifies as
3 a tax-free reorganization under section 368 of the internal revenue
4 code, 26 USC 368. Upon request by the state tax commission, a
5 property owner shall furnish proof within 45 days that a transfer
6 meets the requirements of this subdivision. A property owner who
7 fails to comply with a request by the state tax commission under
8 this subdivision is subject to a fine of \$200.00.

9 (n) A transfer of qualified agricultural property, if the
10 person to whom the qualified agricultural property is transferred
11 files an affidavit with the assessor of the local tax collecting
12 unit in which the qualified agricultural property is located and
13 with the register of deeds for the county in which the qualified
14 agricultural property is located attesting that the qualified
15 agricultural property shall remain qualified agricultural property.
16 The affidavit under this subdivision shall be in a form prescribed
17 by the department of treasury. An owner of qualified agricultural
18 property shall inform a prospective buyer of that qualified
19 agricultural property that the qualified agricultural property is
20 subject to the recapture tax provided in the agricultural property
21 recapture act, 2000 PA 261, MCL 211.1001 to 211.1007, if the
22 qualified agricultural property is converted by a change in use, as
23 that term is defined in section 2 of the agricultural property
24 recapture act, 2000 PA 261, MCL 211.1002. If property ceases to be
25 qualified agricultural property at any time after being
26 transferred, all of the following shall occur:

27 (i) The taxable value of that property shall be adjusted under

1 subsection (3) as of the December 31 in the year that the property
2 ceases to be qualified agricultural property.

3 (ii) The property is subject to the recapture tax provided for
4 under the agricultural property recapture act, 2000 PA 261, MCL
5 211.1001 to 211.1007.

6 (o) A transfer of qualified forest property, if the person to
7 whom the qualified forest property is transferred files a qualified
8 forest taxable value affidavit with the assessor of the local tax
9 collecting unit in which the qualified forest property is located
10 and with the register of deeds for the county in which the
11 qualified forest property is located attesting that the qualified
12 forest property shall remain qualified forest property. The
13 qualified forest taxable value affidavit under this subdivision
14 shall be in a form prescribed by the department of agriculture and
15 rural development. The qualified forest taxable value affidavit
16 shall include a legal description of the qualified forest property,
17 the name of the new property owner, the year the transfer of the
18 property occurred, a statement indicating that the property owner
19 is attesting that the property for which the exemption is claimed
20 is qualified forest property and will be managed according to the
21 approved forest management plan, and any other information
22 pertinent to the parcel and the property owner. The property owner
23 shall provide a copy of the qualified forest taxable value
24 affidavit to the department. The department shall provide 1 copy of
25 the qualified forest taxable value affidavit to the local tax
26 collecting unit, 1 copy to the conservation district, and 1 copy to
27 the department of treasury. These copies may be sent

1 electronically. The exception to the recognition of a transfer of
2 ownership, as herein stated, shall extend to the land only of the
3 qualified forest property. If qualified forest property is improved
4 by buildings, structures, or land improvements, then those
5 improvements shall be recognized as a transfer of ownership, in
6 accordance with the provisions of section 7jj. An owner of
7 qualified forest property shall inform a prospective buyer of that
8 qualified forest property that the qualified forest property is
9 subject to the recapture tax provided in the qualified forest
10 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,
11 if the qualified forest property is converted by a change in use,
12 as that term is defined in section 2 of the qualified forest
13 property recapture tax act, 2006 PA 379, MCL 211.1032. If property
14 ceases to be qualified forest property at any time after being
15 transferred, all of the following shall occur:

16 (i) The taxable value of that property shall be adjusted under
17 subsection (3) as of the December 31 in the year that the property
18 ceases to be qualified forest property, except to the extent that
19 the transfer of the qualified forest property would not have been
20 considered a transfer of ownership under this subsection.

21 (ii) Except as otherwise provided in subparagraph (iii), the
22 property is subject to the recapture tax provided for under the
23 qualified forest property recapture tax act, 2006 PA 379, MCL
24 211.1031 to 211.1036.

25 (iii) Beginning June 1, 2013 and ending November 30, 2013,
26 owners of property enrolled as qualified forest property prior to
27 January 1, 2013 may execute a new qualified forest taxable value

1 affidavit with the department of agriculture and rural development.
2 If a landowner elects to execute a qualified forest taxable value
3 affidavit, that owner is not required to pay the \$50.00 fee
4 required under section 7jj(2). If a landowner elects not to execute
5 a qualified forest taxable value affidavit, the existing affidavit
6 shall be rescinded, without subjecting the property to the
7 recapture tax provided for under the qualified forest property
8 recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the
9 taxable value of that property shall be adjusted under subsection
10 (3).

11 (p) Beginning on December 8, 2006, a transfer of land, but not
12 buildings or structures located on the land, which meets 1 or more
13 of the following requirements:

14 (i) The land is subject to a conservation easement under
15 subpart 11 of part 21 of the natural resources and environmental
16 protection act, 1994 PA 451, MCL 324.2140 to 324.2144. As used in
17 this subparagraph, "conservation easement" means that term as
18 defined in section 2140 of the natural resources and environmental
19 protection act, 1994 PA 451, MCL 324.2140.

20 (ii) A transfer of ownership of the land or a transfer of an
21 interest in the land is eligible for a deduction as a qualified
22 conservation contribution under section 170(h) of the internal
23 revenue code, 26 USC 170.

24 (q) A transfer of real property or other ownership interests
25 resulting from a consolidation or merger of a domestic nonprofit
26 corporation that is a boy or girl scout or camp fire girls
27 organization, a 4-H club or foundation, a young men's Christian

1 association, or a young women's Christian association and at least
2 50% of the members of that organization or association are
3 residents of this state.

4 (r) A change to the assessment roll or tax roll resulting from
5 the application of section 16a of 1897 PA 230, MCL 455.16a.

6 (s) Beginning December 31, 2013, a transfer of residential
7 real property if the transferee is related to the transferor by
8 blood or affinity to the first degree and the use of the
9 residential real property does not change following the transfer.
10 As used in this subdivision, "residential real property" means real
11 property classified as residential real property under section 34c.

12 (8) If all of the following conditions are satisfied, the
13 local tax collecting unit shall revise the taxable value of
14 qualified agricultural property taxable on the tax roll in the
15 possession of that local tax collecting unit to the taxable value
16 that qualified agricultural property would have had if there had
17 been no transfer of ownership of that qualified agricultural
18 property since December 31, 1999 and there had been no adjustment
19 of that qualified agricultural property's taxable value under
20 subsection (3) since December 31, 1999:

21 (a) The qualified agricultural property was qualified
22 agricultural property for taxes levied in 1999 and each year after
23 1999.

24 (b) The owner of the qualified agricultural property files an
25 affidavit with the assessor of the local tax collecting unit under
26 subsection (7) (n).

27 (9) If the taxable value of qualified agricultural property is

1 adjusted under subsection (8), the owner of that qualified
2 agricultural property shall not be entitled to a refund for any
3 property taxes collected under this act on that qualified
4 agricultural property before the adjustment under subsection (8).

5 (10) The register of deeds of the county where deeds or other
6 title documents are recorded shall notify the assessing officer of
7 the appropriate local taxing unit not less than once each month of
8 any recorded transaction involving the ownership of property and
9 shall make any recorded deeds or other title documents available to
10 that county's tax or equalization department. Unless notification
11 is provided under subsection (6), the buyer, grantee, or other
12 transferee of the property shall notify the appropriate assessing
13 office in the local unit of government in which the property is
14 located of the transfer of ownership of the property within 45 days
15 of the transfer of ownership, on a form prescribed by the state tax
16 commission that states the parties to the transfer, the date of the
17 transfer, the actual consideration for the transfer, and the
18 property's parcel identification number or legal description. Forms
19 filed in the assessing office of a local unit of government under
20 this subsection shall be made available to the county tax or
21 equalization department for the county in which that local unit of
22 government is located. This subsection does not apply to personal
23 property except buildings described in section 14(6) and personal
24 property described in section 8(h), (i), and (j).

25 (11) As used in this section:

26 (a) "Additions" means that term as defined in section 34d.

27 (b) "Beneficial use" means the right to possession, use, and

1 enjoyment of property, limited only by encumbrances, easements, and
2 restrictions of record.

3 (c) "Inflation rate" means that term as defined in section
4 34d.

5 (d) "Losses" means that term as defined in section 34d.

6 (e) "Qualified agricultural property" means that term as
7 defined in section 7dd.

8 **(F) "QUALIFIED ERROR" MEANS THAT TERM AS DEFINED IN SECTION**
9 **53E.**

10 **(G) ~~(F)~~**"Qualified forest property" means that term as defined
11 in section 7jj[1].

12 Sec. 28. (1) Those electors of the township appointed by the
13 township board shall constitute a board of review for the township.
14 At least 2/3 of the members shall be property taxpayers of the
15 township. Members appointed to the board of review shall serve for
16 terms of 2 years beginning at noon on January 1 of each odd-
17 numbered year. Each member of the board of review shall qualify by
18 taking the constitutional oath of office within 10 days after
19 appointment. The township board may fill any vacancy that occurs in
20 the membership of the board of review. A member of the township
21 board is not eligible to serve on the board or to fill any vacancy.
22 **THE ASSESSOR FOR THE TOWNSHIP IS NOT ELIGIBLE TO SERVE ON THE BOARD**
23 **OR TO FILL ANY VACANCY.** A spouse, mother, father, sister, brother,
24 son, or daughter, including an adopted child, of the assessor is
25 not eligible to serve on the board or to fill any vacancy. A
26 majority of the board of review constitutes a quorum for the
27 transaction of business, but a lesser number may adjourn and a

1 majority vote of those present shall decide all questions. **THE**
2 **ASSESSOR IS NOT ELIGIBLE TO VOTE ON ANY ISSUE BEFORE THE BOARD OF**
3 **REVIEW.** At least 2 members of a 3-member board of review shall be
4 present to conduct any business or hearings of the board of review.

5 (2) The township board may appoint 3, 6, or 9 electors of the
6 township, who shall constitute a board of review for the township.
7 If 6 or 9 members are appointed as provided in this subsection, the
8 membership of the board of review shall be divided into board of
9 review committees consisting of 3 members each for the purpose of
10 hearing and deciding issues protested pursuant to section 30. Two
11 of the 3 members of a board of review committee constitute a quorum
12 for the transaction of the business of the committee. All meetings
13 of the members of the board of review and committees shall be held
14 during the same hours of the same day and at the same location.

15 (3) A township board may appoint not more than 2 alternate
16 members for the same term as regular members of the board of
17 review. Each alternate member shall be a property taxpayer of the
18 township. Alternate members shall qualify by taking the
19 constitutional oath of office within 10 days after appointment. The
20 township board may fill any vacancy that occurs in the alternate
21 membership of the board of review. A member of the township board
22 is not eligible to serve as an alternate member or to fill any
23 vacancy. **THE ASSESSOR FOR THE TOWNSHIP IS NOT ELIGIBLE TO SERVE AS**
24 **AN ALTERNATE MEMBER OR TO FILL ANY VACANCY.** A spouse, mother,
25 father, sister, brother, son, or daughter, including an adopted
26 child, of the assessor is not eligible to serve as an alternate
27 member or to fill any vacancy. An alternate member may be called to

1 perform the duties of a regular member of the board of review in
2 the absence of a regular member. An alternate member may also be
3 called to perform the duties of a regular member of the board of
4 review for the purpose of reaching a decision in issues protested
5 in which a regular member has abstained for reasons of conflict of
6 interest.

7 (4) The size, composition, and manner of appointment of the
8 board of review of a city may be prescribed by the charter of a
9 city. In the absence of or in place of a charter provision, the
10 governing body of the city, by ordinance, may establish the city
11 board of review in the same manner and for the same purposes as
12 provided by this section for townships. **NOTWITHSTANDING ANY CHARTER
13 PROVISION TO THE CONTRARY, THE ASSESSOR FOR THE CITY IS NOT
14 ELIGIBLE TO SERVE ON THE BOARD OF REVIEW, TO SERVE AS AN ALTERNATE
15 MEMBER, OR TO FILL ANY VACANCY.**

16 (5) A majority of the entire board of review membership shall
17 indorse the assessment roll as provided in section 30. The duties
18 and responsibilities of the board contained in section 29 shall be
19 carried out by the entire membership of the board of review and a
20 majority of the membership constitutes a quorum for those purposes.

21 (6) **AN ASSESSOR FOR A TOWNSHIP OR CITY SHALL PROVIDE TESTIMONY
22 AND INFORMATION TO THE BOARD OF REVIEW IF SUCH INFORMATION IS
23 REQUESTED BY THE BOARD OF REVIEW OR IF THE ASSESSOR DETERMINES IT
24 IS NECESSARY TO PROVIDE FURTHER FACTUAL INFORMATION IN RESPONSE TO
25 AN APPEAL.**

26 Sec. 29. (1) On the Tuesday immediately following the first
27 Monday in March, the board of review of each township shall meet at

1 the office of the supervisor, at which time the supervisor shall
2 submit to the board the assessment roll for the current year, as
3 prepared by the supervisor, and the board shall proceed to examine
4 and review the assessment roll.

5 (2) During that day, and the day following, if necessary, the
6 board, of its own motion, or on sufficient cause being shown by a
7 person, shall add to the roll the names of persons, the value of
8 personal property, and the description and value of real property
9 liable to assessment in the township, omitted from the assessment
10 roll. The board shall correct errors in the names of persons, in
11 the descriptions of property upon the roll, and in the assessment
12 and valuation of property. The board shall do whatever else is
13 necessary to make the roll comply with this act.

14 (3) The roll shall be reviewed **AND ALL EVIDENCE CONSIDERED**
15 according to the facts existing on the tax day. The board shall not
16 add to the roll property not subject to taxation on the tax day,
17 and the board shall not remove from the roll property subject to
18 taxation on ~~that~~ **THE TAX** day regardless of a change in the taxable
19 status of the property since ~~that~~ **THE TAX** day.

20 (4) The board shall pass upon each valuation and each
21 interest, and shall enter the valuation of each, as fixed by the
22 board, in a separate column.

23 (5) The roll as prepared by the supervisor shall stand as
24 approved and adopted as the act of the board of review, except as
25 changed by a vote of the board. If for any cause a quorum does not
26 assemble during the days above mentioned, the roll as prepared by
27 the supervisor shall stand as if approved by the board of review.

1 (6) The business which the board may perform shall be
2 conducted at a public meeting of the board held in compliance with
3 ~~Act No. 267 of the Public Acts of 1976, being sections 15.261 to~~
4 ~~15.275 of the Michigan Compiled Laws. THE OPEN MEETINGS ACT, 1976~~
5 **PA 267, MCL 15.261 TO 15.275.** Public notice of the time, date, and
6 place of the meeting shall be given in the manner required by ~~Act~~
7 ~~No. 267 of the Public Acts of 1976. THE OPEN MEETINGS ACT, 1976 PA~~
8 **267, MCL 15.261 TO 15.275.** Notice of the date, time, and place of
9 the meeting of the board of review shall be given at least 1 week
10 before the meeting by publication in a generally circulated
11 newspaper serving the area. The notice shall appear in 3 successive
12 issues of the newspaper where available; otherwise, by the posting
13 of the notice in 5 conspicuous places in the township.

14 (7) When the board of review makes a change in the assessment
15 of property or adds property to the assessment roll, the person
16 chargeable with the assessment shall be promptly notified in ~~such a~~
17 ~~manner as~~**THAT** will assure the person opportunity to attend the
18 second meeting of the board of review provided in section 30.

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

21 (2) The governing body of the city or township may authorize,
22 by adoption of an ordinance or resolution, alternative starting
23 dates in March when the board of review shall initially meet, which
24 alternative starting dates shall be the Tuesday or Wednesday
25 following the second Monday of March.

26 (3) The first meeting of the board of review shall start not
27 earlier than 9 a.m. and not later than 3 p.m. and last for not less

1 than 6 hours. The board of review shall also meet for not less than
2 6 hours during the remainder of that week. Persons or their agents
3 who have appeared to file a protest before the board of review at a
4 scheduled meeting or at a scheduled appointment shall be afforded
5 an opportunity to be heard by the board of review. The board of
6 review shall schedule a final meeting after the board of review
7 makes a change in the assessed value or tentative taxable value of
8 property, adds property to the assessment roll, **EXEMPTS THE**
9 **HOMESTEAD OF A DISABLED VETERAN OR THE UNREMARIED SURVIVING SPOUSE**
10 **OF A DISABLED VETERAN UNDER SECTION 7B, EXEMPTS A PERSON'S**
11 **PRINCIPAL RESIDENCE, IN WHOLE OR IN PART, BY REASON OF POVERTY**
12 **UNDER SECTION 7U,** or exempts personal property under section 9m,
13 9n, or 9o and removes it from the assessment roll. The board of
14 review shall hold at least 3 hours of its required sessions for
15 review of assessment rolls during the week of the second Monday in
16 March after 6 p.m.

17 (4) A board of review shall meet a total of at least 12 hours
18 during the week beginning the second Monday in March to hear
19 protests. At the request of a person whose property is assessed on
20 the assessment roll or of his or her agent, and if sufficient cause
21 is shown, the board of review shall correct the assessed value or
22 tentative taxable value of the property in a manner that will make
23 the valuation of the property relatively just and proper under this
24 act. **FOR A CLAIM OF EXEMPTION FOR THE HOMESTEAD OF A DISABLED**
25 **VETERAN OR THE UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN**
26 **UNDER SECTION 7B, IF AN EXEMPTION IS APPROVED, THE BOARD OF REVIEW**
27 **SHALL REMOVE THE HOMESTEAD FROM THE TAX ROLL AND FILE AN AFFIDAVIT**

1 WITH THE PROPER OFFICIALS INVOLVED IN THE ASSESSMENT AND COLLECTION
2 OF TAXES AND ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. FOR
3 A CLAIM OF EXEMPTION BY REASON OF POVERTY UNDER SECTION 7U, IF AN
4 EXEMPTION IS APPROVED, THE BOARD OF REVIEW SHALL REMOVE THE
5 PERSON'S PRINCIPAL RESIDENCE, IN WHOLE OR IN PART, FROM THE TAX
6 ROLL AND FILE AN AFFIDAVIT WITH THE PROPER OFFICIALS INVOLVED IN
7 THE ASSESSMENT AND COLLECTION OF TAXES AND ALL AFFECTED OFFICIAL
8 RECORDS SHALL BE CORRECTED. For the appeal of a denial of a claim
9 of exemption for personal property under section 9m, 9n, or 9o, or
10 for an appeal under section 9o(7), if an exemption is approved, the
11 board of review shall remove the personal property from the
12 assessment roll. The board of review may examine under oath the
13 person making the application, or any other person concerning the
14 matter. A member of the board of review may administer the oath. A
15 nonresident taxpayer may file his or her appearance, protest, and
16 papers in support of the protest by letter, and his or her personal
17 appearance is not required. The board of review, on its own motion,
18 may change assessed values or tentative taxable values or add to
19 the roll property omitted from the roll that is liable to
20 assessment if the person who is assessed for the altered valuation
21 or for the omitted property is promptly notified and granted an
22 opportunity to file objections to the change at the meeting or at a
23 subsequent meeting. An objection to a change in assessed value or
24 tentative taxable value or to the addition of property to the tax
25 roll shall be promptly heard and determined. Each person who makes
26 a request, protest, or application to the board of review for the
27 correction of the assessed value or tentative taxable value of the

1 person's property, **FOR THE EXEMPTION OF THE HOMESTEAD OF A DISABLED**
2 **VETERAN OR THE UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN**
3 **UNDER SECTION 7B, FOR THE EXEMPTION OF THAT PERSON'S PRINCIPAL**
4 **RESIDENCE, IN WHOLE OR IN PART, BY REASON OF POVERTY UNDER SECTION**
5 **7U,** or for the exemption of that person's personal property under
6 section 9m, 9n, or 9o shall be notified in writing, not later than
7 the first Monday in June, of the board of review's action on the
8 request, protest, or application, of the state equalized valuation
9 or tentative taxable value of the property, and of information
10 regarding the right of further appeal to the tax tribunal.
11 Information regarding the right of further appeal to the tax
12 tribunal shall include, but is not limited to, a statement of the
13 right to appeal to the tax tribunal, the address of the tax
14 tribunal, and the final date for filing an appeal with the tax
15 tribunal.

16 (5) If an exemption for personal property under section 9m,
17 9n, or 9o is approved, the board of review shall file an affidavit
18 with the proper officials involved in the assessment and collection
19 of taxes and all affected official records shall be corrected. If
20 the board of review does not approve an exemption under section 9m,
21 9n, or 9o, the person claiming the exemption for that personal
22 property may appeal that decision in writing to the Michigan tax
23 tribunal. A correction under this subsection that approves an
24 exemption under section 9o may be made for the year in which the
25 appeal was filed and the immediately preceding 3 tax years. A
26 correction under this subsection that approves an exemption under
27 section 9m or 9n may be made only for the year in which the appeal

1 was filed.

2 (6) After the board of review completes the review of the
3 assessment roll, a majority of the board of review shall indorse
4 the roll and sign a statement to the effect that the roll is the
5 assessment roll for the year in which it has been prepared and
6 approved by the board of review.

7 (7) The completed assessment roll shall be delivered by the
8 appropriate assessing officer to the county equalization director
9 not later than the tenth day after the adjournment of the board of
10 review, or the Wednesday following the first Monday in April,
11 whichever date occurs first.

12 (8) The governing body of the township or city may authorize,
13 by adoption of an ordinance or resolution, a resident taxpayer to
14 file his or her protest before the board of review by letter
15 without a personal appearance by the taxpayer or his or her agent.
16 If that ordinance or resolution is adopted, the township or city
17 shall include a statement notifying taxpayers of this option in
18 each assessment notice under section 24c and on each notice or
19 publication of the meeting of the board of review.

20 Sec. 34c. (1) Not later than the first Monday in March in each
21 year, the assessor shall classify every item of assessable property
22 according to the definitions contained in this section. Following
23 the March board of review, the assessor shall tabulate the total
24 number of items and the valuations as approved by the board of
25 review for each classification and for the totals of real and
26 personal property in the local tax collecting unit. The assessor
27 shall transmit to the county equalization department and to the

1 state tax commission the tabulation of assessed valuations and
2 other statistical information the state tax commission considers
3 necessary to meet the requirements of this act and 1911 PA 44, MCL
4 209.1 to 209.8.

5 (2) The classifications of assessable real property are
6 described as follows:

7 (a) Agricultural real property includes parcels used partially
8 or wholly for agricultural operations, with or without buildings.
9 For taxes levied after December 31, 2002, agricultural real
10 property includes buildings on leased land used for agricultural
11 operations. If a parcel of real property is classified as
12 agricultural real property and is engaged in agricultural
13 operations, any contiguous parcel owned by the same taxpayer, that
14 is a vacant parcel, a wooded parcel, or a parcel on which is
15 located 1 or more agricultural outbuildings that comprise more than
16 50% of the taxable value of all buildings on that parcel as
17 indicated by the assessment records for the local tax collecting
18 unit in which that parcel is located, shall be classified as
19 agricultural real property. Contiguity is not broken by a boundary
20 between local tax collecting units, a section boundary, a road, a
21 right-of-way, or property purchased or taken under condemnation
22 proceedings by a public utility for power transmission lines if the
23 2 parcels separated by the purchased or condemned property were a
24 single parcel prior to the sale or condemnation. For purposes of
25 this subsection, contiguity requires that the parcel classified as
26 agricultural real property by reason of its agriculture use and the
27 vacant parcel, wooded parcel, or parcel on which is located 1 or

1 more agricultural outbuildings must be immediately adjacent to each
2 other, without intervening parcels that do not qualify for
3 classification as agricultural real property based on their actual
4 agricultural use. It is the intent of the legislature that if a
5 parcel of real property is classified as agricultural real property
6 and is engaged in agricultural operations, any contiguous parcel
7 owned by the same taxpayer, that is a vacant parcel, a wooded
8 parcel, or a parcel on which is located 1 or more agricultural
9 outbuildings that comprise more than 50% of the taxable value of
10 all buildings on that parcel as indicated by the assessment records
11 for the local tax collecting unit in which that parcel is located,
12 shall be classified as agricultural real property even if the
13 contiguous parcels are located in different local tax collecting
14 units. Property shall not lose its classification as agricultural
15 real property as a result of an owner or lessee of that property
16 implementing a wildlife risk mitigation action plan. As used in
17 this subdivision:

18 (i) "Agricultural outbuilding" means a building or other
19 structure primarily used for agricultural operations.

20 (ii) "Agricultural operations" means the following:

21 (A) Farming in all its branches, including cultivating soil.

22 (B) Growing and harvesting any agricultural, horticultural, or
23 floricultural commodity.

24 (C) Dairying.

25 (D) Raising livestock, bees, fish, fur-bearing animals, or
26 poultry, including operating a game bird hunting preserve licensed
27 under part 417 of the natural resources and environmental

1 protection act, 1994 PA 451, MCL 324.41701 to 324.41712, and also
2 including farming operations that harvest cervidae on site where
3 not less than 60% of the cervidae were born as part of the farming
4 operation. As used in this subparagraph, "livestock" includes, but
5 is not limited to, cattle, sheep, new world camelids, goats, bison,
6 privately owned cervids, ratites, swine, equine, poultry,
7 aquaculture, and rabbits. Livestock does not include dogs and cats.

8 (E) Raising, breeding, training, leasing, or boarding horses.

9 (F) Turf and tree farming.

10 (G) Performing any practices on a farm incident to, or in
11 conjunction with, farming operations. A commercial storage,
12 processing, distribution, marketing, or shipping operation is not
13 part of agricultural operations.

14 (iii) "Project" means certain risk mitigating measures, which
15 may include, but are not limited to, the following:

16 (A) Making it difficult for wildlife to access feed by storing
17 livestock feed securely, restricting wildlife access to feeding and
18 watering areas, and deterring or reducing wildlife presence around
19 livestock feed by storing feed in an enclosed barn, wrapping bales
20 or covering stacks with tarps, closing ends of bags, storing grains
21 in animal-proof containers or bins, maintaining fences, practicing
22 small mammal and rodent control, or feeding away from wildlife
23 cover.

24 (B) Minimizing wildlife access to livestock feed and water by
25 feeding livestock in an enclosed area, feeding in open areas near
26 buildings and human activity, removing extra or waste feed when
27 livestock are moved, using hay feeders to reduce waste, using

1 artificial water systems to help keep livestock from sharing water
2 sources with wildlife, fencing off stagnant ponds, wetlands, or
3 areas of wildlife habitats that pose a disease risk, and keeping
4 mineral feeders near buildings and human activity or using devices
5 that restrict wildlife usage.

6 (iv) "Wildlife risk mitigation action plan" means a written
7 plan consisting of 1 or more projects to help reduce the risks of a
8 communicable disease spreading between wildlife and livestock that
9 is approved by the department of agriculture and rural development
10 under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

11 (b) Commercial real property includes the following:

12 (i) Platted or unplatted parcels used for commercial purposes,
13 whether wholesale, retail, or service, with or without buildings.

14 (ii) Parcels used by fraternal societies.

15 (iii) Parcels used as golf courses, boat clubs, ski areas, or
16 apartment buildings with more than 4 units.

17 (iv) For taxes levied after December 31, 2002, buildings on
18 leased land used for commercial purposes.

19 (c) Developmental real property includes parcels containing
20 more than 5 acres without buildings, or more than 15 acres with a
21 market value in excess of its value in use. Developmental real
22 property may include farm land or open space land adjacent to a
23 population center, or farm land subject to several competing
24 valuation influences.

25 (d) Industrial real property includes the following:

26 (i) Platted or unplatted parcels used for manufacturing and
27 processing purposes, with or without buildings.

1 (ii) Parcels used for utilities sites for generating plants,
2 pumping stations, switches, substations, compressing stations,
3 warehouses, rights-of-way, flowage land, and storage areas.

4 (iii) Parcels used for removal or processing of gravel, stone,
5 or mineral ores.

6 (iv) For taxes levied after December 31, 2002, buildings on
7 leased land used for industrial purposes.

8 (v) For taxes levied after December 31, 2002, buildings on
9 leased land for utility purposes.

10 (e) Residential real property includes the following:

11 (i) Platted or unplatted parcels, with or without buildings,
12 and condominium apartments located within or outside a village or
13 city, which are used for, or probably will be used for, residential
14 purposes.

15 (ii) Parcels that are used for, or probably will be used for,
16 recreational purposes, such as lake lots and hunting lands, located
17 in an area used predominantly for recreational purposes.

18 (iii) For taxes levied after December 31, 2002, a home, cottage,
19 or cabin on leased land, and a mobile home that would be assessable
20 as real property under section 2a except that the land on which it
21 is located is not assessable because the land is exempt.

22 (f) Timber-cutover real property includes parcels that are
23 stocked with forest products of merchantable type and size, cutover
24 forest land with little or no merchantable products, and marsh
25 lands or other barren land. However, when a typical purchase of
26 this type of land is for residential or recreational uses, the
27 classification shall be changed to residential.

1 (3) The classifications of assessable personal property are
2 described as follows:

3 (a) Agricultural personal property includes any agricultural
4 equipment and produce not exempt by law.

5 (b) Commercial personal property includes the following:

6 (i) All equipment, furniture, and fixtures on commercial
7 parcels, and inventories not exempt by law.

8 (ii) All outdoor advertising signs and billboards.

9 (iii) Well drilling rigs and other equipment attached to a
10 transporting vehicle but not designed for operation while the
11 vehicle is moving on the highway.

12 (iv) Unlicensed commercial vehicles or commercial vehicles
13 licensed as special mobile equipment or by temporary permits.

14 (c) Industrial personal property includes the following:

15 (i) All machinery and equipment, furniture and fixtures, and
16 dies on industrial parcels, and inventories not exempt by law.

17 (ii) Personal property of mining companies.

18 (d) For taxes levied before January 1, 2003, residential
19 personal property includes a home, cottage, or cabin on leased
20 land, and a mobile home that would be assessable as real property
21 under section 2a except that the land on which it is located is not
22 assessable because the land is exempt.

23 (e) Utility personal property includes the following:

24 (i) Electric transmission and distribution systems, substation
25 equipment, spare parts, gas distribution systems, and water
26 transmission and distribution systems.

27 (ii) Oil wells and allied equipment such as tanks, gathering

1 lines, field pump units, and buildings.

2 (iii) Inventories not exempt by law.

3 (iv) Gas wells with allied equipment and gathering lines.

4 (v) Oil or gas field equipment stored in the open or in
5 warehouses such as drilling rigs, motors, pipes, and parts.

6 (vi) Gas storage equipment.

7 (vii) Transmission lines of gas or oil transporting companies.

8 (4) For taxes levied before January 1, 2003, buildings on
9 leased land of any classification are improvements where the owner
10 of the improvement is not the owner of the land or fee, the value
11 of the land is not assessed to the owner of the building, and the
12 improvement has been assessed as personal property pursuant to
13 section 14(6).

14 (5) If the total usage of a parcel includes more than 1
15 classification, the assessor shall determine the classification
16 that most significantly influences the total valuation of the
17 parcel.

18 (6) An owner of ~~any assessable property who disputes the~~
19 ~~classification of that parcel shall notify the assessor and may~~
20 ~~protest the assigned classification to the March board of review.~~
21 ~~An owner or assessor may appeal the decision of the March board of~~
22 ~~review by filing a petition with the state tax commission not later~~
23 ~~than June 30 in that tax year. The state tax commission shall~~
24 ~~arbitrate the petition based on the written petition and the~~
25 ~~written recommendations of the assessor and the state tax~~
26 ~~commission staff. An appeal may not be taken from the decision of~~
27 ~~the state tax commission regarding classification complaint~~

~~1 petitions and the state tax commission's determination is final and~~
~~2 binding for the year of the petition.~~ ASSESSABLE PROPERTY OR AN
3 ASSESSOR MAY PROTEST THE ASSIGNED CLASSIFICATION OF THAT ASSESSABLE
4 PROPERTY FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS
5 BY FILING A PETITION WITH THE MARCH BOARD OF REVIEW OR WITH THE
6 JULY OR DECEMBER BOARD OF REVIEW. FOR A DISPUTE AS TO THE
7 CLASSIFICATION OF PROPERTY CLASSIFIED UNDER THIS SECTION AS
8 COMMERCIAL REAL PROPERTY, INDUSTRIAL REAL PROPERTY, OR
9 DEVELOPMENTAL REAL PROPERTY, THE CLASSIFICATION MAY BE PROTESTED BY
10 THE TAXPAYER TO THE BOARD OF REVIEW OR MAY BE APPEALED DIRECTLY TO
11 THE STATE TAX COMMISSION WITHOUT PROTEST BEFORE THE BOARD OF
12 REVIEW. AN OWNER OF ASSESSABLE PROPERTY OR AN ASSESSOR MAY APPEAL
13 THE DECISION OF THE MARCH BOARD OF REVIEW FOR THE CURRENT YEAR AND
14 THE 3 IMMEDIATELY PRECEDING YEARS BY FILING A PETITION WITH THE
15 STATE TAX COMMISSION NOT LATER THAN JULY 31 IN THAT TAX YEAR. AN
16 OWNER OF ASSESSABLE PROPERTY OR AN ASSESSOR MAY APPEAL THE DECISION
17 OF THE JULY OR DECEMBER BOARD OF REVIEW FOR THE CURRENT YEAR AND
18 THE 3 IMMEDIATELY PRECEDING YEARS BY FILING A PETITION WITH THE
19 STATE TAX COMMISSION NOT LATER THAN 60 DAYS AFTER THE DECISION OF
20 THE JULY OR DECEMBER BOARD OF REVIEW. AN OWNER OF ASSESSABLE
21 PROPERTY OR AN ASSESSOR MAY APPEAL THE DECISION OF THE STATE TAX
22 COMMISSION FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING
23 YEARS BY FILING A PETITION WITH THE MICHIGAN TAX TRIBUNAL NOT LATER
24 THAN 60 DAYS AFTER THE DECISION OF THE STATE TAX COMMISSION. AN
25 OWNER OF ASSESSABLE PROPERTY OR AN ASSESSOR MAY APPEAL THE DECISION
26 OF THE MICHIGAN TAX TRIBUNAL FOR THE CURRENT YEAR AND THE 3
27 IMMEDIATELY PRECEDING YEARS BY FILING A PETITION WITH THE MICHIGAN

1 COURT OF APPEALS NOT LATER THAN 21 DAYS AFTER THE DECISION OF THE
2 MICHIGAN TAX TRIBUNAL.

3 ~~—— (7) The department of treasury may appeal the classification~~
4 ~~of any assessable property to the residential and small claims~~
5 ~~division of the Michigan tax tribunal not later than December 31 in~~
6 ~~the tax year for which the classification is appealed.~~

7 (7) ~~(8)~~ This section shall not be construed to encourage the
8 assessment of property at other than the uniform percentage of true
9 cash value prescribed by this act.

10 (8) ~~(9)~~ The assessor of each city or township in which is
11 located property that is subject to payment in lieu of taxes under
12 subpart 14 of part 21 of the natural resources and environmental
13 protection act, 1994 PA 451, MCL 324.2152 to 324.2154, shall place
14 that property on an assessment roll that is separate from the
15 assessment roll prepared under section 24. For purposes of
16 calculating the debt limitation imposed by section 11 of article
17 VII of the state constitution of 1963, the separate assessment roll
18 for property that is subject to payment in lieu of taxes under
19 subpart 14 of part 21 of the natural resources and environmental
20 protection act, 1994 PA 451, MCL 324.2152 to 324.2154, required by
21 this subsection shall be combined with the assessment roll prepared
22 under section 24.

23 Sec. 53b. ~~(1) If there has been a qualified error, the~~
24 ~~qualified error shall be verified by the local assessing officer~~
25 ~~and approved by the board of review. Except as otherwise provided~~
26 ~~in subsection (9), the board of review shall meet for the purposes~~
27 ~~of this section on Tuesday following the second Monday in December~~

1 ~~and on Tuesday following the third Monday in July. If approved, the~~
2 ~~board of review shall file an affidavit within 30 days relative to~~
3 ~~the qualified error with the proper officials and all affected~~
4 ~~official records shall be corrected. If the qualified error results~~
5 ~~in an overpayment or underpayment, the rebate, including any~~
6 ~~interest paid, shall be made to the taxpayer or the taxpayer shall~~
7 ~~be notified and payment made within 30 days of the notice. A rebate~~
8 ~~shall be without interest. The treasurer in possession of the~~
9 ~~appropriate tax roll may deduct the rebate from the appropriate tax~~
10 ~~collecting unit's subsequent distribution of taxes. The treasurer~~
11 ~~in possession of the appropriate tax roll shall bill to the~~
12 ~~appropriate tax collecting unit the tax collecting unit's share of~~
13 ~~taxes rebated. Except as otherwise provided in subsections (6) and~~
14 ~~(8) and section 27a(4), a correction under this subsection may be~~
15 ~~made for the current year and the immediately preceding year only.~~
16 ~~—— (2) Action pursuant to subsection (1) may be initiated by the~~
17 ~~taxpayer or the assessing officer.~~

18 (1) ~~(3)~~The board of review meeting in July and December shall
19 meet only for the purpose described in subsection (1) and to hear
20 appeals provided for in sections ~~7u, 7ee, 7ee, 7jj, 9m, 9n, and~~
21 ~~9o.~~ **AND 34C AND TO CONSIDER APPLICATIONS FOR EXEMPTIONS PROVIDED**
22 **FOR UNDER SECTIONS 7B AND 7U. EXCEPT AS OTHERWISE PROVIDED IN**
23 **SUBSECTION (4), THE BOARD OF REVIEW SHALL MEET FOR THE PURPOSES OF**
24 **THIS SECTION ON TUESDAY FOLLOWING THE SECOND MONDAY IN DECEMBER AND**
25 **ON TUESDAY FOLLOWING THE THIRD MONDAY IN JULY. IF AN EXEMPTION IS**
26 **APPROVED UNDER SECTION 7B FOR THE HOMESTEAD OF A DISABLED VETERAN**
27 **OR THE UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN, THE**

1 BOARD OF REVIEW SHALL REMOVE THE HOMESTEAD FROM THE TAX ROLL AND
2 FILE AN AFFIDAVIT WITH THE PROPER OFFICIALS INVOLVED IN THE
3 ASSESSMENT AND COLLECTION OF TAXES AND ALL AFFECTED OFFICIAL
4 RECORDS SHALL BE CORRECTED. If an exemption under section 7u is
5 approved, the board of review shall file an affidavit with the
6 proper officials involved in the assessment and collection of taxes
7 and all affected official records shall be corrected. If an appeal
8 under section ~~7ee, 7ee, 7jj, 7m, 9n, or 9e~~ **OR APPROVAL OF AN**
9 **EXEMPTION UNDER SECTION 7B** results in a determination that an
10 overpayment has been made, the board of review shall file an
11 affidavit and a rebate shall be made. ~~at the times and in the~~
12 ~~manner provided in subsection (1).~~ **THE REBATE, INCLUDING ANY**
13 **INTEREST PAID, SHALL BE MADE TO THE TAXPAYER OR THE TAXPAYER SHALL**
14 **BE NOTIFIED AND PAYMENT MADE WITHIN 30 DAYS OF THE NOTICE. A REBATE**
15 **SHALL BE WITHOUT INTEREST. THE TREASURER IN POSSESSION OF THE**
16 **APPROPRIATE TAX ROLL MAY DEDUCT THE REBATE FROM THE APPROPRIATE TAX**
17 **COLLECTING UNIT'S SUBSEQUENT DISTRIBUTION OF TAXES. THE TREASURER**
18 **IN POSSESSION OF THE APPROPRIATE TAX ROLL SHALL BILL TO THE**
19 **APPROPRIATE TAX COLLECTING UNIT THE TAX COLLECTING UNIT'S SHARE OF**
20 **TAXES REBATED.** Except as otherwise provided in ~~sections 7ee, 7ee,~~
21 **SECTION 7B OR 7jj, and 9e,** a correction under this subsection shall
22 be made for the year in which the appeal is made only. If the board
23 of review approves an exemption or provides a rebate for property
24 under section ~~7ee, 7ee, or 7B OR 7jj~~ as provided in this
25 subsection, the board of review shall require the owner to execute
26 the affidavit provided for in section ~~7ee, 7ee, or 7B OR 7jj.~~ ~~and~~
27 ~~shall forward a copy of any section 7ee affidavits to the~~

1 ~~department of treasury.~~

2 ~~—— (4) If an exemption under section 7cc is approved by the board~~
3 ~~of review under this section, the provisions of section 7cc apply.~~

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

9 **(2) IF AN EXEMPTION UNDER SECTION 7B IS APPROVED BY THE BOARD**
10 **OF REVIEW UNDER THIS SECTION, THE PROVISIONS OF SECTION 7B APPLY.**
11 **IF AN EXEMPTION UNDER SECTION 7B IS NOT APPROVED BY THE BOARD OF**
12 **REVIEW UNDER THIS SECTION, A PERSON CLAIMING AN EXEMPTION UNDER**
13 **THIS SECTION MAY APPEAL THE DECISION OF THE JULY OR DECEMBER BOARD**
14 **OF REVIEW TO THE MICHIGAN TAX TRIBUNAL NOT LATER THAN 60 DAYS AFTER**
15 **THE DATE OF THAT DECISION.**

16 (3) ~~(5)~~ An owner or assessor may appeal a decision of the
17 board of review under this section regarding an exemption under
18 section ~~7cc or~~ 7jj to the residential and small claims division of
19 the Michigan tax tribunal. An owner is not required to pay the
20 amount of tax in dispute in order to receive a final determination
21 of the residential and small claims division of the Michigan tax
22 tribunal. However, interest and penalties, if any, shall accrue and
23 be computed based on interest and penalties that would have accrued
24 from the date the taxes were originally levied as if there had not
25 been an exemption.

26 ~~—— (6) A correction under this section that approves a principal~~
27 ~~residence exemption pursuant to section 7cc may be made for the~~

1 ~~year in which the appeal was filed and the 3 immediately preceding~~
2 ~~tax years.~~

3 ~~—— (7) For the appeal of a denial of a claim of exemption for~~
4 ~~personal property under section 9m, 9n, or 9o, if an exemption is~~
5 ~~approved, the board of review shall remove the personal property~~
6 ~~from the assessment roll.~~

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

20 (4) ~~(9)~~—The governing body of the city or township may
21 authorize, by adoption of an ordinance or resolution, 1 or more of
22 the following alternative meeting dates for the purposes of this
23 section:

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

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

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

3 ~~—— (a) A clerical error relative to the correct assessment~~
 4 ~~figures, the rate of taxation, or the mathematical computation~~
 5 ~~relating to the assessing of taxes.~~

6 ~~—— (b) A mutual mistake of fact.~~

7 ~~—— (c) An adjustment under section 27a(4) or an exemption under~~
 8 ~~section 7hh(3)(b).~~

9 ~~—— (d) An error of measurement or calculation of the physical~~
 10 ~~dimensions or components of the real property being assessed.~~

11 ~~—— (e) An error of omission or inclusion of a part of the real~~
 12 ~~property being assessed.~~

13 ~~—— (f) An error regarding the correct taxable status of the real~~
 14 ~~property being assessed.~~

15 ~~—— (g) An error made by the taxpayer in preparing the statement~~
 16 ~~of assessable personal property under section 19.~~

17 ~~—— (h) An error made in the denial of a claim of exemption for~~
 18 ~~personal property under section 9m, 9n, or 9o.~~

19 Sec. 53c. (1) IF THE MARCH BOARD OF REVIEW DENIES A CLAIM FOR
 20 EXEMPTION UNDER SECTION 7U, THE PERSON CLAIMING THE EXEMPTION MAY
 21 APPEAL THAT DECISION TO THE MICHIGAN TAX TRIBUNAL NOT LATER THAN
 22 JULY 31.

23 (2) If the July or December board of review denies a claim for
 24 exemption under section 7u, the person claiming the exemption may
 25 appeal that decision to the Michigan tax tribunal within 30-60 days
 26 of the denial.

27 SEC. 53E. (1) IF THERE HAS BEEN A QUALIFIED ERROR, THE

1 QUALIFIED ERROR SHALL BE VERIFIED BY THE LOCAL ASSESSING OFFICER
2 AND SUBMITTED TO THE STATE TAX COMMISSION FOR APPROVAL. IF
3 APPROVED, THE STATE TAX COMMISSION SHALL FILE AN ORDER WITHIN 30
4 DAYS RELATIVE TO THE QUALIFIED ERROR WITH THE PROPER OFFICIALS AND
5 ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. IF THE QUALIFIED
6 ERROR RESULTS IN AN OVERPAYMENT OR UNDERPAYMENT, THE REBATE,
7 INCLUDING ANY INTEREST PAID, SHALL BE MADE TO THE TAXPAYER OR THE
8 TAXPAYER SHALL BE NOTIFIED AND PAYMENT MADE WITHIN 30 DAYS OF THE
9 NOTICE. A REBATE SHALL BE WITHOUT INTEREST. THE TREASURER IN
10 POSSESSION OF THE APPROPRIATE TAX ROLL MAY DEDUCT THE REBATE FROM
11 THE APPROPRIATE TAX COLLECTING UNIT'S SUBSEQUENT DISTRIBUTION OF
12 TAXES. THE TREASURER IN POSSESSION OF THE APPROPRIATE TAX ROLL
13 SHALL BILL TO THE APPROPRIATE TAX COLLECTING UNIT THE TAX
14 COLLECTING UNIT'S SHARE OF TAXES REBATED. EXCEPT AS OTHERWISE
15 PROVIDED IN THIS SUBSECTION, A CORRECTION UNDER THIS SUBSECTION MAY
16 BE MADE FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS.
17 A CORRECTION UNDER THIS SUBSECTION FOR A CLAIM OF EXEMPTION UNDER
18 SECTION 9M OR 9N MAY BE MADE FOR THE CURRENT YEAR ONLY.

19 (2) ACTION PURSUANT TO SUBSECTION (1) MAY BE INITIATED BY THE
20 TAXPAYER OR THE ASSESSING OFFICER.

21 (3) IF A QUALIFIED ERROR MADE IN THE DENIAL OF A CLAIM OF
22 EXEMPTION FOR PERSONAL PROPERTY UNDER SECTION 9M, 9N, OR 9O IS
23 APPROVED, THE STATE TAX COMMISSION SHALL FILE AN ORDER WITH THE
24 PROPER OFFICIALS INVOLVED IN THE ASSESSMENT AND COLLECTION OF TAXES
25 AND ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. IF THE STATE
26 TAX COMMISSION DOES NOT APPROVE A QUALIFIED ERROR MADE IN THE
27 DENIAL OF A CLAIM OF EXEMPTION FOR PERSONAL PROPERTY UNDER SECTION

1 9M, 9N, OR 9O, THE PERSON CLAIMING THE EXEMPTION FOR THAT PERSONAL
2 PROPERTY MAY APPEAL THAT DECISION TO THE MICHIGAN TAX TRIBUNAL AS
3 PROVIDED IN THIS SECTION.

4 (4) THE TAXPAYER OR THE ASSESSING OFFICER MAY APPEAL THE
5 DECISION OF THE STATE TAX COMMISSION UNDER THIS SECTION TO THE
6 MICHIGAN TAX TRIBUNAL WITHIN 60 DAYS OF THAT DECISION.

7 (5) AS USED IN THIS SECTION, "QUALIFIED ERROR" MEANS 1 OR MORE
8 OF THE FOLLOWING:

9 (A) A CLERICAL ERROR RELATIVE TO THE CORRECT ASSESSMENT
10 FIGURES, THE RATE OF TAXATION, OR THE MATHEMATICAL COMPUTATION
11 RELATING TO THE ASSESSING OF TAXES.

12 (B) A MUTUAL MISTAKE OF FACT.

13 (C) AN ADJUSTMENT UNDER SECTION 27A(4) OR AN EXEMPTION UNDER
14 SECTION 7HH(3) (B) .

15 (D) AN ERROR OF MEASUREMENT OR CALCULATION OF THE PHYSICAL
16 DIMENSIONS OR COMPONENTS OF THE REAL PROPERTY BEING ASSESSED.

17 (E) AN ERROR OF OMISSION OR INCLUSION OF A PART OF THE REAL
18 PROPERTY BEING ASSESSED.

19 (F) AN ERROR REGARDING THE CORRECT TAXABLE STATUS OF THE REAL
20 PROPERTY BEING ASSESSED.

21 (G) AN ERROR MADE BY THE TAXPAYER IN PREPARING THE STATEMENT
22 OF ASSESSABLE PERSONAL PROPERTY UNDER SECTION 19 .

23 (H) AN ERROR MADE IN THE DENIAL OF A CLAIM OF EXEMPTION FOR
24 PERSONAL PROPERTY UNDER SECTION 9M, 9N, OR 9O .

25 Sec. 154. (1) If the state tax commission determines that
26 property subject to the collection of taxes under this act,
27 including property subject to taxation under 1974 PA 198, MCL

1 207.551 to 207.572, 1905 PA 282, MCL 207.1 to 207.21, 1953 PA 189,
2 MCL 211.181 to 211.182, and the commercial redevelopment act, 1978
3 PA 255, MCL 207.651 to 207.668, has been incorrectly reported or
4 omitted for any previous year, but not to exceed the current
5 assessment year and ~~2~~3 years immediately preceding the date the
6 incorrect reporting or omission was discovered and disclosed to the
7 state tax commission, the state tax commission shall place the
8 corrected assessment value for the appropriate years on the
9 appropriate assessment roll. The state tax commission shall issue
10 an order certifying to the treasurer of the local tax collecting
11 unit if the local tax collecting unit has possession of a tax roll
12 for a year for which an assessment change is made or the county
13 treasurer if the county has possession of a tax roll for a year for
14 which an assessment change is made the amount of taxes due as
15 computed by the correct annual rate of taxation for each year
16 except the current year. Taxes computed under this section shall
17 not be spread against the property for a period before the last
18 change of ownership of the property.

19 (2) If an assessment change made under this section results in
20 increased property taxes, the additional taxes shall be collected
21 by the treasurer of the local tax collecting unit if the local tax
22 collecting unit has possession of a tax roll for a year for which
23 an assessment change is made or by the county treasurer if the
24 county has possession of a tax roll for a year for which an
25 assessment change is made. Not later than 20 days after receiving
26 the order certifying the amount of taxes due under subsection (1),
27 the treasurer of the local tax collecting unit if the local tax

1 collecting unit has possession of a tax roll for a year for which
2 an assessment change is made or the county treasurer if the county
3 has possession of a tax roll for a year for which an assessment
4 change is made shall submit a corrected tax bill, itemized by
5 taxing jurisdiction, to each person identified in the order and to
6 the owner of the property on which the additional taxes are
7 assessed, if different than a person named in the order, by first-
8 class mail, address correction requested. Except for real property
9 subject to taxation under 1974 PA 198, MCL 207.551 to 207.572, 1905
10 PA 282, MCL 207.1 to 207.21, 1953 PA 189, MCL 211.181 to 211.182,
11 and the commercial redevelopment act, 1978 PA 255, MCL 207.651 to
12 207.668, and for real property only, if the additional taxes remain
13 unpaid on the March 1 in the year immediately succeeding the year
14 in which the state tax commission issued the order certifying the
15 additional taxes under subsection (1), the real property on which
16 the additional taxes are due shall be returned as delinquent to the
17 county treasurer. Real property returned for delinquent taxes under
18 this section, and upon which taxes, interest, penalties, and fees
19 remain unpaid after the property is returned as delinquent to the
20 county treasurer, is subject to forfeiture, foreclosure, and sale
21 for the enforcement and collection of the delinquent taxes as
22 provided in sections 78 to 79a.

23 (3) Except as otherwise provided in subsection (4), a
24 corrected tax bill based on an assessment roll corrected for
25 incorrectly reported or omitted personal property that is issued
26 after the effective date of the amendatory act that added this
27 subsection shall include penalty and interest at the rate of 1.25%

1 per month or fraction of a month from the date the taxes originally
2 could have been paid without interest or penalty. If the tax bill
3 has not been paid within 60 days after the corrected tax bill is
4 issued, interest shall again begin to accrue at the rate of 1.25%
5 per month or fraction of a month.

6 (4) If a person requests that an increased assessment due to
7 incorrectly reported or omitted personal property be added to the
8 assessment roll under this section before March 1, 2004 with
9 respect to statements filed or required to be filed under section
10 19 for taxes levied before January 1, 2004, and the corrected tax
11 bill issued under this subsection is paid within 30 days after the
12 corrected tax bill is issued, that person is not liable for any
13 penalty or interest on that portion of the additional tax
14 attributable to the increased assessment resulting from that
15 request. However, a person who pays a corrected tax bill issued
16 under this subsection more than 30 days after the corrected tax
17 bill is issued is liable for the penalties and interest imposed
18 under subsection (3).

19 (5) Except as otherwise provided in this section, the
20 treasurer of the local tax collecting unit or the county treasurer
21 shall disburse the payments of interest received to this state and
22 to a city, township, village, school district, county, and
23 authority, in the same proportion as required for the disbursement
24 of taxes collected under this act. The amount to be disbursed to a
25 local school district, except for that amount of interest
26 attributable to mills levied under section 1211(2) or 1211c of the
27 revised school code, 1976 PA 451, MCL 380.1211 and 380.1211c, and

1 mills that are not included as mills levied for school operating
2 purposes under section 1211 of the revised school code, 1976 PA
3 451, MCL 380.1211, shall be paid to the state treasury and credited
4 to the state school aid fund established by section 11 of article
5 IX of the state constitution of 1963. For an intermediate school
6 district receiving state aid under section 56, 62, or 81 of the
7 state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662,
8 and 388.1681, of the interest that would otherwise be disbursed to
9 or retained by the intermediate school district, all or a portion,
10 to be determined on the basis of the tax rates being utilized to
11 compute the amount of the state school aid, shall be paid instead
12 to the state treasury and credited to the state school aid fund
13 established by section 11 of article IX of the state constitution
14 of 1963.

15 (6) If an assessment change made under this section results in
16 a decreased tax liability, a refund of excess tax payments shall be
17 made by the county treasurer and shall include interest at the rate
18 of 1% per month or fraction of a month for taxes levied before
19 January 1, 1997 and interest at the rate provided under section 37
20 of the tax tribunal act, 1973 PA 186, MCL 205.737, for taxes levied
21 after December 31, 1996, from the date of the payment of the tax to
22 the date of the payment of the refund. The county treasurer shall
23 charge a refund of excess tax payments under this subsection to the
24 various taxing jurisdictions in the same proportion as the taxes
25 levied.

26 (7) A person to whom property is assessed under this section
27 **OR THE LOCAL TAX COLLECTING UNIT** may appeal the state tax

1 commission's order to the Michigan tax tribunal **WITHIN 60 DAYS OF**
2 **THE DATE OF THE STATE TAX COMMISSION'S ORDER UNDER SUBSECTION (1).**
3 **AN APPEAL OF THE STATE TAX COMMISSION'S ORDER MAY INCLUDE THE**
4 **CURRENT ASSESSMENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS, AS**
5 **SET FORTH IN THE STATE TAX COMMISSION'S ORDER UNDER SUBSECTION (1).**

6 Enacting section 1. This amendatory act does not take effect
7 unless Senate Bill No. 1039 of the 97th Legislature is enacted into
8 law.