

SENATE BILL NO. 331

May 11, 2023, Introduced by Senator HERTEL and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 90, 19, and 30 (MCL 211.90, 211.19, and 211.30), section 90 as amended by 2021 PA 150, section 19 as amended by 2017 PA 261, and section 30 as amended by 2013 PA 153.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 90. (1) Beginning December 31, 2013, eligible personal
- 2 property for which an exemption has been properly claimed under
- 3 this section is exempt from the collection of taxes under this act.
- 4 (2) An owner of eligible personal property shall claim the

1 exemption under this section **in 1 of the following ways, as**
2 **applicable:**

3 **(a) For a claim of exemption as to eligible personal property**
4 **under subsection (9) (c) (ii) (A),** by filing a statement with the local
5 tax collecting unit in which the eligible personal property is
6 located not later than February 20 of the first year the exemption
7 is claimed or, if February 20 of the first year the exemption is
8 claimed is a Saturday, Sunday, or legal holiday, not later than the
9 next day that is not a Saturday, Sunday, or legal holiday. For
10 purposes of a statement delivered by the United States Postal
11 Service, the filing is timely if the postmark date is on or before
12 the filing deadline prescribed in this ~~subsection.~~**subdivision.** If
13 the statement is not timely filed with the local tax collecting
14 unit, a late submission may be filed directly with the March board
15 of review before its final adjournment by submitting the statement
16 prescribed in this ~~subsection.~~**subdivision.** The board of review
17 shall not accept a filing after adjournment of its March meeting.
18 An appeal of a denial by the March board of review may be made by
19 filing a petition with the Michigan tax tribunal within 35 days of
20 the denial notice. A statement filed under this ~~subsection~~
21 **subdivision** must be in a form prescribed by the state tax
22 commission and must include any address where any property owned
23 by, leased to, or in the possession of that owner or a related
24 entity is located within that local tax collecting unit. In the
25 statement, the owner shall attest that the combined true cash value
26 of all industrial personal property and commercial personal
27 property in that local tax collecting unit owned by, leased to, or
28 in the possession of that owner or a related entity on December 31
29 of the immediately preceding year is less than

1 ~~\$180,000.00~~-\$80,000.00. An exemption granted pursuant to a claim
2 filed under this subdivision remains in effect if the property's
3 owner subsequently files a claim for exemption under subdivision
4 (b) and 1 of the following conditions is met:

5 (i) It is determined that the property does not qualify for the
6 exemption under this section as eligible personal property under
7 subsection (9) (c) (ii) (B) but instead continues to qualify for the
8 exemption under this section as eligible personal property under
9 subsection (9) (c) (ii) (A) .

10 (ii) After having been granted exempt status as eligible
11 personal property under subsection (9) (c) (ii) (B) , it is determined
12 that the property's exempt status has returned to eligible personal
13 property under subsection (9) (c) (ii) (A) .

14 (b) For a claim of exemption as to eligible personal property
15 under subsection (9) (c) (ii) (B) , by annually filing a statement of
16 personal property under section 19 with the local tax collecting
17 unit in which the eligible personal property is located. Together
18 with the statement of personal property, the owner shall also file
19 a statement, in a form and manner prescribed by the department of
20 treasury, attesting to the combined true cash value of all
21 industrial personal property and commercial personal property in
22 that local tax collecting unit owned by, leased to, or in the
23 possession of that owner or a related entity on December 31 of the
24 immediately preceding year, and that this combined true cash value
25 is equal to or greater than \$80,000.00 and less than \$180,000.00.
26 Not later than April 1 of each year, local tax collecting units
27 shall transmit to the department of treasury, in a form and manner
28 prescribed by the department of treasury, summary information of
29 all exemptions granted each year pursuant to filings made under

1 this subdivision for purposes of providing the department of
 2 treasury with data needed to compensate municipalities for revenue
 3 lost as a result of those exemptions, as described in section 3a of
 4 the Michigan trust fund act, 2000 PA 489, MCL 12.253a. A claim of
 5 exemption filed under this subdivision must be treated as a claim
 6 of exemption filed under subdivision (a) if it is determined that
 7 the property for which the exemption is claimed qualifies for the
 8 exemption under this section as eligible personal property under
 9 subsection (9) (c) (ii) (A) .

10 (3) If a statement claiming the exemption under ~~this section~~
 11 **subsection (2) (a)** is filed as provided in subsection ~~(2),~~ **(2) (a)** ,
 12 the owner of that eligible personal property is not required to
 13 file a statement under section 19.

14 (4) A person who claims an exemption for eligible personal
 15 property under this section shall maintain books and records and
 16 shall provide access to those books and records as provided in
 17 section 22. A local unit of government may develop and implement an
 18 audit program that includes, but is not limited to, the audit of
 19 all information submitted under subsection (2) for the current
 20 calendar year and the 3 calendar years immediately preceding the
 21 commencement of an audit. Any assessment as a result of an audit
 22 must be paid in full within 35 days of issuance and must include
 23 interest as described in subsection (5).

24 (5) ~~An~~ **All of the following apply to an** exemption granted
 25 under this section **pursuant to a claim of exemption filed under**
 26 **subsection (2) (a) :**

27 (a) **Except as otherwise provided in subsection (2) (a) , the**
 28 **exemption** remains in effect until the personal property is no
 29 longer eligible personal property **under subsection (9) (c) (ii) (A) .** An

1 owner whose personal property is no longer eligible personal
 2 property **under this subdivision** shall **do 1 of the following, as**
 3 **applicable:**

4 **(i) If the owner intends to claim that the property is eligible**
 5 **personal property under subsection (9) (c) (ii) (B), file for the**
 6 **exemption under subsection (2) (b) .**

7 **(ii) If the owner does not intend to claim that the property is**
 8 **eligible personal property under subsection (9) (c) (ii) (B), file by**
 9 February 20 of the year that the property is no longer eligible a
 10 rescission and the statement required under section 19. The
 11 rescission must be filed on a form prescribed by the department of
 12 treasury. Upon receipt of a rescission form, the local assessor
 13 shall immediately remove the exemption.

14 **(b) An owner who fails to file a rescission and whose property**
 15 **is later determined to be ineligible for the exemption will be**
 16 **subject to repayment of any additional taxes with interest as**
 17 **described in this ~~subsection.~~ **subdivision.** Upon discovery that the**
 18 **property is no longer eligible personal property, the assessor**
 19 **shall remove the exemption of that personal property and, if the**
 20 **tax roll is in the local tax collecting unit's possession, amend**
 21 **the tax roll to reflect the removal of the exemption, and the local**
 22 **treasurer shall within 30 days of the date of the discovery issue a**
 23 **corrected tax bill for any additional taxes with interest at the**
 24 **rate of ~~1%~~ **1.25%** per month or fraction of a month and penalties**
 25 **computed from the date the taxes were last payable without interest**
 26 **or penalty. If the tax roll is in the county treasurer's**
 27 **possession, the tax roll must be amended to reflect the removal of**
 28 **the exemption and the county treasurer shall within 30 days of the**
 29 **date of the removal prepare and submit a supplemental tax bill for**

1 any additional taxes, together with interest at the rate of ~~1%~~
2 **1.25%** per month or fraction of a month and penalties computed from
3 the date the taxes were last payable without interest or penalty.
4 Interest on any tax set forth in a corrected or supplemental tax
5 bill again begins to accrue 60 days after the date the corrected or
6 supplemental tax bill is issued at the rate of ~~1%~~**1.25%** per month
7 or fraction of a month. Taxes levied in a corrected or supplemental
8 tax bill must be returned as delinquent on the March 1 in the year
9 immediately succeeding the year in which the corrected or
10 supplemental tax bill is issued.

11 (6) If the assessor of the local tax collecting unit believes
12 that personal property for which a statement claiming an exemption
13 is timely and properly filed under subsection (2) is not eligible
14 personal property, the assessor may deny that claim for exemption
15 by notifying the person that filed the statement in writing of the
16 reason for the denial and advising the person that the denial may
17 be appealed to the board of review under section 30 during that tax
18 year.

19 **(7) The assessor may deny a claim for exemption granted under**
20 **this section pursuant to a claim of exemption filed under**
21 **subsection (2) (a) or (b) for the current year and for the 3**
22 **immediately preceding calendar years. If the assessor denies a**
23 **claim for exemption under this subsection, the assessor shall**
24 **remove the exemption of that personal property and, if the tax roll**
25 **is in the local tax collecting unit's possession, amend the tax**
26 **roll to reflect the denial and the local treasurer shall within 30**
27 **days of the date of the denial issue a corrected tax bill for any**
28 **additional taxes with interest at the rate of 1.25% per month or**
29 **fraction of a month and penalties computed from the date the taxes**

1 were last payable without interest or penalty. If the tax roll is
2 in the county treasurer's possession, the tax roll must be amended
3 to reflect the denial and the county treasurer shall within 30 days
4 of the date of the denial prepare and submit a supplemental tax
5 bill for any additional taxes, together with interest at the rate
6 of 1.25% per month or fraction of a month and penalties computed
7 from the date the taxes were last payable without interest or
8 penalty. Interest on any tax set forth in a corrected or
9 supplemental tax bill again begins to accrue 60 days after the date
10 the corrected or supplemental tax bill is issued at the rate of
11 1.25% per month or fraction of a month. Taxes levied in a corrected
12 or supplemental tax bill must be returned as delinquent on the
13 March 1 in the year immediately succeeding the year in which the
14 corrected or supplemental tax bill is issued.

15 (8) ~~(7)~~—If a person fraudulently claims an exemption for
16 personal property under this section, that person is subject to the
17 penalties provided for in section 21(2).

18 (9) ~~(8)~~—As used in this section:

19 (a) "Commercial personal property" means personal property
20 that is classified as commercial personal property under section
21 34c or would be classified as commercial personal property under
22 section 34c if not exempt from the collection of taxes under this
23 act under this section or section 9m or 9n.

24 (b) "Control", "controlled by", and "under common control
25 with" mean the possession of the power to direct or cause the
26 direction of the management and policies of a related entity,
27 directly or indirectly, whether derived from a management position,
28 official office, or corporate office held by an individual; by an
29 ownership interest, beneficial interest, or equitable interest; or

1 by contractual agreement or other similar arrangement. There is a
2 rebuttable presumption that control exists if any person, directly
3 or indirectly, owns, controls, or holds the power to vote, directly
4 or by proxy, 10% or more of the ownership interest of any other
5 person or has contributed more than 10% of the capital of the other
6 person. Indirect ownership includes ownership through attribution
7 or through 1 or more intermediary entities.

8 (c) "Eligible personal property" means property that meets all
9 of the following conditions:

10 (i) Is industrial personal property or commercial personal
11 property.

12 (ii) The combined true cash value of all industrial personal
13 property and commercial personal property in that local tax
14 collecting unit owned by, leased to, or in the possession of the
15 person claiming an exemption under this section or a related entity
16 on December 31 of the immediately preceding year is **1 of the**
17 **following:**

18 (A) **Less than \$80,000.00.**

19 (B) **Equal to or greater than \$80,000.00 and** less than
20 **\$180,000.00.**

21 (iii) Is not leased to or used by a person that previously owned
22 the property or a person that, directly or indirectly, controls, is
23 controlled by, or is under common control with the person that
24 previously owned the property.

25 (d) "Industrial personal property" means personal property
26 that is classified as industrial personal property under section
27 34c or would be classified as industrial personal property under
28 section 34c if not exempt from the collection of taxes under this
29 act under this section or section 9m or 9n.

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

3 (f) "Related entity" means a person that, directly or
4 indirectly, controls, is controlled by, or is under common control
5 with the person claiming an exemption under this section.

6 Sec. 19. (1) A supervisor or other assessing officer, as soon
7 as possible after entering ~~upon the duties of his or her office~~ or
8 as required under the provisions of any charter that makes special
9 provisions for the assessment of property, shall ascertain the
10 taxable property in ~~his or her~~ **the** assessing district, the person
11 to whom it should be assessed, and that person's residence.

12 (2) Except as otherwise provided in section 9m, 9n, or ~~9o~~
13 **9o(3)**, the supervisor or other assessing officer shall require any
14 person whom ~~he or she~~ **the supervisor or other assessing officer**
15 believes has **possession of** personal property ~~in their possession to~~
16 make a statement of all the personal property of that person
17 whether owned by that person or held for the use of another to be
18 completed and delivered to the supervisor or assessor by February
19 20 of each year, or, if February 20 of a year is a Saturday,
20 Sunday, or legal holiday, the next day that is not a Saturday,
21 Sunday, or legal holiday of that year. For purposes of a statement
22 delivered by the United States Postal Service, the delivery is
23 timely if the postmark date is on or before the delivery deadline
24 prescribed in this subsection. If the statement is not timely
25 delivered to the supervisor or other assessing officer, a late
26 submission may be filed directly with the March board of review
27 before its final adjournment by submitting the statement prescribed
28 in this subsection. The board of review shall not accept a filing
29 after adjournment of its March meeting. An appeal of a denial by

1 the March board of review may be made by filing a petition with the
2 Michigan tax tribunal within 35 days of the denial notice. A notice
3 the supervisor or other assessing officer provides regarding the
4 statement required under this subsection ~~shall~~**must** also do all of
5 the following:

6 (a) Notify the person to whom such notice is given of the
7 exemptions available under sections 9m, 9n, and 9o.

8 (b) Explain where information about those exemptions, the
9 forms and requirements for claiming those exemptions, and the forms
10 for the statement otherwise required under this section are
11 available.

12 (c) Be sent or delivered by not later than January 10 of each
13 year.

14 (3) If a supervisor, an assessing officer, a county tax or
15 equalization department provided for in section 34, or the state
16 tax commission considers it necessary to require from any person a
17 statement of real property assessable to that person, it shall
18 notify the person, and that person shall submit the statement.

19 (4) A local tax collecting unit may provide for the electronic
20 filing of the statement required under subsection (2) or (3).

21 (5) A statement under subsection (2) or (3) ~~shall~~**must** be in a
22 form prescribed by the state tax commission. If a local tax
23 collecting unit has provided for electronic filing of the statement
24 under subsection (4), the filing format ~~shall~~**must** be **as** prescribed
25 by the state tax commission. The state tax commission shall not
26 prescribe more than 1 format for electronically filing a statement
27 under subsection (2) or more than 1 format for electronically
28 filing a statement under subsection (3).

29 (6) A statement under subsection (2) or (3) ~~shall~~**must** be

1 signed manually, by facsimile, or electronically. A supervisor or
2 assessor shall not require that a statement required under
3 subsection (2) or (3) be filed by February 20 of each year.

4 (7) A supervisor or assessor shall not accept a statement
5 under subsection (2) or (3) as final or sufficient if that
6 statement is not in the proper form or does not contain a manual,
7 facsimile, or electronic signature. A supervisor or assessor shall
8 preserve a statement that is not in the proper form or is not
9 signed as in other cases, and that statement may be used to make
10 the assessment and as evidence in any proceeding regarding the
11 assessment of the person furnishing that statement.

12 (8) An electronic or facsimile signature ~~for~~ for a statement
13 required under this section, ~~or~~ a statement required under section
14 ~~9e, 9o(2)(a) or (b)~~, or a combined document required under section
15 9m or 9n ~~or~~ under section 7 of the state essential services
16 assessment act, 2014 PA 92, MCL 211.1057, ~~shall~~**must** be accepted by
17 a local tax collecting unit.

18 (9) The department of treasury's use of a statement, or
19 information on a statement, provided under this subsection is
20 subject to section 28(1)(f) of 1941 PA 122, MCL 205.28.

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

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

28 (3) The first meeting of the board of review ~~shall~~**must** start
29 not earlier than 9 a.m. and not later than 3 p.m. and last for ~~not~~

1 ~~less than~~ **at least** 6 hours. The board of review shall also meet for
 2 ~~not less than~~ **at least** 6 hours during the remainder of that week.
 3 Persons or their agents who have appeared to file a protest before
 4 the board of review at a scheduled meeting or at a scheduled
 5 appointment ~~shall~~ **must** be afforded an opportunity to be heard by
 6 the board of review. The board of review shall schedule a final
 7 meeting after the board of review makes a change in the assessed
 8 value or tentative taxable value of property, adds property to the
 9 assessment roll, or exempts personal property under section 9m, 9n,
 10 or 9o and removes it from the assessment roll. The board of review
 11 shall hold at least 3 hours of its required sessions for review of
 12 assessment rolls during the week of the second Monday in March
 13 after 6 p.m.

14 (4) A board of review shall meet a total of at least 12 hours
 15 during the week beginning the second Monday in March to hear
 16 protests. At the request of a person whose property is assessed on
 17 the assessment roll or of ~~his or her~~ **that person's** agent, and if
 18 sufficient cause is shown, the board of review shall correct the
 19 assessed value or tentative taxable value of the property in a
 20 manner that will make the valuation of the property relatively just
 21 and proper under this act. For the appeal of a denial of a claim of
 22 exemption for personal property under section 9m, 9n, or 9o, ~~or for~~
 23 ~~an appeal under section 9o(7),~~ if an exemption is approved, the
 24 board of review shall remove the personal property from the
 25 assessment roll. The board of review may examine under oath the
 26 person making the application, or any other person concerning the
 27 matter. A member of the board of review may administer the oath. A
 28 nonresident taxpayer may file ~~his or her~~ **an** appearance, protest,
 29 and papers in support of the protest by letter, and ~~his or her~~ **the**

1 **nonresident taxpayer's** personal appearance is not required. The
2 board of review, on its own motion, may change assessed values or
3 tentative taxable values or add to the roll property omitted from
4 the roll that is liable to assessment if the person who is assessed
5 for the altered valuation or for the omitted property is promptly
6 notified and granted an opportunity to file objections to the
7 change at the meeting or at a subsequent meeting. An objection to a
8 change in assessed value or tentative taxable value or to the
9 addition of property to the tax roll ~~shall~~**must** be promptly heard
10 and determined. Each person who makes a request, protest, or
11 application to the board of review for the correction of the
12 assessed value or tentative taxable value of the person's property
13 or for the exemption of that person's personal property under
14 section 9m, 9n, or 9o ~~shall~~**must** be notified in writing, not later
15 than the first Monday in June, of the board of review's action on
16 the request, protest, or application, of the state equalized
17 valuation or tentative taxable value of the property, and of
18 information regarding the right of further appeal to the tax
19 tribunal. Information regarding the right of further appeal to the
20 tax tribunal ~~shall~~**must** include, but is not limited to, a statement
21 of the right to appeal to the tax tribunal, the address of the tax
22 tribunal, and the final date for filing an appeal with the tax
23 tribunal.

24 (5) If an exemption for personal property under section 9m,
25 9n, or 9o is approved, the board of review shall file an affidavit
26 with the proper officials involved in the assessment and collection
27 of taxes and all affected official records ~~shall~~**must** be corrected.
28 If the board of review does not approve an exemption under section
29 9m, 9n, or 9o, the person claiming the exemption for that personal

1 property may appeal that decision in writing to the Michigan tax
 2 tribunal. A correction under this subsection that approves an
 3 exemption under section 9o may be made for the year in which the
 4 appeal was filed and the immediately preceding 3 tax years. A
 5 correction under this subsection that approves an exemption under
 6 section 9m or 9n may be made only for the year in which the appeal
 7 was filed.

8 (6) After the board of review completes the review of the
 9 assessment roll, a majority of the board of review shall indorse
 10 the roll and sign a statement to the effect that the roll is the
 11 assessment roll for the year in which it has been prepared and
 12 approved by the board of review.

13 (7) The **appropriate assessing officer shall deliver the**
 14 **completed assessment roll** ~~shall be delivered by the appropriate~~
 15 ~~assessing officer~~ to the county equalization director not later
 16 than the tenth day after the adjournment of the board of review, or
 17 the Wednesday following the first Monday in April, whichever date
 18 occurs first.

19 (8) The governing body of the township or city may authorize,
 20 by adoption of an ordinance or resolution, a resident taxpayer to
 21 file ~~his or her~~ **a** protest before the board of review by letter
 22 without a personal appearance by the taxpayer or ~~his or her~~ **the**
 23 **taxpayer's** agent. If that ordinance or resolution is adopted, the
 24 township or city shall include a statement notifying taxpayers of
 25 this option in each assessment notice under section 24c and on each
 26 notice or publication of the meeting of the board of review.

27 Enacting section 1. This amendatory act takes effect December
 28 31, 2023.

29 Enacting section 2. This amendatory act does not take effect

1 unless all of the following bills of the 102nd Legislature are
2 enacted into law:

3 (a) House Bill No 4553.

4

5 (b) House Bill No 4554.