THE GENERAL PROPERTY TAX ACT
Act 206 of 1893

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

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—Am. 1949, Act 317, Eff. Sept. 23, 1949;—Am. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1981, Act 6, Imd. Eff. Apr. 16, 1981;—Am. 1983, Act 254, Imd. Eff. Dec. 29, 1983;—Am. 1999, Act 123, Imd. Eff. July 23, 1999.

Popular name: Act 206

The People of the State of Michigan enact:

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211.1 Property subject to taxation.

Sec. 1. That all property, real and personal, within the jurisdiction of this state, not expressly exempted, shall be subject to taxation.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3824;—CL 1915, 3995;—CL 1929, 3389;—CL 1948, 211.1.

Constitutionality: Mailing of tax delinquency and redemption notices to a corporation at its tax address of record in the manner required by the General Property Tax Act is sufficient to provide constitutionally adequate notice. Smith v Cliffs on the Bay Condominium Assoc., 463 Mich 420; 617 NW2d 536 (2000).

Compiler's note: For prior tax laws, see note to this section in Michigan Compiled Laws of 1970.

Transfer of powers: See MCL 16.179.

Popular name: Act 206

211.1a Short title; general property tax act.

Sec. 1a. This act shall be known and may be cited as "The general property tax act".

History: Add. 1943, Act 231, Imd. Eff. Apr. 20, 1943;—CL 1948, 211.1a.

Constitutionality: Mailing of tax delinquency and redemption notices to a corporation at its tax address of record in the manner required by the General Property Tax Act is sufficient to provide constitutionally adequate notice. Smith v Cliffs on the Bay Condominium Assoc., 463 Mich 420; 617 NW2d 536 (2000).

Popular name: Act 206

REAL PROPERTY.

211.2 Real property; definition; determination of taxable status; acquisition for public purposes by purchase or condemnation; responsibilities of parties in real estate transaction; “levy date” defined.

Sec. 2. (1) For the purpose of taxation, real property includes all of the following:

(a) All land within this state, all buildings and fixtures on the land, and all appurtenances to the land, except as expressly exempted by law.

(b) All real property owned by this state or purchased or condemned for public highway purposes by any board, officer, commission, or department of this state and sold on land contract, notwithstanding the fact that the deed has not been executed transferring title.

(c) For taxes levied after December 31, 2002, buildings and improvements located upon leased real property, except buildings and improvements exempt under section 9f or improvements assessable under section 8(h), if the value of the buildings or improvements is not otherwise included in the assessment of the real property. However, buildings and improvements located on leased real property shall not be treated as real property unless they would be treated as real property if they were located on real property owned by the taxpayer.

(2) The taxable status of persons and real and personal property for a tax year shall be determined as of

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each December 31 of the immediately preceding year, which is considered the tax day, any provisions in the charter of any city or village to the contrary notwithstanding. An assessing officer is not restricted to any particular period in the preparation of the assessment roll but may survey, examine, or review property at any time before or after the tax day.

(3) Notwithstanding a provision to the contrary in any law, if real property is acquired for public purposes by purchase or condemnation, all general property taxes, but not penalties, levied during the 12 months immediately preceding, but not including, the day title passes to the public agency shall be prorated in accordance with this subsection. The seller or condemnee is responsible for the portion of taxes from the levy date or dates to, but not including, the day title passes and the public agency is responsible for the remainder of the taxes. If the date that title will pass cannot be ascertained definitely and an agreement in advance to prorate taxes is desirable, an estimated date for the passage of title may be agreed to. In the absence of an agreement, the public agency shall compute the proration of taxes as of the date title passes. The question of proration of taxes shall not be considered in any condemnation proceeding. As used in this subsection, "levy date" means the day on which general property taxes become due and payable. In addition to the portion of taxes for which the public agency is responsible under the provisions of this subsection, the public agency is also responsible for all general property taxes levied on or after the date title passes and before the property is removed from the tax rolls.

(4) In a real estate transaction between private parties in the absence of an agreement to the contrary, the seller is responsible for that portion of the annual taxes levied during the 12 months immediately preceding, but not including, the day title passes, from the levy date or dates to, but not including, the day title passes and the buyer is responsible for the remainder of the annual taxes. As used in this subsection, "levy date" means the day on which a general property tax becomes due and payable.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3825;—CL 1915, 3996;—CL 1929, 3390;—Am. 1939, Act 235, Eff. Sept. 29, 1939;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.2;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1958, Act 209, Eff. Sept. 13, 1958;—Am. 1966, Act 288, Imd. Eff. July 12, 1966;—Am. 1968, Act 277, Imd. Eff. July 1, 1968;—Am. 1993, Act 145, Imd. Eff. Aug. 19, 1993;—Am. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 2000, Act 415, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.2a Mobile home as real property; assessment; exclusions; “travel trailer” and “camping trailer” defined.

Sec. 2a. (1) For purposes of section 2, a mobile home which is not covered by section 41 of Act No. 243 of the Public Acts of 1959, being section 125.1041 of the Michigan Compiled Laws, and while located on land otherwise assessable as real property under this act, and whether or not permanently affixed to the soil, shall be considered real property and shall be assessed as part of the real property upon which the mobile home is located.

(2) As used in this section, "mobile home" does not include a travel trailer or camping trailer which is either parked in a campground licensed by this state for not more than 180 days in any calendar year, or parked upon private property, including a designated storage area of a licensed campground, for the sole purpose of storage.

(3) As used in this section, "mobile home" does not include a truck camper which is parked in a campground licensed by this state which is a portable structure, designed and constructed to be loaded onto, or affixed to, the bed or chassis of a truck, and which is used to provide temporary living quarters for recreational camping or travel.

(4) For purposes of this section, the following definitions shall apply:

(a) A travel trailer is a vehicular portable structure mounted on wheels and of a size and weight as not to require special highway movement permits when drawn by a stock passenger automobile or when drawn with a fifth wheel hitch mounted on a motor vehicle, and is primarily designed, constructed, and used to provide temporary living quarters for recreational camping or travel.

(b) A camping trailer is a vehicular portable temporary living quarters used for recreational camping or travel and of a size and weight as not to require special highway movement permits when drawn by a motor vehicle.

History: Add. 1953, Act 57, Eff. Oct. 2, 1953;—Am. 1978, Act 379, Imd. Eff. July 27, 1978;—Am. 1982, Act 539, Eff. Mar. 30, 1983.

Popular name: Act 206

211.3 Real property; parties assessable; persons treated as owner; property of deceased persons.

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Sec. 3. Real property shall be assessed in the township or place where situated, to the owner if known, and also to the occupant, if any; if the owner be not known and there be an occupant, then to such occupant, and either or both shall be liable for the taxes on said property, and if there be no owner or occupant known, then as unknown. A trustee, guardian, executor, administrator, assignee or agent, having control or possession of real property, may be treated as the owner. The real property which belonged to a person deceased, not being in control of an executor or administrator, may be assessed to his heirs or devisees jointly, without naming them, until they shall have given notice of their respective names to the supervisor, and of the division of the estate.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3826;—CL 1915, 3997;—CL 1929, 3391;—CL 1948, 211.3.

Popular name: Act 206

211.4 Real property; licensed homesteads; part-paid state lands; assessment; contents.

Sec. 4. All licensed homesteads lands, the fee of which is in the state, when the licensee is entitled to make final proof to obtain a patent for the same, shall be assessed and treated as real property. The interest in land of any person holding part-paid certificates for the purchase of any state lands shall be assessed separate from other property. The assessment shall describe the land and shall state therein that the title is in the state. The taxes, if not paid to the township treasurer, shall be returned and collected as hereinafter provided.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3827;—CL 1915, 3998;—CL 1929, 3392;—CL 1948, 211.4.

Popular name: Act 206

211.5 Real property; assessment of corporate realty.

Sec. 5. The real property of a corporation shall be assessed to the name of the corporation as to an individual, if known, in the township or place where situated, or it may be assessed to the occupant or to any authorized agent if so requested of the supervisor.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3828;—CL 1915, 3999;—CL 1929, 3393;—CL 1948, 211.5.

Popular name: Act 206

211.6 Real property; tenants in common; assessment of undivided interests.

Sec. 6. Undivided interests in lands owned by tenants in common, not being co-partners, may be assessed to the owners thereof, if so requested, and in the discretion of the supervisor.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3829;—CL 1915, 4000;—CL 1929, 3394;—CL 1948, 211.6.

Popular name: Act 206

211.6a Repealed. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Compiler's note: The repealed section pertained to mineral rights assessed separate from surface rights.

211.6b Repealed. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Compiler's note: The repealed section pertained to mineral rights consisting of undeveloped metallic resources assessed separately from surface rights.

REAL ESTATE EXEMPTIONS.

211.7 Federal property.

Sec. 7. Public property belonging to the United States is exempt from taxation under this act. This exemption shall not apply if taxation of the property is specifically authorized by federal legislative action or federal administrative rule, regulation, or lease.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3830;—Am. 1901, Act 44, Eff. Sept. 5, 1901;—Am. 1909, Act 309, Eff. Sept. 1, 1909;—Am. 1911, Act 174, Eff. Aug. 1, 1911;—CL 1915, 4001;—Am. 1919, Act 331, Eff. Aug. 14, 1919;—Am. 1925, Act 55, Eff. Aug. 27, 1925;—Am. 1927, Act 118, Imd. Eff. May 7, 1927;—CL 1929, 3395;—Am. 1931, Act 42, Imd. Eff. Apr. 23, 1931;—Am. 1933, Act 243, Eff. Oct. 17, 1933;—Am. 1939, Act 232, Eff. Sept. 29, 1939;—Am. 1941, Act 125, Imd. Eff. May 26, 1941;—Am. 1942, 2nd Ex. Sess., Act 8, Imd. Eff. Feb. 25, 1942;—Am. 1943, Act 131, Imd. Eff. Apr. 13, 1943;—Am. 1945, Act 76, Imd. Eff. Apr. 10, 1945;—Am. 1946, 1st Ex. Sess., Act 24, Imd. Eff. Feb. 26, 1946;—CL 1948, 211.7;—Am. 1949, Act 24, Imd. Eff. Mar. 29, 1949;—Am. 1949, Act 55, Eff. Sept. 23, 1949;—Am. 1951, Act 169, Eff. Sept. 28, 1951;—Am. 1952, Act 54, Eff. Sept. 18, 1952;—Am. 1955, Act 46, Imd. Eff. Apr. 29, 1955;—Am. 1958, Act 190, Eff. Sept. 13, 1958;—Am. 1960, Act 155, Eff. Aug. 17, 1960;—Am. 1961, Act 238, Eff. Sept. 8, 1961;—Am. 1963, Act 148, Eff. Sept. 6, 1963;—Am. 1966, Act 320, Imd. Eff. July 19, 1966;—Am. 1968, Act 342, Eff. Dec. 31, 1968;—Am. 1971, Act 109, Imd. Eff. Sept. 10, 1971;—Am. 1971, Act 189, Imd. Eff. Dec. 20, 1971;—Am. 1974, Act 358, Eff. Apr. 1, 1975;—Am. 1976, Act 135, Imd. Eff. May 27, 1976;—Am. 1976, Act 432, Imd. Eff. Jan. 11, 1977;—Am. 1978, Act 54, Imd. Eff. Mar. 10, 1978;—Am. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

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211.7a Definitions; exemption affidavit; mailing; return; notice of availability; failure to send or receive exemption affidavit; payment to local unit required to mail exemption affidavits; reimbursement claim for expenses.

Sec. 7a. (1) As used in this section:

(a) "Exemption affidavit" means the form prescribed by the department of treasury upon which the owner certifies that the property is the homestead of the owner. The information which shall be required on an exemption affidavit shall include the name and address of the owner of the property, an identification of whether the property is an integral part of a larger assessment unit or of a multipurpose or multidwelling building, the social security numbers of the owner signing the exemption affidavit and each resident in the homestead with an ownership interest, an identification by address or legal description of the property for which the exemption affidavit is filed, and the parcel identification number.

(b) "Domicile" means a place where an individual has his or her true, fixed, and permanent home, to which, whenever absent therefrom, the individual intends to return.

(c) "Homestead" means a dwelling or a unit in a multipurpose or multidwelling building which is subject to ad valorem taxes and which is owned and occupied as the principal domicile by the owner thereof.

When a homestead is an integral part of a larger unit of assessment such as commercial, industrial, developmental, residential, timber cutover, or a multipurpose or multidwelling building, the tax on the homestead shall be the same proportion of the total property tax as the proportion of the value of the homestead is to the total value of the assessed property.

(d) "Owner" means the holder of legal title if a land contract does not exist, or the most recent land contract vendee.

(2) Each city and township shall cause to be mailed, on or before May 1, 1981, an exemption affidavit to the occupant of each piece of property within the city or township which is classified as residential or agricultural property and which contains a dwelling suitable for occupancy. Exemption affidavits shall be returned on or before May 22, 1981 to the local official of the city or township who shall be designated on the exemption affidavit. Exemption affidavits shall also be made available at each local unit of government after April 30, 1981. Each city and township may publish individually or jointly on or before May 10, 1981, in a newspaper of general circulation, notice of the availability of the exemption affidavit, that these exemption affidavits must be returned by May 22, 1981 in order to be eligible for the reduction of a 1981 property tax bill if Proposal A at the May 19, 1981 special election is approved, and that, if Proposal A at the May 19, 1981 special election is approved, an eligible owner of a homestead who fails to file an exemption affidavit by May 22, 1981 may submit a claim for a refund of taxes paid that were eligible to be exempted with the state department of treasury. The failure to send or receive the exemption affidavit shall not invalidate an ad valorem property tax levy on the property.

(3) The state treasurer shall cause to be paid on June 1, 1981 to each local unit required to make a mailing of exemption affidavits pursuant to subsection (2) the sum of 1 of the following:

(a) Thirty cents per exemption affidavit required to be mailed pursuant to subsection (2) if the local unit uses a state supplied exemption affidavit.

(b) Thirty-five cents per exemption affidavit required to be mailed pursuant to subsection (2) if the local unit does not use a state supplied exemption affidavit.

(4) Each local unit required to make a mailing of exemption affidavits pursuant to subsection (2) shall submit a reimbursement claim to the state treasurer by May 15, 1981 for the expenses described in subsection (3) related to this required mailing.

(5) On or before June 8, 1981, each local property tax collecting unit that is required to mail exemption affidavits shall submit a reimbursement claim of $1.00 for each homestead on which ad valorem property taxes will be exempt from collection under the exemption provided by section 3 of article 9 of the state constitution of 1963, as amended by the voters on May 19, 1981. If more than 1 local treasurer collects ad valorem property taxes in the same calendar year on a homestead for which a claim is submitted under this subsection, each local property tax collecting unit which does not receive the $1.00 per homestead reimbursement under this subsection, shall submit, on or before June 8, 1981 for each of these local property tax collecting units that collect a summer tax levy and on or before November 1, 1981 for each of these local property tax collecting units that collect a winter tax levy, a reimbursement claim of 10 cents for each homestead on which ad valorem property taxes will be exempt from collection under the exemption provided by section 3 of article 9 of the state constitution of 1963, as amended by the voters on May 19, 1981. The state treasurer shall require disbursements to be made by June 20, 1981 if the claim is required on or before June 8, 1981 or by November 20, 1981 if the claim is required on or before November 1, 1981, for the amount of the qualified claims submitted under this subsection, which amount shall be for the necessary costs of

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implementation of the exemptions provided by the exemption provided by section 3 of article 9 of the state constitution of 1963, as amended by the voters on May 19, 1981.

(6) If, in 1981 only, a local property tax collecting units seeks reimbursement for any additional necessary administrative costs in excess of the amounts provided in subsections (3) and (5), the local property tax collecting unit shall file a claim pursuant to Act No. 101 of the Public Acts of 1979, being sections 21.231 to 21.244 of the Michigan Compiled Laws.

History: Add. 1981, Act 6, Imd. Eff. Apr. 16, 1981.

Compiler's note: Section 2 of Act 6 of 1981 provides: "Section 7a(5) and (6) shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19,1981 special election ballot has been approved by the voters."

Section 3 of Act 6 of 1981 provides: "Sections 7a(1), (2), (5), and (6), 34d(13), and 44a shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters."

Proposal A, referred to in Sections 2 and 3 of Act 6 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27, 1981, that Proposal A had been rejected by the voters.

Sec. 7a, as added by Act 6 of 1981 , was amended by Act 41 of 1981 to read as follows:

"Sec. 7a.

(1) After application of section 34d, the remaining ad valorem property taxes imposed for operating purposes pursuant to this act on the homestead of an individual who is a resident of this state which is subject to assessment, equalization, and the levy of a tax pursuant to this act shall be exempt from collection in an amount equal to 50% of the taxes imposed for operating purposes upon the homestead up to a maximum of $1,400.00 as adjusted pursuant to subsection (6).

"(2) As used in this section:

"(a) "Exemption affidavit" means the form prescribed pursuant to subsection (5) by the department of treasury upon which the owner certifies that the property is the homestead of the owner.

"(b) "Domicile" means a place where an individual has his or her true, fixed, and permanent home, to which, whenever absent therefrom, the individual intends to return.

"(c) "Homestead" means a dwelling or a unit in a multipurpose or multidwelling building, which is subject to ad valorem taxes and which is owned and occupied as the principal domicile by the owner thereof. A homestead shall include a portion of cooperatively owned housing in which a person is residing, if the cooperatively owned housing is owned either by a nonprofit cooperative organization or by a cooperative organization in which more than 50% of the organization's shares are owned by occupants in the organization's cooperatively owned housing.

"When a homestead is located on leased land and is listed as personal property on the assessment roll, or is an integral part of a larger unit of assessment such as commercial, industrial, developmental, residential, timber cutover, or a multipurpose or multidwelling building, the tax on the homestead shall be the same proportion of the total property tax as the proportion of the value of the homestead is to the total value of the assessed property. A homestead shall include all of the adjacent and contiguous unoccupied real property not classified for ad valorem property tax purposes as agricultural and all unoccupied real property classified for ad valorem tax purposes as agricultural, regardless of whether the owner of this property also is the owner of a domicile, except that, if the gross receipts of the agricultural or horticultural operations in the previous year or the average annual gross receipts in the previous 3 years do not exceed the household income of the owner in the previous year, or if there are no gross receipts in the previous year, all of the adjacent and contiguous unoccupied agricultural or horticultural lands shall be considered a homestead.

"(d) "Household income" means that term as defined by section 508(4) of Act No. 281 of the Public Acts of 1967, as amended, being section 206.508 of the Michigan Compiled Laws.

"(e) "Owner" means the holder of legal title, except that if the holder of legal title is also a land contract vendor for the property the owner shall be the most recent land contract vendee, or if the holder of legal title is an estate or a trust, the owner shall be the beneficiary of the estate or trust.

"(f) "Taxes imposed for operating purposes" means all ad valorem property taxes other than ad valorem property taxes specifically levied to repay the principal and interest due on the following types of obligations of the unit of local government.

"(*i*) A bond or note issued to fund capital expenses that is subject to or incurred pursuant to the procedures or authorization of Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws.

"(*ii*) A bond or note, other than a judgment obligation or a tax anticipation note, issued to fund past or future operating expenses, if and to the extent ad valorem property taxes levied to repay principal and interest are in addition to charter or statutory limitations as authorized by section 1a of Chapter VII of Act No. 202 of the Public Acts of 1943, as amended, being section 137.1a of the Michigan Compiled Laws.

"(3) Except as provided by subsections (4) and (9), to qualify to receive the benefit of the exemption provided by subsection (1) reflected in a reduction in a tax bill a taxpayer eligible to elect an exemption under subsection (1) annually shall file an exemption affidavit, which shall be included with or as part of the assessment notice under section 24c, on or before April 15 or a later date specified by the local tax collecting unit, with the local official designated by the taxpayer's tax collecting unit. A local tax collecting unit shall not reduce pursuant to this section the ad valorem property tax levy against a piece of property for which an exemption affidavit is filed if the local tax collecting unit has knowledge that the property does not qualify for an exemption under this section. The failure of an individual to receive or of the unit of local government to send the exemption affidavit shall not invalidate an ad valorem property tax levy on the property.

"(4) If a tax payer who is eligible to receive the benefit of an exemption under subsection (1) fails to make a timely filing of an exemption affidavit pursuant to subsection (3) or (9), the taxpayer may file for an exemption refund from the department of treasury for the amount of tax levied that was eligible for exemption. A filing may be made pursuant to this subsection within 4 years after the December 31 which follows the date on which the tax was due and payable. The department of treasury shall refund to a qualified taxpayer the tax levied that was eligible for exemption less any amount allowed the taxpayer as an income tax credit under section 520 of Act No. 281 of the Public Acts of 1967, as amended, being section 206.520 of the Michigan Compiled Laws, for the year for which an exemption refund is filed in excess of the income tax credit for that year under section 520 of Act No. 281 of the Public Acts of 1967, as amended, calculated using property taxes as reduced by the amount of the exemption refund for that year. An exemption refund made by

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the department of treasury under this subsection or subsection (9) shall be considered a refund to an individual who, by paying the tax eligible for exemption, has made a payment or return of a reimbursement to units of local government on behalf of the state for the exemption provided by this section.

"(5) The department of treasury shall prescribe the information required on the exemption affidavit to each assessing officer and shall prepare sample exemption affidavits. The information which shall be required on an exemption affidavit shall include the name and address of the owner of the property, an identification of whether the property is an integral part of a larger assessment unit or of a multipurpose or multidwelling building, the social security numbers of the owner who signs the exemption affidavit and each resident in the homestead with an ownership interest, an identification by address or legal description of the property for which the exemption affidavit is filed, the parcel identification number, and a statement requiring the signature of the owner to certify that the property qualified for the exemption provided by this section. In 1982 and each year thereafter the assessing officer shall mail the exemption affidavit with or as part of the notice required by section 24c. Exemption affidavits shall also be made available at each local unit of government.

"(6) The maximum amount of taxes which may be exempt under subsection (1) shall be adjusted by the state tax commission on the second Monday in May in 1982 and each year thereafter, pursuant to the percentage increase or decrease in the state equalized value of property in this state, excluding new construction and improvements, classified as residential and agricultural real property. The adjustment shall be made by multiplying the percentage increase or decrease in the state equalized value of property in this state, excluding new construction and improvements, classified as residential and agricultural real property by the amount of the prior year's maximum tax exemption. The resultant product shall be added to the prior year's maximum tax exemption and then rounded down to the nearest multiple of $10.00. This figure shall be the new maximum amount of taxes which may be exempt for tax levies in the then current calendar year and shall be certified to the treasurer of each unit of local government by the state tax commission.

"(7) An individual who files an exemption affidavit pursuant to subsection (3) or (9) for purposes of exempting taxes on the individual's homestead from collection shall not be qualified either to file for another exemption affidavit pursuant to subsection (3) or (9) for tax levies in the same calendar year or to file for an exemption refund pursuant to subsection (4) for tax levies in the same calendar year. Upon filing of a qualified exemption affidavit pursuant to subsection (3) or (9) the taxes on the homestead to which the exemption affidavit applied shall be eligible for the exemption from collection provided by subsection (1) for tax levies in the year the qualified exemption affidavit was filed, regardless of any subsequent transfer, sale, or use of the property in that year.

"(8) A person who knowingly files an exemption affidavit pursuant to subsection (3) or (9) or an application for a refund under subsection (4) for tax levies in the same calendar year for more than 1 homestead, or who knowingly files an exemption affidavit pursuant to subsection (3) or (9) or an application for a refund under subsection (4) for which the taxpayer is not qualified or eligible, is guilty of a misdemeanor. A person who files, with an intent to defraud, an exemption affidavit pursuant to subsection (3) or (9) or an application for a refund under subsection (4) either for tax levies in the same calendar year for more than 1 homestead, or for a refund or exemption for which the person is not qualified or eligible, is guilty of a felony, punishable by imprisonment for not more than 5 years, or a fine of not more than $5,000.00, or both.

"(9) Each city and township shall cause to be mailed, on or before May 1, 1981, an exemption affidavit to the occupant of each piece of property within the city or township which is classified as residential or agricultural property and, if determinable by the city or township, which contains a dwelling suitable for occupancy. In order to receive the benefit of an exemption provided by subsection (1) reflected as a reduction in their 1981 ad valorem property tax bill, an individual's exemption affidavit shall be returned on or before May 22, 1981, or a later date specified by the city or township, to the local official of the city or township who shall be designated on the exemption affidavit. Exemption affidavits shall also be made available at each local unit of government after April 30, 1981. Each city and township may publish individually or jointly on or before May 10, 1981, in a newspaper of general circulation, notice of the availability of the exemption affidavit, that these exemption affidavits must be returned by May 22, 1981 or the later date specified by the city or township in order to be eligible for the reduction of a 1981 property tax bill if Proposal A at the May 19, 1981 special election is approved, and that, if Proposal A at the May 19, 1981 special election is approved, an eligible owner of a homestead who fails to file an exemption affidavit by May 22, 1981 or the later date specified by the city or township may submit a claim for a refund of taxes paid that were eligible to be exempted with the state department of treasury. The failure to send or receive the exemption affidavit shall not invalidate an ad valorem property tax levy on the property. For ad valorem property tax levies in 1981 and each year thereafter, if an exemption affidavit includes an identification of the property as a unit in cooperatively owned housing, or as an integral part of a larger assessment unit or of a multipurpose or multidwelling building, the local tax collecting unit that received the exemption affidavit shall either determine that portion of the property which is considered a homestead under this section or, if the property is a unit in cooperatively owned housing, solicit additional information from the individual filing the exemption affidavit of that portion of the ad valorem property taxes to be levied in the calendar year against the cooperatively owned housing which will be attributed to the unit for which the individual files an exemption affidavit. After determination or receipt of this information the local tax collecting unit shall either make the appropriate reduction of ad valorem taxes against the property, or, if this determination cannot be made, or if this information is not received, by a date timely enough to allow for the reduction of the property tax bill, certify the amount of taxes eligible for exemption to the state treasurer. The state treasurer shall issue an exemption refund to the individual who filed a qualified exemption affidavit in the amount certified by the local tax collecting unit. In place of the procedures established by this subsection for the filing of exemption affidavits for, and solicitation of determinations of ownership interests for, a homestead which is a unit in cooperatively owned housing the department of treasury may provide for a unitary filing of exemption affidavits, and for the submission of exemption refund claims, for each eligible homestead in the cooperatively owned housing by a cooperative organization on behalf of, but signed by, the occupant of the cooperatively owned housing who is eligible to receive benefit of an exemption under this section.

"(10) A local unit of government shall adjust its subsequent ad valorem property tax levy against a piece of property to collect the value of an exemption which was deducted from the preceding tax levy against the property and not reimbursed by the state pursuant to the authority of section 9(1) of the local tax relief fund act. Upon request of the department of treasury and if ownership of the property has not changed since the tax levy for which an unqualified exemption was applied, a unit of local government shall adjust its subsequent ad valorem property tax levy against a piece of property to collect the value of an unqualified exemption which was deducted from a preceding property tax levy against the property. The additional ad valorem property taxes levied and collected by application of these adjustments for previously applied unqualified exemptions shall be remitted to the state treasurer.

"(11) If a homestead is located both within a city and a township or in more than 1 city, township, county, or school district and if the portion of the homestead upon which the domicile of the owner is located is within a taxing unit which collects ad valorem property tax at the same time that the analogous taxing unit or units collects from the balance of the homestead, the maximum exemption available under this section shall be allocated in a manner which allows it to be applied first against the applicable property tax levies for each taxing unit where the domicile of the owner of the homestead is located, and any unused portion then shall be applied, to the extent

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allowed by this section, against the applicable property tax levies for the analogous taxing unit or units in which the remainder of the homestead is located. If different local treasurers collect ad valorem property tax levies in the same year and on the same property, the local tax collecting treasurer for an ad valorem property tax levy on property against which another ad valorem property tax levy is also imposed shall forward the information contained in each exemption affidavit filed in the year for these properties, along with a notation for each homestead of the amount of tax that was exempted from collection pursuant to this section with the applicable ad valorem property tax levy, to each other local tax collecting treasurer who collects ad valorem property tax levies on the same property in that year. If property for which an exemption affidavit is filed has ad valorem property tax levies against it in the same year collected by a village treasurer, each township that receives exemption affidavits for these properties shall forward, by June 1 of each year, the information contained in each exemption affidavit filed in the year for these properties to the village treasurer. A local tax collecting treasurer who collects summer levies of ad valorem property taxes for operating purposes may apply a prorated portion of the maximum exemption allowed by this section for the year, as adjusted pursuant to subsection (6), against the summer property tax levies. This prorated portion shall be the same portion that the actual summer ad valorem property tax levy for operating purposes bears to the total actual summer and winter property tax levies for operating purposes in the year. If the actual winter property tax levy for operating purposes in the year is not known, the winter levy of ad valorem property taxes for operating purposes in the immediately preceding year may be used in determining the proportion. If the local tax collecting treasurer who collects summer ad valorem property taxes decides to use a prorated portion of the maximum exemption allowed by this section in determining the exemption applied against the summer property tax levies, this prorated portion shall be again prorated among each unit of local government for which the local tax collecting treasurer collects a summer levy according to the percentage that the actual summer ad valorem property tax levy for operating purposes for each respective taxing unit bears to the aggregate actual summer ad valorem property tax levies for operating purposes for the respective taxing units.

"(12) In 1981 only each local tax collecting treasurer that receives from a financial institution an identification of properties from which the local tax collecting treasurer collects ad valorem property taxes and for which the financial institution has established an escrow account for purposes of paying ad valorem property tax, shall forward at 1 time on or before July 1, 1981 to the financial institution an identification of each property identified by the financial institution for which an exemption affidavit has been filed and for which the exemption from collection provided by this section will apply and be reflected as a reduction in the tax bill.

"(13) The state treasurer shall cause to be paid on June 1, 1981 to each local unit required to make a mailing of exemption affidavits pursuant to subsection (9) the sum of 1 of the following:

"(a) Thirty cents per exemption affidavit required to be mailed pursuant to subsection (9) if the local unit uses a state supplied exemption affidavit.

"(b) Thirty-five cents per exemption affidavit required to be mailed pursuant to subsection (9) if the local unit does not use a state supplied exemption affidavit.

"(14) Each local unit required to make a mailing of exemption affidavits pursuant to subsection (9) shall submit a reimbursement claim to the state treasurer by May 15, 1981 for the expenses described in subsection (13) related to this required mailing."

Section 2 of Act 41 of 1981 provides:

"(1) Except as provided by subsections (2) and (3), this amendatory act shall not take effect unless House Joint Resolution G of the 81st Legislature becomes a part of the constitution as provided in section 1 of article 12 of the state constitution of 1963.

"(2) Section 7a(8), (9), (12), (13), and (14) of this amendatory act shall take immediate effect, but shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters.

"(3) Sections 7a(11) and 34d(3), (4), (7), (9), (10), (11), (17), and (18) of this amendatory act shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been approved by the voters."

Proposal A, referred to in Sections 2 and 3 of Act 41 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27, 1981, that Proposal A had been rejected by the voters.

Former MCL 211.7a, pertaining to real estate used and owned as homestead by blind person, was repealed by Act 20 of 1973.

Popular name: Act 206

211.7b Exemption of real property used and owned as homestead by disabled veteran or individual described in subsection (2); filing and inspection of affidavit; cancellation of taxes; local taxing unit to bear loss; death of disabled veteran; continuation of exemption in favor of unremarried surviving spouse; "disabled veteran" defined.

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

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

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remains unremarried.

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

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

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

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

History: Add. 1954, Act 179, Imd. Eff. May 5, 1954;—Am. 1978, Act 261, Imd. Eff. June 28, 1978;—Am. 2013, Act 161, Imd. Eff. Nov. 12, 2013.

Popular name: Act 206

Compiler's note: Enacting section 1 of Act 161 of 2013 provides:

"Enacting section 1. This amendatory act shall be known and may be cited as the "Dannie Lee Barnes disabled veteran property tax relief act"."

Enrolled Senate Bill No. 784 was not signed by the Governor, but, having been presented to her at 11:30 a.m. on June 2, 2022, and not having been returned by her to the Senate within the 14 days prescribed by Const 1963, art IV, sec 33, became law (2022 PA 103) on June 16, 2022, the Legislature having continued in session. However, Senate Bill No. 784 was tie-barred to a bill that was vetoed by the Governor, so there is no effective date for PA 103 of 2022.

211.7c Repealed. 1973, Act 20, Eff. Dec. 31, 1973.

Compiler's note: The repealed section pertained to homesteads of persons over 65 years of age.

Popular name: Act 206

211.7d Housing exemption for elderly or disabled families; definitions.

Sec. 7d. (1) Housing owned and operated by a nonprofit corporation or association, by a limited dividend housing corporation, or by this state, a political subdivision of this state, or an instrumentality of this state, for occupancy or use solely by elderly or disabled families is exempt from the collection of taxes under this act. For purposes of this section, housing is considered occupied solely by elderly or disabled families even if 1 or more of the units is occupied by service personnel, such as a custodian or nurse.

(2) An owner of property may claim an exemption under this section by simultaneously filing a form prescribed by the department of treasury with both the assessor of the local tax collecting unit and the department of treasury no later than October 31. The assessor of the local tax collecting unit in which the property is located shall approve or disapprove a claim for exemption under this section within 60 days of the receipt of the claim for exemption. The assessor shall notify the owner and the department of treasury in writing of the exemption's approval or disapproval by December 31 following the initial filing. The department of treasury may deny an exemption under this section. The department of treasury may grant an exemption under this section for 2012 and the 3 immediately preceding years for property that would have qualified for the exemption under this section if an owner of that property had timely filed in 2010 the form required under this subsection. The department of treasury may grant an exemption under this section, effective December 31, 2011, for property that would have qualified for the exemption under this section if an application had been timely filed in 2011. If granting the exemption under this section results in an overpayment of the tax, a rebate, including any interest paid, shall be made to the taxpayer by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll within 30 days of the date the exemption is granted. The rebate shall be without interest. If a claim for exemption under this section is filed by October 31 and is approved, that exemption shall begin on December 31 of the year in which the facility is fully and finally completed and the owner of the property properly submitted a claim for exemption to the assessor of the local tax collecting unit under this subsection and shall continue until the property is no longer used for occupancy or use solely by elderly or disabled families. The owner of property exempt under this section shall notify the local tax collecting unit in which the property is located and the department of treasury of any change in the property that would affect the exemption under this section.

(3) If property for which an exemption is claimed under this section would have been subject to the collection of taxes under this act if an exemption had not been granted under this section, the state treasurer, upon verification, shall make a payment in lieu of taxes, which shall be in the following amount:

(a) For property exempt under this section before January 1, 2009, the amount of taxes paid on that property for the 2008 tax year, excluding any mills that would have been levied under all of the following:

(*i*) Section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

(*ii*) The state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(b) For property not exempt under this section before January 1, 2009 and for new construction to property

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exempt under this section before January 1, 2009, the local tax collecting unit shall calculate, on a form prescribed by the department of treasury, a payment calculated by multiplying the taxable value of the property in the first year for which the exemption is valid by the number of mills levied in that year by all taxing units in the local tax collecting unit, excluding any mills that would have been levied under all of the following:

(*i*) Section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

(*ii*) The state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(4) All payments under subsection (3) shall be forwarded to the local tax collecting unit by December 15 each year. The department of treasury may require that the local tax collecting units receive payments under this section through electronic funds transfer.

(5) The local tax collecting unit shall distribute the amount received under subsection (4) in the same manner and in the same proportions as general ad valorem taxes collected under this act, excluding any distribution that would have been made under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(6) The state treasurer shall estimate the amount necessary to meet the expense of administering the provisions of this section in each year, and the legislature shall appropriate an amount sufficient to meet that expense in each year. If insufficient funds are appropriated to fully pay all payments, the department of treasury shall prorate the payments made under this section.

(7) Property that is used for occupancy or use solely by elderly or disabled families that is exempt under this section is not subject to forfeiture, foreclosure, and sale for taxes returned as delinquent under this act for any year in which the property was exempt under this section.

(8) The department of treasury has standing to appeal the assessed value, taxable value, state equalized valuation, exempt status, classification, and all other issues concerning tax liability for property exempt under this section in the Michigan tax tribunal and all courts of this state.

(9) As used in this section:

(a) "Disabled person" means a person with disabilities.

(b) "Elderly or disabled families" means families consisting of 2 or more persons if the head of the household, or his or her spouse, is 62 years of age or over or is a disabled person, and includes a single person who is 62 years of age or over or is a disabled person.

(c) "Elderly person" means that term as defined in section 202 of title II of the housing act of 1959, Public Law 86-372.

(d) "Housing" means new or rehabilitated structures with 8 or more residential units in 1 or more of the structures for occupancy and use by elderly or disabled persons, including essential contiguous land and related facilities as well as all personal property of the corporation, association, or limited dividend housing corporation used in connection with the facilities.

(e) "Limited dividend housing corporation" means a corporation incorporated or qualified under the laws of this state and chapter 6 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1481 to 125.1486, or a limited dividend housing association organized and qualified under chapter 7 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1491 to 125.1496, that will rehabilitate and own a housing facility or project previously qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, section 236 of title II of the national housing act, chapter 847, 82 Stat 498, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625.

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

(g) "Nonprofit corporation or association" means a nonprofit corporation or association incorporated under the laws of this state not otherwise exempt from the collection of taxes under this act, operating a housing facility or project qualified, built, or financed under section 202 of title II of the housing act of 1959, Public Law 86-372, section 236 of title II of the national housing act, chapter 847, 82 Stat 498, or section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625.

(h) "Person with disabilities" means that term as defined in section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable housing act, Public Law 101-625.

(i) "Residential units" includes 1-bedroom units licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, for persons who share dining, living, and bathroom facilities and who have a mental illness, developmental disability, or a physical disability, as those terms are defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, or individual self-contained dwellings in an unlicensed facility. At the time of construction or rehabilitation, both self-contained dwellings and 1-bedroom units must be financed either under section 202 of title II of the housing act of 1959, Public Law 86-372, or under section 811 of subtitle B of title VIII of the Cranston-Gonzalez national affordable

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housing act, Public Law 101-625.

History: Add. 1966, Act 312, Imd. Eff. July 14, 1966;—Am. 1978, Act 54, Imd. Eff. Mar. 10, 1978;—Am. 1987, Act 200, Imd. Eff. Dec. 16, 1987;—Am. 1998, Act 39, Eff. Dec. 19, 1998;—Am. 1998, Act 469, Imd. Eff. Jan. 4, 1999;—Am. 2008, Act 585, Imd. Eff. Jan. 20, 2009;—Am. 2010, Act 8, Eff. Dec. 31, 2009;—Am. 2012, Act 66, Imd. Eff. Mar. 27, 2012;—Am. 2016, Act 78, Eff. July 11, 2016.

Compiler's note: For transfer of senior citizen's cooperative housing tax exemption payments program to the Michigan State Housing Development Authority, Department of Commerce, see E.R.O. No. 1989-2, compiled at MCL 125.1391 of the Michigan Compiled Laws.

Enacting section 1 of Act 585 of 2008 provides:

"Enacting section 1. It is the intent of the legislature that this amendatory act confirm that the department of treasury has standing to appeal the assessed value, taxable value, state equalized valuation, exempt status, classification, and all other issues concerning tax liability in the Michigan tax tribunal and all courts of this state for property exempt under section 7d of the general property tax act, 1893 PA 206, MCL 211.7d."

Enacting section 1 of Act 8 of 2010 provides:

"Enacting section 1. This amendatory act is effective December 31, 2009."

Popular name: Act 206

211.7e Deciduous and evergreen trees, shrubs, plants, bushes, and vines; public right of way on surface of real property being assessed.

Sec. 7e. (1) The value of deciduous and evergreen trees, shrubs, plants, bushes, and vines, whether annual or perennial, growing on agricultural land devoted to agricultural purposes shall be exempt from taxation. The assessment of agricultural real property shall be made without regard to any enhancement in value of the agricultural real property by reason of the deciduous and evergreen trees, shrubs, plants, bushes, or vines. Nothing herein contained shall affect the taxation of growing timber.

(2) The value of land over the surface of which is located a public right of way shall not be considered when the real property is being assessed.

History: Add. 1966, Act 268, Eff. Mar. 10, 1967;—Am. 1976, Act 386, Imd. Eff. Dec. 28, 1976.

Popular name: Act 206

211.7f Repealed. 1973, Act 20, Eff. Dec. 31, 1973.

Compiler's note: The repealed section pertained to veterans' and servicemen's homestead exemption.

Popular name: Act 206

211.7g Seawall, jetty, groin, dike, or other structure.

Sec. 7g. The value of a seawall, jetty, groin, dike, or other structure whose primary purpose is to prevent or control erosion or prevent or control inundation or flooding on property affected by waters or levels of the Great Lakes or their connecting waters and tributaries as affected by levels of the Great Lakes is exempt from taxation. The department of natural resources shall, when requested by the owner or the assessor, determine if such seawall, jetty, groin, dike, or other structure has as its primary purpose the prevention or control of erosion.

That portion of structures which are modified or designed to provide benefits other than erosion control or flood prevention are not exempt from assessment for property tax.

History: Add. 1973, Act 187, Imd. Eff. Jan. 8, 1974;—Am. 1976, Act 165, Imd. Eff. June 21, 1976.

Compiler's note: For transfer of powers and duties of department of natural resources to department of natural resources and environment, and abolishment of department of natural resources, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

For transfer of powers and duties of department of natural resources and environment to department of natural resources, see E.R.O. No. 2011-1, compiled at MCL 324.99921.

Popular name: Act 206

211.7h Definitions; application for solar, wind, or water energy tax exemption certificate; filing; form; concurrent applications; findings and approval of department of commerce; issuance and effective date of certificate; valuation of covered energy conservation device exempt from property taxes; statement of total acquisition cost; sending certificate or notification of refusal; revocation of certificate; notification; appeal; issuance of new certificate prohibited; necessity of obtaining construction permit; effective date of section.

Sec. 7h. (1) As used in this section:

(a) "Solar, wind, or water energy conversion device" means a mechanism or series of mechanisms designed primarily to collect, convert, transfer, or store for future use solar, wind, or water energy for the purposes of heating, cooling, or electric supply but not those parts of a heating, cooling, or electric supply system that would be required regardless of the energy source being utilized. Solar, wind, or water energy conversion device includes a solar swimming pool heating device.

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(b) "Water energy conversion device" includes only those devices that utilize groundwater heat pumps or low head hydroenergy conversion systems. Low head hydroenergy conversion systems shall not include public utility property.

(c) "Solar, wind, or water energy tax exemption certificate" means a certificate issued by the state tax commission entitling a solar, wind, or water energy conversion device to exemption from real and personal property taxes.

(2) An application for a solar, wind, or water energy tax exemption certificate shall be filed with the department of commerce in such form as may be prescribed by the state tax commission and the department of commerce. This application may be filed concurrently with any application for any other tax credit for the device which is provided by law, and the department of treasury and the department of commerce shall make it possible to apply concurrently.

(3) Before issuing a certificate, the state tax commission shall seek approval of the department of commerce.

(4) If the department of commerce finds that the facility is a solar, wind, or water energy conversion device which meets the standards set by the department of commerce for solar, wind, or water energy conversion devices under section 262 of Act No. 281 of the Public Acts of 1967, as amended, being section 206.262 of the Michigan Compiled Laws, or if the department of commerce finds that the facility is a solar, wind, or water energy conversion device used for commercial or industrial purposes in the state or a solar swimming pool heating device, the department of commerce shall so notify the state tax commission who shall issue a certificate. The effective date of the certificate shall be December 31 of the year in which the certificate is issued.

(5) For the period subsequent to the effective date of the certificate and continuing so long as the certificate is in force, the valuation of a solar, wind, or water energy conversion device covered thereby is exempt from real and personal property taxes imposed under this act. The certificate shall state the total acquisition cost of the device.

(6) The state tax commission shall send a solar, wind, or water energy tax exemption certificate, when issued, or a notification of refusal to issue, by first class mail to the applicant, and a copy to the township or city assessor.

(7) The state tax commission may revoke a solar, wind, or water energy tax exemption certificate where the certificate was obtained by fraud or misrepresentation, and, when a certificate is revoked because it was obtained by fraud or misrepresentation, all taxes which would have been payable if a certificate had not been issued shall be immediately due and payable with the maximum interest and penalties prescribed by applicable law. Any statute of limitations shall not operate in the event of fraud or misrepresentation. The state tax commission shall notify the applicant and the township or city assessor by first class mail of the revocation of a solar, wind, or water energy tax exemption certificate.

(8) A party aggrieved by the issuance, refusal to issue, revocation, or modification of a solar, wind, or water energy tax exemption certificate may appeal from the state tax commission's finding to the state tax tribunal.

(9) A new solar, wind, or water energy tax exemption certificate shall not be issued for a solar, wind, or water energy conversion device if installation of the device is completed after December 31, 1983. All exemptions granted shall remain in force unless revoked under subsection (7).

(10) This section shall not be deemed to preclude the necessity of obtaining a permit for construction required by any other law or ordinance.

(11) This section shall take effect December 31, 1975.

History: Add. 1976, Act 135, Imd. Eff. May 27, 1976;—Am. 1981, Act 232, Imd. Eff. Jan. 13, 1982;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1983, Act 245, Imd. Eff. Dec. 1, 1983.

Popular name: Act 206

211.7i "Existing facility" defined; tax exemption for increased value of existing facility.

Sec. 7i. (1) As used in this section, "existing facility" means a structure which has, or is being converted to have, as its primary purpose multifamily housing consisting of 5 or more units and is located in a downtown development district established pursuant to Act No. 197 of the Public Acts of 1975, as amended, being sections 125.1651 to 125.1680 of the Michigan Compiled Laws, within a city, village, or township in which a commercial housing facilities exemption certificate may be issued pursuant to Act No. 438 of the Public Acts of 1976, as amended, being sections 207.601 to 207.615 of the Michigan Compiled Laws.

(2) Upon approval of the city or village in which an existing facility is located or the township if the existing facility is not located in a village within that township, the increase in value to the existing facility attributable to expenditures for repair, replacement, or restoration of a portion of the facility or the increase in

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value attributable to expenditures for conversion to an existing facility is exempt from taxation under this act commencing with the date of approval by the local governmental unit and ending on the December 31 following 12 years after the approval by the local governmental unit.

History: Add. 1977, Act 5, Imd. Eff. Mar. 24, 1977;—Am. 1980, Act 348, Imd. Eff. Dec. 27, 1980.

Popular name: Act 206

211.7j Tax exemption for new or existing facility for which commercial housing facilities exemption certificate issued.

Sec. 7j. A new facility or an existing facility for which a commercial housing facilities exemption certificate issued pursuant to Act No. 438 of the Public Acts of 1976, being sections 207.601 to 207.615 of the Michigan Compiled Laws, is in effect, but not the land on which the new facility is located, shall be exempt from taxation under this act for the period beginning on the effective date of the certificate and continuing as long as the commercial housing facilities exemption certificate is in force.

History: Add. 1977, Act 5, Imd. Eff. Mar. 24, 1977.

Popular name: Act 206

211.7k Tax exemption for facility for which industrial facilities exemption certificate issued.

Sec. 7k. A facility for which an industrial facilities exemption certificate issued under Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.572 of the Michigan Compiled Laws, is in effect, but not the land on which the facility is located or to be located, is exempt from taxation under this act for the period beginning on the effective date of the certificate and continuing as long as the industrial facilities exemption certificate is in force.

History: Add. 1977, Act 5, Imd. Eff. Mar. 24, 1977;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996.

Popular name: Act 206

211.7*l* State property.

Sec. 7*l*. Public property belonging to the state, except licensed homestead lands, part-paid lands held under certificates, and lands purchased at tax sales, and still held by the state is exempt from taxation under this act. This exemption shall not apply to lands acquired after July 19, 1966, unless a deed or other memorandum of conveyance is recorded in the county where the lands are located before December 31 of the year of acquisition, or the local assessing officer is notified by registered mail of the acquisition before December 31 of the year of acquisition.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

211.7m Property owned or being acquired by county, township, city, village, school district, or political subdivision; parks.

Sec. 7m. Property owned by, or being acquired pursuant to, an installment purchase agreement by a county, township, city, village, or school district used for public purposes and property owned or being acquired by an agency, authority, instrumentality, nonprofit corporation, commission, or other separate legal entity comprised solely of, or which is wholly owned by, or whose members consist solely of a political subdivision, a combination of political subdivisions, or a combination of political subdivisions and the state and is used to carry out a public purpose itself or on behalf of a political subdivision or a combination is exempt from taxation under this act. Parks shall be open to the public generally. This exemption shall not apply to property acquired after July 19, 1966, unless a deed or other memorandum of conveyance is recorded in the county where the property is located before December 31 of the year of acquisition, or the local assessing officer is notified by registered mail of the acquisition before December 31 of the year of acquisition.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

211.7n Nonprofit theater, library, educational, or scientific institution; nonprofit organization fostering development of literature, music, painting, or sculpture.

Sec. 7n. Real estate or personal property owned and occupied by nonprofit theater, library, educational, or scientific institutions incorporated under the laws of this state with the buildings and other property thereon while occupied by them solely for the purposes for which the institutions were incorporated is exempt from taxation under this act. In addition, real estate or personal property owned and occupied by a nonprofit organization organized under the laws of this state devoted exclusively to fostering the development of

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literature, music, painting, or sculpture which substantially enhances the cultural environment of a community as a whole, is available to the general public on a regular basis, and is occupied by it solely for the purposes for which the organization was incorporated is exempt from taxation under this act.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1981, Act 212, Imd. Eff. Dec. 30, 1981.

Popular name: Act 206

211.7o Nonprofit charitable institution; exemption; definitions.

Sec. 7o. (1) Real or personal property owned and occupied by a nonprofit charitable institution while occupied by that nonprofit charitable institution solely for the purposes for which that nonprofit charitable institution was incorporated is exempt from the collection of taxes under this act.

(2) Real or personal property owned and occupied by a charitable trust while occupied by that charitable trust solely for the charitable purposes for which that charitable trust was established is exempt from the collection of taxes under this act.

(3) Real or personal property owned by a nonprofit charitable institution or charitable trust that is leased, loaned, or otherwise made available to another nonprofit charitable institution or charitable trust or to a nonprofit hospital or a nonprofit educational institution that is occupied by that nonprofit charitable institution, charitable trust, nonprofit hospital, or nonprofit educational institution solely for the purposes for which that nonprofit charitable institution, charitable trust, nonprofit hospital, or nonprofit educational institution was organized or established and that would be exempt from taxes collected under this act if the real or personal property were occupied by the lessor nonprofit charitable institution or charitable trust solely for the purposes for which the lessor charitable nonprofit institution was organized or the charitable trust was established is exempt from the collection of taxes under this act.

(4) For taxes levied after December 31, 1997, real or personal property owned by a nonprofit charitable institution or charitable trust that is leased, loaned, or otherwise made available to a governmental entity is exempt from the collection of taxes under this act if all of the following conditions are satisfied:

(a) The real or personal property would be exempt from the collection of taxes under this act under section 7m if the real or personal property were owned or were being acquired pursuant to an installment purchase agreement by the lessee governmental entity.

(b) The real or personal property would be exempt from the collection of taxes under this act if occupied by the lessor nonprofit charitable institution or charitable trust solely for the purposes for which the lessor charitable nonprofit institution was organized or the charitable trust was established.

(5) Real property owned by a qualified conservation organization that is held for conservation purposes and that is open to all residents of this state for educational or recreational use, including, but not limited to, low-impact, nondestructive activities such as hiking, bird watching, cross-country skiing, or snowshoeing is exempt from the collection of taxes under this act. As used in this subsection, "qualified conservation organization" means a nonprofit charitable institution or a charitable trust that meets all of the following conditions:

(a) Is organized or established, as reflected in its articles of incorporation or trust documents, for the purpose of acquiring, maintaining, and protecting nature sanctuaries, nature preserves, and natural areas in this state, that predominantly contain natural habitat for fish, wildlife, and plants.

(b) Is required under its articles of incorporation, bylaws, or trust documents to hold in perpetuity property acquired for the purposes described in subdivision (a) unless both of the following conditions are satisfied:

(*i*) That property is no longer suitable for the purposes described in subdivision (a).

(*ii*) The sale of the property is approved by a majority vote of the members or trustees.

(c) Its articles of incorporation, bylaws, or trust documents prohibit any officer, shareholder, board member, employee, or trustee or the family member of an officer, shareholder, board member, employee, or trustee from benefiting from the sale of property acquired for the purposes described in subdivision (a).

(6) If authorized by a resolution of the local tax collecting unit in which the real or personal property is located, real or personal property owned by a nonprofit charitable institution that is occupied and used by the nonprofit charitable institution's chief executive officer as his or her principal residence as a condition of his or her employment and that is contiguous to real property that contains the nonprofit charitable institution's principal place of business is exempt from the collection of taxes under this act.

(7) A charitable home of a fraternal or secret society, or a nonprofit corporation whose stock is wholly owned by a religious or fraternal society that owns and operates facilities for the aged and chronically ill and in which the net income from the operation of the corporation does not inure to the benefit of any person other than the residents, is exempt from the collection of taxes under this act.

(8) Real and personal property owned and occupied by a nonprofit corporation that meets all of the following conditions is exempt from the collection of taxes under this act:

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(a) The nonprofit corporation is exempt from taxation under section 501(c)(3) of the internal revenue code, 26 USC 501.

(b) The nonprofit corporation meets 1 of the following conditions:

(*i*) Is a skilled nursing facility or home for the aged, licensed under the public health code, 1978 PA 368, MCL 333.1101 to 333.25211, or is an adult foster care facility licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. As used in this subparagraph:

(A) "Adult foster care facility" means that term as defined in section 3 of the adult foster care facility licensing act, 1979 PA 218, MCL 400.703.

(B) "Home for the aged" means that term as defined in section 20106 of the public health code, 1978 PA 368, MCL 333.20106.

(C) "Skilled nursing facility" means that term as defined in section 20109 of the public health code, 1978 PA 368, MCL 333.20109.

(*ii*) Provides housing, rehabilitation services, diagnostic services, medical services, or therapeutic services to 1 or more disabled persons. As used in this subparagraph, "disabled person" means that term as defined in section 7d.

(c) The nonprofit corporation meets either of the following conditions:

(*i*) The real and personal property of the nonprofit corporation was being treated as exempt from the collection of all taxes under this act on the effective date of the amendatory act that added this subsection.

(*ii*) The real and personal property of the nonprofit corporation had been treated as exempt from the collection of all taxes under this act on December 31, 2004 and there has been no transfer of ownership of that property during the period of time beginning the last day the property was treated as exempt until the effective date of the amendatory act that added this subsection. As used in this sub-subparagraph, "transfer of ownership" means that term as defined in section 27a.

(9) If real or personal property owned and occupied by a nonprofit corporation is not eligible for an exemption under subsection (8), that nonprofit corporation is not precluded from applying for exemption under subsection (1).

(10) As used in this section:

(a) "Charitable trust" means a charitable trust registered under the supervision of trustees for charitable purposes act, 1961 PA 101, MCL 14.251 to 14.266.

(b) "Governmental entity" means 1 or more of the following:

(*i*) The federal government or an agency, department, division, bureau, board, commission, council, or authority of the federal government.

(*ii*) This state or an agency, department, division, bureau, board, commission, council, or authority of this state.

(*iii*) A county, city, township, village, local or intermediate school district, or municipal corporation.

(*iv*) A public educational institution, including, but not limited to, a local or intermediate school district, a public school academy, a community college or junior college established pursuant to section 7 of article VIII of the state constitution of 1963, or a state 4-year institution of higher education located in this state.

(*v*) Any other authority or public body created under state law.

(c) "Public school academy" means a public school academy organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1996, Act 469, Imd. Eff. Dec. 26, 1996;—Am. 1998, Act 536, Imd. Eff. Jan. 19, 1999;—Am. 2000, Act 309, Imd. Eff. Oct. 17, 2000;—Am. 2004, Act 576, Imd. Eff. Jan. 4, 2005;—Am. 2006, Act 681, Imd. Eff. Jan. 10, 2007.

Popular name: Act 206

211.7p Memorial homes or posts.

Sec. 7p. Real estate or personal property owned and occupied as memorial homes or posts is exempt from taxation under this act. As used in this section, memorial homes includes real estate and buildings owned and occupied solely by any veterans association, organization, or institution of the armed forces of the United States which is incorporated under the laws of this state and used solely for the purposes for which they were incorporated, but does not include buildings or portions of buildings which are not restricted to members and guests and are used for commercial operations permitting the patronage of the general public, including but not limited to dancehalls, bars with class C liquor licenses, bowling alleys, pool or billiard rooms, television rooms, and game rooms. Incidental or casual rental or leasing for nonveteran purposes is no bar to the exemption. It is the legislative intent that the making available of the exempt facilities for public assemblage or social affairs shall not be adequate cause to deny this exemption in whole or in part.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

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Popular name: Act 206

211.7q Boy or girl scout or camp fire girls organization; 4-H club or foundation; young men's or young women's Christian association; exemption; limitation; waiver of residence requirement.

Sec. 7q. (1) Except as otherwise provided in subsections (2) and (3), real property owned by a boy or girl scout or camp fire girls organization, a 4-H club or foundation, or a young men's Christian association or young women's Christian association is exempt from the collection of taxes under this act, if at least 50% of the members of the association or organization are residents of this state.

(2) The exemption under subsection (1) is limited as follows:

(a) Before December 31, 2008, not to exceed 400 acres for each individual boy or girl scout or camp fire girls organization, 4-H club or foundation, or young men's Christian association or young women's Christian association.

(b) After December 30, 2008, not to exceed 480 acres for each individual boy or girl scout or camp fire girls organization, 4-H club or foundation, or young men's Christian association or young women's Christian association. However, if a boy or girl scout or camp fire girls organization, a 4-H club or foundation, or a young men's Christian association or young women's Christian association reorganizes, merges, affiliates, or in some other manner consolidates with another boy or girl scout or camp fire girls organization, 4-H club or foundation, or young men's Christian association or young women's Christian association after December 30, 2007, the total exemption available under subsection (1) to the consolidated or surviving entity shall be 480 acres times the number of individual boy or girl scout or camp fire girls organizations, 4-H clubs or foundations, or young men's Christian associations or young women's Christian associations that took part in the reorganization, merger, affiliation, or consolidation.

(3) Upon petition of the association or organization the county board of commissioners may waive the residence requirement under subsection (1) while the real property is occupied by the association or organization solely for the purpose for which the association or organization was incorporated or established.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 2008, Act 505, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.7r Certain clinics.

Sec. 7r. The real estate and building of a clinic erected, financed, occupied, and operated by a nonprofit corporation or by the trustees of health and welfare funds is exempt from taxation under this act, if the funds of the corporation or the trustees are derived solely from payments and contributions under the terms of collective bargaining agreements between employers and representatives of employees for whose use the clinic is maintained. The real estate with the buildings and other property located on the real estate on that acreage, owned and occupied by a nonprofit trust and used for hospital or public health purposes is exempt from taxation under this act, but not including excess acreage not actively utilized for hospital or public health purposes and real estate and dwellings located on that acreage used for dwelling purposes for resident physicians and their families.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

211.7s Houses of public worship; parsonage.

Sec. 7s. Houses of public worship, with the land on which they stand, the furniture therein and all rights in the pews, and any parsonage owned by a religious society of this state and occupied as a parsonage are exempt from taxation under this act. Houses of public worship includes buildings or other facilities owned by a religious society and used predominantly for religious services or for teaching the religious truths and beliefs of the society.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

211.7t Burial grounds; rights of burial; tombs and monuments.

Sec. 7t. Land used exclusively as burial grounds, the rights of burial, and the tombs and monuments in the land, while reserved and in use for that purpose is exempt from taxation under this act. The stock of a corporation owning a burial ground shall not be exempt.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

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211.7u Principal residence of persons in poverty; exemption from taxation; applicability of section to property of corporation; eligibility for exemption; application; policy and guidelines to be used by local assessing unit; duties of board of review; exemption by resolution and without application for certain tax years; appeal of property assessment; audit program; "principal residence" defined.

Sec. 7u. (1) The principal residence of a person who, in the judgment of the supervisor and board of review, by reason of poverty, is unable to contribute toward the public charges is eligible for exemption in whole or in part from the collection of taxes under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall, subject to subsections (6) and (8), do all of the following on an annual basis:

(a) Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.

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

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

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for an exemption under this section must be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under this section. If the local assessing unit maintains a website, the local assessing unit shall make the policy and guidelines, and the form described in subsection (2)(b), available to the public on the website. The guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section. If a person claiming an exemption under this section is qualified under the eligibility requirements in subsection (2), the board of review shall grant the exemption in whole or in part, as follows:

(a) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.

(b) A partial exemption equal to 1 of the following:

(*i*) A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.

(*ii*) As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

(6) Notwithstanding any provision of this section to the contrary, a local assessing unit may permit by resolution a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), and may permit a principal residence exempt for the first time from the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication

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for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), if the person who establishes initial eligibility under subsection (2) receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits. Both of the following apply to a person who obtains an extended exemption under this subsection:

(a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(*i*) The person ceases to own or occupy the principal residence for which the exemption was extended.

(*ii*) The person experiences a change in household assets or income that defeats eligibility for the exemption under subsection (2).

(b) If the person fails to file a rescission as required under subdivision (a) and the property is later determined to be ineligible for the exemption under this section, the person is subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible for the exemption under this section, the assessor shall remove the exemption of that property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days of the date of the discovery, issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall, within 30 days of the date of the removal, prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

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

(8) Notwithstanding any provision of this section to the contrary, if the assessor determines that a principal residence of a person by reason of poverty is still eligible for this exemption and the property was exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, the property shall remain exempt from the collection of taxes under this section through tax year 2021 if, on or before February 15, 2021, the governing body of the local assessing unit in which the principal residence is located adopts a resolution that continues the exemption through tax year 2021 for all principal residences within the local assessing unit that were exempt from the collection of taxes under this section in tax year 2019 or 2020, or both. The local assessing unit may require the owner of a principal residence exempt from the collection of taxes under this subsection to affirm ownership, poverty, and occupancy status in writing by filing with the local assessing unit the form prescribed by the state tax commission under subsection (2)(a).

(9) A local assessing unit that adopts a resolution under subsection (6) or (8) must develop and implement an audit program that includes, but is not limited to, the audit of all information filed under subsection (2). If property is determined to be ineligible for exemption as a result of an audit, the person who filed for the exemption under subsection (2) is subject to repayment of additional taxes including interest to be paid as provided in subsection (6)(b). The state tax commission shall issue a bulletin providing further guidance to local assessing units on the development and implementation of an audit program under this subsection.

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

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 1994, Act 390, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2012, Act 135, Imd. Eff. May 16, 2012;—Am. 2020, Act 253, Imd. Eff. Dec. 22, 2020.

Popular name: Act 206

211.7v Property of certain corporations and railroads.

Sec. 7v. The real property of corporations exempt under the laws of this state, by reason of paying specific taxes instead of all other taxes for the support of the state is exempt from taxation under this act. Tracks, right of way, depot grounds and buildings, machine shops, rolling stock, and all other property necessarily used in operating any railroad in this state belonging to a railroad company shall remain exempt from taxation for any purpose, except for special assessments for local improvements in cities and villages, and land owned or

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claimed by a railroad company not adjoining the tracks of the company.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

211.7w Property of agricultural society used primarily for fair purposes.

Sec. 7w. (1) Property owned exclusively by the state agricultural society or a county or district agricultural society, and used by the society primarily for fair purposes is exempt from taxation under this act.

(2) Property shall be considered used by a society primarily for fair purposes if the society leases the property to others for purposes which do not interfere with fair purposes and if the income received by the society under the lease is used entirely to defray the costs and expenses of conducting the fair and maintaining the buildings and grounds of the society.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1984, Act 158, Eff. Dec. 21, 1984.

Popular name: Act 206

211.7x Parks; monument ground or armory; property leased by nonprofit corporation to state.

Sec. 7x. Land dedicated to the public and used as a park open to the public generally; any monument ground or armory belonging to a military organization which is not used for gain or any other purpose; and all property owned by a nonprofit corporation organized to take title to property previously owned by the state when the property owned by that corporation is leased to the state are exempt from taxation under this act. As used in this subdivision, "public" means all the residents of this state.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980.

Popular name: Act 206

211.7y Landing area; description of approach clear zones and transitional surface areas in statement; standards; certification.

Sec. 7y. (1) A landing area for which a fee was paid pursuant to section 86 of Act No. 327 of the Public Acts of 1945, as amended, being section 259.86 of the Michigan Compiled Laws, is exempt from taxation under this act.

(2) For the purposes of this section, "landing area" means that portion of a privately owned public use airport properly cleared, regularly maintained and made available to the public without charge, for use by aircraft and includes runways, taxi-ways, stopways, sites upon which are situated landing or navigational aids, and aprons. A landing area shall also include land underlying approach clear zones and land underlying transitional surface areas that comply with all of the following:

(a) The land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo shall not be included as a landing area.

(b) The land is part of the airport property.

(c) The land is not used for commercial, residential, or agricultural purposes.

(d) The land is available to the public without charge for the purposes permitted by subdivision (a).

(3) Approach clear zones and transitional surface areas for each airport for which the exemption provided by this section may apply, shall be described by a statement certified by the director of the Michigan aeronautics commission. This statement shall be included as part of the annual certification of the landing field under section 86 of Act No. 327 of the Public Acts of 1945, as amended. Standards for describing approach clear zones and transitional surface areas shall be uniform according to type of runway and shall conform with regularly accepted definitions and usage in the aeronautics field.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1982, Act 347, Eff. Mar. 30, 1983.

Popular name: Act 206

211.7z Property used primarily for public school or other educational purposes; parent cooperative preschools.

Sec. 7z. (1) Property which is leased, loaned, or otherwise made available to a school district, community college, or other state supported educational institution, or a nonprofit educational institution which would have been exempt from ad valorem taxation had it been occupied by its owner solely for the purposes for which it was incorporated, while it is used by the school district, community college, or other state supported educational institution, or a nonprofit educational institution primarily for public school or other educational purposes is exempt from taxation under this act.

(2) The value of real estate owned and occupied by a parent cooperative preschool, as defined in section 9

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is exempt from taxation under this act, if the property is used predominantly for operating a preschool education program.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1986, Act 200, Imd. Eff. July 21, 1986.

Compiler's note: Section 2 of Act 200 of 1986 provides: "This amendatory act shall take effect for tax years beginning on or after December 31, 1985".

Popular name: Act 206

211.7aa Exemption of real property leased, loaned, or otherwise made available to municipal water authority.

Sec. 7aa. Real property which would be exempt from taxation under this act if the property was used by the lessor and which is leased, loaned, or otherwise made available to a municipal water authority created under Act No. 196 of the Public Acts of 1952, being sections 124.251 to 124.262 of the Michigan Compiled Laws, whose members consist solely of a political subdivision, a combination of political subdivisions, or a combination of 1 or more political subdivisions and the state, and which is used to carry out a public purpose itself or on behalf of a political subdivision, a combination of political subdivisions, or a combination of 1 or more political subdivisions and the state is exempt from taxation under this act.

History: Add. 1982, Act 516, Imd. Eff. Dec. 31, 1982.

Popular name: Act 206

211.7bb Tax exemption for nursery stock seasonal protection unit; definition.

Sec. 7bb. (1) A nursery stock seasonal protection unit, but not the land on which it is located, is exempt from taxation under this act.

(2) As used in this section, "nursery stock seasonal protection unit" means a structure that meets all of the following conditions:

(a) For less than 34 weeks each year, the structure is covered by nonreusable plastic sheeting, shade cloth, or other similar removable material.

(b) The structure is used exclusively for winter protection of fall dug or container grown plants.

(c) The structure does not have a concrete base greater than 10 inches deep or flooring.

History: Add. 1988, Act 23, Imd. Eff. Feb. 18, 1988.

Popular name: Act 206

211.7cc Principal residence; exemption from tax levied by local school district for school operating purposes; procedures; 2020 deadline extension; exception for temporary absence due to damage or destruction; definitions.

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

(2) Except as otherwise provided in subsection (5), an owner of property may claim 1 exemption under this section by filing an affidavit on or before May 1 for taxes levied before January 1, 2012 or, for taxes levied after December 31, 2011, on or before June 1 for the immediately succeeding summer tax levy and all subsequent tax levies or on or before November 1 for the immediately succeeding winter tax levy and all subsequent tax levies with the local tax collecting unit in which the property is located. For the 2020 tax year only, an owner may claim 1 exemption under this section by filing an affidavit on or before June 30, 2020 for the 2020 summer tax levy and all subsequent tax levies with the local tax collecting unit in which the property is located. The affidavit shall state that the property is owned and occupied as a principal residence by that owner of the property on the date that the affidavit is signed and shall state that the owner has not claimed a substantially similar exemption, deduction, or credit on property in another state. The affidavit shall be on a form prescribed by the department of treasury. One copy of the affidavit shall be retained by the owner and 1 copy shall be retained by the local tax collecting unit, together with all information submitted under subsection (28) for a cooperative housing corporation. The local tax collecting unit shall forward to the department of treasury a copy of the affidavit and any information submitted under subsection (28) upon a request from the department of treasury. The affidavit shall require the owner claiming the exemption to indicate if that owner or that owner's spouse has claimed another exemption on property in this state that is not rescinded or a substantially similar exemption, deduction, or credit on property in another state that is not rescinded. If the affidavit requires an owner to include a Social Security number, that owner's number is subject to the disclosure restrictions in 1941 PA 122, MCL 205.1 to 205.31. If an owner of property filed an

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affidavit for an exemption under this section before January 1, 2004, that affidavit shall be considered the affidavit required under this subsection for a principal residence exemption and that exemption shall remain in effect until rescinded as provided in this section.

(3) Except as otherwise provided in subsection (5), a married couple who are required to file or who do file a joint Michigan income tax return are entitled to not more than 1 exemption under this section. For taxes levied after December 31, 2002, a person is not entitled to an exemption under this section in any calendar year in which any of the following conditions occur:

(a) That person has claimed a substantially similar exemption, deduction, or credit, regardless of amount, on property in another state. Upon request by the department of treasury, the assessor of the local tax collecting unit, the county treasurer or his or her designee, or the county equalization director or his or her designee, a person who claims an exemption under this section shall, within 30 days, file an affidavit on a form prescribed by the department of treasury stating that the person has not claimed a substantially similar exemption, deduction, or credit on property in another state. A claim for a substantially similar exemption, deduction, or credit in another state occurs at the time of the filing or granting of a substantially similar exemption, deduction, or credit in another state. If the assessor of the local tax collecting unit, the department of treasury, or the county denies an existing claim for exemption under this section, an owner of the property subject to that denial cannot rescind a substantially similar exemption, deduction, or credit claimed in another state in order to qualify for the exemption under this section for any of the years denied. If a person claims an exemption under this section and a substantially similar exemption, deduction, or credit in another state, that person is subject to a penalty of $500.00. The penalty shall be distributed in the same manner as interest is distributed under subsection (25).

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

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

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

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

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

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

(4) Upon receipt of an affidavit filed under subsection (2) or subsection (19), and unless the claim is denied under this section, the assessor shall exempt the property from the collection of the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as provided in subsection (1) until December 31 of the year in which the property is transferred or, except as otherwise provided in subsections (5), (32), and (33), is no longer a principal residence as defined in section 7dd, or the owner is no longer entitled to an exemption as provided in subsection (3).

(5) Except as otherwise provided in this subsection and subsections (32) and (33), not more than 90 days after exempted property is no longer used as a principal residence by the owner claiming an exemption, that owner shall rescind the claim of exemption by filing with the local tax collecting unit a rescission form prescribed by the department of treasury. The local tax collecting unit shall retain the rescission form and shall forward a copy of it to the department of treasury upon a request from the department of treasury. If an owner is eligible for and claims an exemption for that owner's current principal residence, that owner may retain an exemption for not more than 3 tax years on property previously exempt as his or her principal residence if that property is not occupied, is for sale, is not leased, and is not used for any business or commercial purpose by filing a conditional rescission form prescribed by the department of treasury with the local tax collecting unit within the time period prescribed in subsection (2). Beginning in the 2012 tax year, subject to the payment requirement set forth in this subsection, if a land contract vendor, bank, credit union, or other lending institution owns property as a result of a foreclosure or forfeiture of a recorded instrument under chapter 31, 32, or 57 of the revised judicature act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701 to 600.5759, or through deed or conveyance in lieu of a foreclosure or forfeiture on that property and that property had been exempt under this section immediately preceding the foreclosure, that land contract vendor, bank, credit union, or other lending institution may retain an exemption on that property

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at the same percentage of exemption that the property previously had under this section if that property is not occupied other than by the person who claimed the exemption under this section immediately preceding the foreclosure or forfeiture, is for sale, is not leased to any person other than the person who claimed the exemption under this section immediately preceding the foreclosure, and is not used for any business or commercial purpose. A land contract vendor, bank, credit union, or other lending institution may claim an exemption under this subsection by filing a conditional rescission form prescribed by the department of treasury with the local tax collecting unit within the time period prescribed in subsection (2). Property is eligible for a conditional rescission if that property is available for lease and all other conditions under this subsection are met. One copy of the conditional rescission shall be retained by the owner and 1 copy shall be retained by the local tax collecting unit. The local tax collecting unit shall forward to the department of treasury a copy of an affidavit upon a request by the department of treasury. An owner or a land contract vendor, bank, credit union, or other lending institution that files a conditional rescission form shall annually verify to the assessor of the local tax collecting unit on or before December 31 that the property for which the principal residence exemption is retained is not occupied other than by the person who claimed the exemption under this section immediately preceding the foreclosure or forfeiture, is for sale, is not leased except as otherwise provided in this section, and is not used for any business or commercial purpose. The land contract vendor, bank, credit union, or other lending institution may retain the exemption authorized under this section for not more than 3 tax years. If an owner or a land contract vendor, bank, credit union, or other lending institution does not annually verify by December 31 that the property for which the principal residence exemption is retained is not occupied other than by the person who claimed the exemption under this section immediately preceding the foreclosure or forfeiture, is for sale, is not leased except as otherwise provided in this section, and is not used for any business or commercial purpose, the assessor of the local tax collecting unit shall deny the principal residence exemption on that property. Except as otherwise provided in this section, if property subject to a conditional rescission is leased, the local tax collecting unit shall deny that conditional rescission and that denial is retroactive and is effective on December 31 of the year immediately preceding the year in which the property subject to the conditional rescission is leased. An owner who fails to file a rescission as required by this subsection is subject to a penalty of $5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of $200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury. If a land contract vendor, bank, credit union, or other lending institution retains an exemption on property under this subsection, that land contract vendor, bank, credit union, or other lending institution shall pay an amount equal to the additional amount that land contract vendor, bank, credit union, or other lending institution would have paid under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, if an exemption had not been retained on that property, together with an administration fee equal to the property tax administration fee imposed under section 44. The payment required under this subsection shall be collected by the local tax collecting unit at the same time and in the same manner as taxes collected under this act. The administration fee shall be retained by the local tax collecting unit. The amount collected that the land contract vendor, bank, credit union, or other lending institution would have paid under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, if an exemption had not been retained on that property is an amount that is not captured by any authority as tax increment revenues and shall be distributed to the department of treasury monthly for deposit into the state school aid fund established in section 11 of article IX of the state constitution of 1963. If a land contract vendor, bank, credit union, or other lending institution transfers ownership of property for which an exemption is retained under this subsection, that land contract vendor, bank, credit union, or other lending institution shall rescind the exemption as provided in this section and shall notify the treasurer of the local tax collecting unit of that transfer of ownership. If a land contract vendor, bank, credit union, or other lending institution fails to make the payment required under this subsection for any property within the period for which property taxes are due and payable without penalty, the local tax collecting unit shall deny that conditional rescission and that denial is retroactive and is effective on December 31 of the immediately preceding year. If the local tax collecting unit denies a conditional rescission, the local tax collecting unit shall remove the exemption of the property and the amount due from the land contract vendor, bank, credit union, or other lending institution shall be a tax so that the additional taxes, penalties, and interest shall be collected as provided for in this section. If payment of the tax under this subsection is not made by the March 1 following the levy of the tax, the tax shall be turned over to the county treasurer and collected in the same manner as delinquent taxes under this act. An owner of property who previously occupied that property as his or her principal residence but now resides in a nursing home, assisted living facility, or, if residing there solely for purposes of convalescence, any other location may retain an exemption on that property if the owner manifests an intent to return to that property by satisfying all of the

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following conditions:

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

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

(c) The owner maintains or provides for the maintenance of that property while residing in the nursing home, assisted living facility, or other location.

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

(6) Except as otherwise provided in subsections (5), (32), and (33), if the assessor of the local tax collecting unit believes that the property for which an exemption is claimed is not the principal residence of the owner claiming the exemption, the assessor may deny a new or existing claim by notifying the owner and the county treasurer in writing of the reason for the denial and advising the owner that the denial may be appealed to the residential and small claims division of the Michigan tax tribunal within 35 days after the date of the notice. The assessor may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the assessor denies an existing claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill shall again begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the assessor denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (25). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due, interest, and penalties through the date of that notification. The department of treasury shall then assess the owner who claimed the exemption under this section for the tax, interest, and penalties accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (25). The denial shall be made on a form prescribed by the department of treasury. The assessor shall forward to the department of treasury a copy of a denial upon a request by the department of treasury.

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

(8) The department of treasury shall determine if the property is the principal residence of the owner claiming the exemption. Except as otherwise provided in subsection (21), the department of treasury may review the validity of exemptions for the current calendar year and for the 3 immediately preceding calendar years. Except as otherwise provided in subsections (5), (32), and (33), if the department of treasury determines that the property is not the principal residence of the owner claiming the exemption, the department shall send a notice of that determination to the local tax collecting unit and to the owner of the property claiming the exemption, indicating that the claim for exemption is denied, stating the reason for the denial, and advising the owner claiming the exemption of the right to appeal the determination to the department of treasury and what those rights of appeal are. The department of treasury may issue a notice denying a claim if an owner fails to respond within 30 days of receipt of a request for information from that department. An owner may appeal the denial of a claim of exemption to the department of treasury within 35 days of receipt of the notice of denial. An appeal to the department of treasury shall be conducted according to the provisions for an informal conference in section 21 of 1941 PA 122, MCL 205.21. Within 10 days after acknowledging an appeal of a denial of a claim of exemption, the department of treasury shall notify the assessor and the treasurer for the county in which the property is located that an appeal has been filed. Upon

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receipt of a notice that the department of treasury has denied a claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest and penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill shall again begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. The department of treasury may waive interest on any tax set forth in a corrected or supplemental tax bill for the current tax year and the immediately preceding 3 tax years if the assessor of the local tax collecting unit files with the department of treasury a sworn affidavit in a form prescribed by the department of treasury stating that the tax set forth in the corrected or supplemental tax bill is a result of the assessor's classification error or other error or the assessor's failure to rescind the exemption after the owner requested in writing that the exemption be rescinded. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the department of treasury denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (25). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who claimed the exemption under this section for the tax and interest plus penalty accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (25).

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

(10) A county may elect to audit the exemptions claimed under this section in all local tax collecting units located in that county as provided in this subsection. The election to audit exemptions shall be made by the county treasurer, or by the county equalization director with the concurrence by resolution of the county board of commissioners. The initial election to audit exemptions shall require an audit period of 2 years. Before 2009, subsequent elections to audit exemptions shall be made every 2 years and shall require 2 annual audit periods. Beginning in 2009, an election to audit exemptions shall be made every 5 years and shall require 5 annual audit periods. An election to audit exemptions shall be made by submitting an election to audit form to the assessor of each local tax collecting unit in that county and to the department of treasury not later than April 1 preceding the October 1 in the year in which an election to audit is made. The election to audit form required under this subsection shall be in a form prescribed by the department of treasury. If a county elects to audit the exemptions claimed under this section, the department of treasury may continue to review the validity of exemptions as provided in subsection (8). If a county does not elect to audit the exemptions claimed under this section as provided in this subsection, the department of treasury shall conduct an audit of exemptions claimed under this section in the initial 2-year audit period for each local tax collecting unit in that county unless the department of treasury has entered into an agreement with the assessor for that local tax collecting unit under subsection (9).

(11) If a county elects to audit the exemptions claimed under this section as provided in subsection (10) and the county treasurer or his or her designee or the county equalization director or his or her designee believes that the property for which an exemption is claimed is not the principal residence of the owner claiming the exemption, the county treasurer or his or her designee or the county equalization director or his or her designee may, except as otherwise provided in subsections (5), (32), and (33), deny an existing claim by notifying the owner and the assessor of the local tax collecting unit in writing of the reason for the denial and advising the owner that the denial may be appealed to the residential and small claims division of the Michigan tax tribunal within 35 days after the date of the notice. The county treasurer or his or her designee

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or the county equalization director or his or her designee may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the county treasurer or his or her designee or the county equalization director or his or her designee denies an existing claim for exemption, the county treasurer or his or her designee or the county equalization director or his or her designee shall direct the assessor of the local tax collecting unit in which the property is located to remove the exemption of the property from the assessment roll and, if the tax roll is in the local tax collecting unit's possession, direct the assessor of the local tax collecting unit to amend the tax roll to reflect the denial and the treasurer of the local tax collecting unit shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest and penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill shall again begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the county treasurer or his or her designee or the county equalization director or his or her designee denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (25). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who claimed the exemption under this section for the tax and interest plus penalty accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (25). The denial shall be made on a form prescribed by the department of treasury. The county treasurer or his or her designee or the county equalization director or his or her designee shall forward to the department of treasury a copy of a denial upon a request by the department of treasury. The department of treasury shall annually provide the county treasurer or his or her designee or the county equalization director or his or her designee a list of parcels of property located in that county for which an exemption may be erroneously claimed. The county treasurer or his or her designee or the county equalization director or his or her designee shall forward copies of the list provided by the department of treasury to each assessor in each local tax collecting unit in that county within 10 days of receiving the list.

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

(13) An owner may appeal a denial by the assessor of the local tax collecting unit under subsection (6), a final decision of the department of treasury under subsection (8), or a denial by the county treasurer or his or her designee or the county equalization director or his or her designee under subsection (11) to the residential and small claims division of the Michigan tax tribunal within 35 days of that decision. An owner is not required to pay the amount of tax in dispute in order to appeal a denial of a claim of exemption to the department of treasury or to receive a final determination of the residential and small claims division of the Michigan tax tribunal. However, interest at the rate of 1.25% per month or fraction of a month and penalties shall accrue and be computed from the date the taxes were last payable without interest and penalty. If the residential and small claims division of the Michigan tax tribunal grants an owner's appeal of a denial and that owner has paid the interest due as a result of a denial under subsection (6), (8), or (11), the interest received after a distribution was made under subsection (25) shall be refunded.

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

(15) When an exemption is rescinded as provided in subsection (5), the assessor of the local tax collecting unit shall remove the exemption effective December 31 of the year in which the affidavit was filed that

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rescinded the exemption. For any year for which the rescinded exemption has not been removed from the tax roll, the exemption shall be denied as provided in this section. However, interest and penalty shall not be imposed for a year for which a rescission form has been timely filed under subsection (5).

(16) Except as otherwise provided in subsection (30), if the principal residence is part of a unit in a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, an owner shall claim an exemption for only that portion of the total taxable value of the property used as the principal residence of that owner in a manner prescribed by the department of treasury. If a portion of a parcel for which the owner claims an exemption is used for a purpose other than as a principal residence, the owner shall claim an exemption for only that portion of the taxable value of the property used as the principal residence of that owner in a manner prescribed by the department of treasury.

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

(18) The department of treasury shall make available the affidavit forms and the forms to rescind an exemption, which may be on the same form, to all city and township assessors, county equalization officers, county registers of deeds, and closing agents. A person who prepares a closing statement for the sale of property shall provide affidavit and rescission forms to the buyer and seller at the closing and, if requested by the buyer or seller after execution by the buyer or seller, shall file the forms with the local tax collecting unit in which the property is located. If a closing statement preparer fails to provide exemption affidavit and rescission forms to the buyer and seller, or fails to file the affidavit and rescission forms with the local tax collecting unit if requested by the buyer or seller, the buyer may appeal to the department of treasury within 30 days of notice to the buyer that an exemption was not recorded. If the department of treasury determines that the buyer qualifies for the exemption, the department of treasury shall notify the assessor of the local tax collecting unit that the exemption is granted and the assessor of the local tax collecting unit or, if the tax roll is in the possession of the county treasurer, the county treasurer shall correct the tax roll to reflect the exemption. This subsection does not create a cause of action at law or in equity against a closing statement preparer who fails to provide exemption affidavit and rescission forms to a buyer and seller or who fails to file the affidavit and rescission forms with the local tax collecting unit when requested to do so by the buyer or seller.

(19) An owner who owned and occupied a principal residence within the time period prescribed in subsection (2) for which the exemption was not on the tax roll, or an owner of property who previously occupied that property as his or her principal residence but did not occupy that property within the time period prescribed in subsection (2) while residing in a nursing home, assisted living facility, or other location under the circumstances described in subsection (5)(a) to (d), while absent on active duty as a member of any branch of the Armed Forces of the United States, including the Coast Guard, a reserve component of any branch of the Armed Forces of the United States, or the National Guard, under the circumstances described in subsection (32)(a) to (d), or while absent due to the damage or destruction of the principal residence under the circumstances described in subsection (33)(a) to (d), for which the exemption was not on the tax roll, may file an affidavit with the local tax collecting unit claiming an exemption under this section for the current calendar year or the immediately preceding 3 calendar years. The affidavit for the exemption for the current calendar year or the immediately preceding 3 calendar years shall be on the form prescribed by the department of treasury in subsection (2). The affidavit shall be processed by the assessor in accordance with subsection (4). Upon request by the local tax collecting unit, the owner shall furnish proof within 30 days that the owner meets the requirements for the exemption for the current calendar year or the immediately preceding 3 calendar years. For the 2020 tax year only, an affidavit filed on or before June 30, 2020 shall be processed by the assessor in accordance with subsection (4), and if granting the exemption results in an overpayment, a rebate shall be made to the taxpayer in the manner prescribed in subsection (23).

(20) An owner who owned and occupied a principal residence within the time period prescribed in subsection (2) in any year before the 3 immediately preceding tax years for which the exemption was not on the tax roll as a result of a qualified error on the part of the local tax collecting unit may file a request for the exemption for those tax years with the department of treasury. The request for the exemption shall be in a form prescribed by the department of treasury and shall include all documentation the department of treasury considers necessary to consider the request and to correct any affected official records if a qualified error on the part of the local tax collecting unit is recognized and an exemption is granted. If the department of treasury denies a request for the exemption under this subsection, the owner is responsible for all costs related to the request as determined by the department of treasury. If the department of treasury grants a request for the exemption under this subsection and the exemption results in an overpayment of the tax in the years under consideration, the department of treasury shall notify the treasurer of the local tax collecting unit, the county treasurer, and other affected officials of the error and the granting of the request for the exemption and all

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

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

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

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

(24) If an exemption under this section is erroneously granted for an affidavit filed before October 1, 2003, an owner may request in writing that the department of treasury withdraw the exemption. The request to withdraw the exemption shall be received not later than November 1, 2003. If an owner requests that an exemption be withdrawn, the department of treasury shall issue an order notifying the local assessor that the exemption issued under this section has been denied based on the owner's request. If an exemption is withdrawn, the property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. Unless a denial has been issued before July 1, 2003, if an owner requests that an exemption under this section be withdrawn and that owner pays the corrected tax bill issued under this subsection within 30 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. An owner who pays a corrected tax bill issued under this subsection more than 30 days after the corrected tax bill is issued is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.

(25) Subject to subsection (26), interest at the rate of 1.25% per month or fraction of a month collected under subsection (6), (8), or (11) shall be distributed as follows:

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

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

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

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

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

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

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

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

(c) If the county treasurer or his or her designee or the county equalization director or his or her designee

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denies the exemption under this section, as follows:

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

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

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

(26) Interest distributed under subsection (25) is subject to the following conditions:

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

(b) Interest distributed to the department of treasury shall be deposited into the principal residence property tax exemption audit fund, which is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund shall be considered a work project account and at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. Money from the fund shall be expended, upon appropriation, only for the purpose of auditing exemption affidavits.

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

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

(a) An affidavit form.

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

(c) A list that includes the name, address, and Social Security number of each tenant stockholder of the cooperative housing corporation occupying a unit in the cooperative housing corporation as his or her principal residence as of the date of the filing under this subsection.

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

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

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

(a) Add all of the following:

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

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

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

(A) Add the square footage of the property that is open and available regularly and exclusively as a bed and breakfast, and 50% of the square footage of the property's common area.

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

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

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

(32) An owner of property who previously occupied that property as his or her principal residence but now is absent while on active duty as a member of any branch of the Armed Forces of the United States, including the Coast Guard, a reserve component of any branch of the Armed Forces of the United States, or the National Guard, may retain an exemption on that property if the owner manifests an intent to return to that property by satisfying all of the following conditions:

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(a) The owner continues to own that property while absent on active duty as a member of any branch of the Armed Forces of the United States, including the Coast Guard, a reserve component of any branch of the Armed Forces of the United States, or the National Guard.

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

(c) The owner maintains or provides for the maintenance of that property while absent on active duty as a member of any branch of the Armed Forces of the United States, including the Coast Guard, a reserve component of any branch of the Armed Forces of the United States, or the National Guard.

(d) That property is not used for any business or commercial purpose except as provided in section 7dd(c).

(33) If an owner of property who previously claimed and occupied the property as his or her principal residence has vacated because the principal residence was damaged or destroyed by an accident, act of God, or act of another person without the owner's consent, including, but not limited to, a fire caused by accident, act of God, or act of another person without the owner's consent, that owner may retain an exemption on that property for not longer than the tax year during which the damage or destruction occurred and the immediately succeeding 2 tax years if the owner manifests an intent to return to that property by satisfying all of the following conditions:

(a) The owner continues to own that property while absent because of the damage or destruction of the principal residence.

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

(c) The owner provides for the reconstruction of the principal residence for purposes of occupying it upon its completion as his or her principal residence.

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

(34) As used in this section:

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

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

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

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

(b) "Business or commercial purpose" means commercial purpose as that term is defined in section 27a.

(c) "Common area" includes, but is not limited to, a kitchen, dining room, living room, fitness room, porch, hallway, laundry room, or bathroom that is available for use by guests of a bed and breakfast or, unless guests are specifically prohibited from access to the area, an area that is used to provide a service to guests of a bed and breakfast.

(d) "Qualified error" means that term as defined in section 53b.

History: Add. 1994, Act 237, Imd. Eff. June 30, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1995, Act 74, Eff. Dec. 31, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2002, Act 624, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 105, Imd. Eff. July 24, 2003;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2003, Act 247, Imd. Eff. Dec. 29, 2003;—Am. 2006, Act 664, Imd. Eff. Jan. 10, 2007;—Am. 2008, Act 96, Imd. Eff. Apr. 8, 2008;—Am. 2008, Act 198, Imd. Eff. July 11, 2008;—Am. 2010, Act 17, Eff. Dec. 31, 2007;—Am. 2012, Act 114, Imd. Eff. May 1, 2012;—Am. 2012, Act 324, Imd. Eff. Oct. 9, 2012;—Am. 2012, Act 524, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 140, Imd. Eff. Oct. 22, 2013;—Am. 2014, Act 40, Imd. Eff. Mar. 20, 2014;—Am. 2016, Act 144, Imd. Eff. June 7, 2016;—Am. 2017, Act 121, Imd. Eff. Oct. 5, 2017;—Am. 2018, Act 133, Imd. Eff. May 3, 2018;—Am. 2018, Act 633, Imd. Eff. Dec. 28, 2018;—Am. 2020, Act 96, Imd. Eff. June 24, 2020;—Am. 2022, Act 141, Imd. Eff. July 11, 2022.

Compiler's note: Section 2 of Act 74 of 1995 provides:
"This amendatory act is retroactive and shall take effect December 31, 1994."
Enacting section 1 of Act 17 of 2010 provides:
"Enacting section 1. This amendatory act is retroactive and is effective for the 2008 tax year."
Enacting section 1 of Act 40 of 2014 provides:
"Enacting section 1. This amendatory act is retroactive and is effective for taxes levied after December 31, 2012."
Enacting section 2 of Act 121 of 2017 provides:
"Enacting section 2. This amendatory act is curative and intended to correct any misinterpretation of legislative intent in the final opinion and judgment of the Michigan Tax Tribunal, MTT Docket No. 16-001208, issued January 10, 2017."

Popular name: Act 206

Popular name: Homestead

211.7dd Definitions.

Sec. 7dd. As used in sections 7cc and 7ee:

(a) "Owner" means any of the following:

(*i*) A person who owns property or who is purchasing property under a land contract.

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(*ii*) A person who is a partial owner of property.

(*iii*) A person who owns property as a result of being a beneficiary of a will or trust or as a result of intestate succession.

(*iv*) A person who owns or is purchasing a dwelling on leased land.

(*v*) A person holding a life lease in property previously sold or transferred to another.

(*vi*) A grantor who has placed the property in a revocable trust or a qualified personal residence trust.

(*vii*) The sole present beneficiary of a trust if the trust purchased or acquired the property as a principal residence for the sole present beneficiary of the trust, and the sole present beneficiary of the trust is totally and permanently disabled. As used in this subparagraph, "totally and permanently disabled" means disability as defined in section 216 of title II of the social security act, 42 USC 416, without regard as to whether the sole present beneficiary of the trust has reached the age of retirement.

(*viii*) A cooperative housing corporation.

(*ix*) A facility as defined by former 1976 PA 440 and registered under the continuing care community disclosure act, 2014 PA 448, MCL 554.901 to 554.993.

(b) "Person", for purposes of defining owner as used in section 7cc, means an individual and for purposes of defining owner as used in section 7ee means an individual, partnership, corporation, limited liability company, association, or other legal entity.

(c) "Principal residence" means the 1 place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Except as otherwise provided in this subdivision, principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. Principal residence also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Beginning December 31, 2007, principal residence also includes all of an owner's unoccupied property classified as timber-cutover real property under section 34c that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Except as otherwise provided in this subdivision, principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility for purposes of former 1976 PA 440 that is registered under the continuing care community disclosure act, 2014 PA 448, MCL 554.901 to 554.993. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders. Property that qualified as a principal residence shall continue to qualify as a principal residence for 3 years after all or any portion of the dwelling or unit included in or constituting the principal residence is rented or leased to another person as a residence if all of the following conditions are satisfied:

(*i*) The owner of the dwelling or unit is absent while on active duty in the armed forces of the United States.

(*ii*) The dwelling or unit would otherwise qualify as the owner's principal residence.

(*iii*) Except as otherwise provided in this subparagraph, the owner files an affidavit with the assessor of the local tax collecting unit on or before May 1 attesting that it is his or her intent to occupy the dwelling or unit as a principal residence upon completion of active duty in the armed forces of the United States. A copy of an affidavit filed under this subparagraph shall be forwarded to the department of treasury pursuant to a schedule prescribed by the department of treasury.

(d) "Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principal residence exemption on other property. For taxes levied after December 31, 2008, property shall not lose its status as qualified agricultural property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan. Notwithstanding any other provision of this act to the contrary, if after December 31, 2008 the classification of property was changed as a result of the implementation of a wildlife risk mitigation action plan, the owner of that property may appeal that change in classification to the board of review under section 30 in the year in which the amendatory act that added this sentence takes effect or in the 3 immediately succeeding years.

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Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building. As used in this subdivision:

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

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

(B) Minimizing wildlife access to livestock feed and water by feeding livestock in an enclosed area, feeding in open areas near buildings and human activity, removing extra or waste feed when livestock are moved, using hay feeders to reduce waste, using artificial water systems to help keep livestock from sharing water sources with wildlife, fencing off stagnant ponds, wetlands, or areas of wildlife habitats that pose a disease risk, and keeping mineral feeders near buildings and human activity or using devices that restrict wildlife usage.

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

History: Add. 1994, Act 237, Imd. Eff. June 30, 1994;—Am. 1996, Act 57, Imd. Eff. Feb. 26, 1996;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2006, Act 114, Imd. Eff. Apr. 10, 2006;—Am. 2008, Act 243, Imd. Eff. July 17, 2008;—Am. 2010, Act 17, Eff. Dec. 31, 2007;—Am. 2011, Act 320, Imd. Eff. Dec. 27, 2011;—Am. 2012, Act 324, Imd. Eff. Oct. 9, 2012;—Am. 2013, Act 44, Imd. Eff. June 6, 2013;—Am. 2015, Act 107, Imd. Eff. June 30, 2015.

Compiler's note: Enacting section 1 of Act 17 of 2010 provides:
"Enacting section 1. This amendatory act is retroactive and is effective for the 2008 tax year."

Popular name: Act 206

211.7ee Qualified agricultural property exemption from tax levied by local school district for school operating purposes; procedures.

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

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

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

(4) For property classified as agricultural, and upon receipt of an affidavit filed under subsection (2) for property not classified as agricultural, the assessor shall determine if the property is qualified agricultural property and if so shall exempt the property from the collection of the tax as provided in subsection (1) until December 31 of the year in which the property is no longer qualified agricultural property as defined in section 7dd. An owner is required to file a new claim for exemption on the same property as requested by the assessor under subsection (2).

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

(6) An owner of property that is qualified agricultural property on May 1 for which an exemption was not on the tax roll may file an appeal with the July or December board of review in the year the exemption was claimed or the immediately succeeding year. An owner of property that is qualified agricultural property on

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May 1 for which an exemption was denied by the assessor in the year the affidavit was filed, may file an appeal with the July board of review for summer taxes or, if there is not a summer levy of school operating taxes, with the December board of review.

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

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

History: Add. 1994, Act 237, Imd. Eff. June 30, 1994;—Am. 1995, Act 74, Eff. Dec. 31, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2003, Act 105, Imd. Eff. July 24, 2003;—Am. 2003, Act 247, Imd. Eff. Dec. 29, 2003.

Compiler's note: Section 2 of Act 74 of 1995 provides:
"This amendatory act is retroactive and shall take effect December 31, 1994."

Popular name: Act 206

211.7ff Real and personal property located in renaissance zone; applicability to eligible data center property; definitions.

Sec. 7ff. (1) For taxes levied after 1996, except as otherwise provided in subsections (2) and (3) and except as limited in subsections (4), (5), and (6), real property in a renaissance zone and personal property located in a renaissance zone is exempt from the collection of taxes under this act to the extent and for the duration provided under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(2) Except as otherwise provided in subsection (7), real and personal property in a renaissance zone is not exempt from collection of the following:

(a) A special assessment levied by the local tax collecting unit in which the property is located.

(b) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

(c) A tax levied under section 705, 1211c, or 1212 of the revised school code, 1976 PA 451, MCL 380.705, 380.1211c, and 380.1212.

(3) Real property in a renaissance zone on which a casino is operated and personal property of a casino located in a renaissance zone is not exempt from the collection of taxes under this act. As used in this subsection, "casino" means a casino regulated by this state under the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226, and all property associated or affiliated with the operation of a casino, including, but not limited to, a parking lot, hotel, motel, or retail store.

(4) For residential rental property in a renaissance zone, the exemption provided under this section is only available if that residential rental property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes and either of the following occurs:

(a) The property owner files an affidavit before December 31 in the immediately preceding tax year with the treasurer of the local tax collecting unit in which the property is located stating that the property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes.

(b) Beginning December 31, 2004, the qualified local governmental unit in which the residential rental property is located determines that the residential rental property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, and codes on tax day as provided in section 2. If the qualified local governmental unit in which the residential rental property is located

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determines that the residential rental property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, and codes on tax day as provided in section 2, the property owner is not required to file an affidavit under subdivision (a).

(5) Except as otherwise provided in subsection (6), personal property is exempt under this section if that property is located in a renaissance zone on tax day as provided in section 2 and was located in that renaissance zone for not less than 50% of the immediately preceding tax year. The written statement required under section 19 must identify all personal property located in a renaissance zone on tax day as provided in section 2 and must indicate whether that personal property was located in that renaissance zone for 50% of the immediately preceding tax year.

(6) Personal property located in a renaissance zone on tax day as provided in section 2 and located in that renaissance zone for less than 50% of the immediately preceding tax year is exempt under this section if an owner of the personal property files an affidavit with the written statement required under section 19 stating that the personal property will be located in that renaissance zone for not less than 50% of the tax year for which the exemption is claimed. The written statement required under section 19 must identify all personal property located in that renaissance zone on tax day as provided in section 2 and identify that personal property for which an exemption is claimed under this subsection.

(7) For taxes and assessments levied after December 31, 2016, subsection (2) does not apply to eligible data center property located at the site of a renaissance zone that was approved in 2016 by the Michigan strategic fund with a minimum investment of $100,000,000.00. For purposes of this subsection, the site of a renaissance zone approved in 2016 continues to be considered as approved in 2016 if that site is subsequently approved as a renaissance zone for the same entity in any future year.

(8) As used in this section:

(a) "Eligible data center property" means all personal property located in the qualified data center.

(b) "Qualified data center" means that term as defined in section 4ee of the general sales tax act, 1933 PA 167, MCL 205.54ee, or section 4cc of the use tax act, 1937 PA 94, MCL 205.94cc.

(c) "Qualified local governmental unit" means that term as defined in section 3 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2683.

(d) "Renaissance zone" means that area designated a renaissance zone under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(e) "Residential rental property" means that portion of real property not occupied by an owner of that real property that is classified as residential real property under section 34c, is a multiple-unit dwelling, or is a dwelling unit in a multiple purpose structure, used for residential purposes, and all personal property located in that real property.

History: Add. 1996, Act 469, Imd. Eff. Dec. 26, 1996;—Am. 1998, Act 18, Imd. Eff. Mar. 12, 1998;—Am. 1998, Act 498, Eff. Dec. 30, 1997;—Am. 2005, Act 165, Imd. Eff. Oct. 6, 2005;—Am. 2020, Act 28, Imd. Eff. Feb. 13, 2020.

Compiler's note: Enacting section 1 of Act 498 of 1998 provides:
"Enacting section 1. This amendatory act is retroactive and is effective December 30, 1997."

Popular name: Act 206

211.7gg Property held by land bank fast track authority; exemption from taxes; "land bank fast track authority" defined.

Sec. 7gg. (1) Property, the title to which is held by a land bank fast track authority under the land bank fast track act, is exempt from the collection of taxes under this act.

(2) Except as otherwise provided in subsection (3), real property sold or otherwise conveyed by a land bank fast track authority under the land bank fast track act is exempt from the collection of taxes under this act beginning on December 31 in the year in which the property is sold or otherwise conveyed by the land bank fast track authority until December 31 in the year 5 years after the December 31 on which the exemption was initially granted under this subsection.

(3) Subsection (2) does not apply to property included in a brownfield plan under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, if all of the following conditions are satisfied:

(a) The brownfield plan for the property includes assistance provided to a land bank fast track authority authorized by section 2(*l*)(*iv*)(E) of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652.

(b) If the land bank fast track authority has issued bonds or notes, or has entered into a reimbursement agreement, pledging or dedicating the specific tax levied under the tax reverted property clean title act prior to the sale of the property to which the exemption under subsection (2) applies, the land bank fast track authority approves the release of the exemption provided under subsection (2).

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(4) Property exempt from the collection of taxes under subsection (2) is subject to the specific tax levied under the tax reverted property clean title act.

(5) As used in this section, "land bank fast track authority" means a land bank fast track authority created under the land bank fast track act.

History: Add. 2003, Act 261, Imd. Eff. Jan. 5, 2004.

Popular name: Act 206

211.7hh Qualified start-up business; exemption from tax.

Sec. 7hh. (1) Notwithstanding the tax day provided in section 2 and except as limited in subsection (5) and otherwise provided in subsection (7), for taxes levied after December 31, 2004, real and personal property of a qualified start-up business is exempt from taxes levied under this act for each tax year in which all of the following occur:

(a) The qualified start-up business applies for the exemption as provided in subsection (2) or (3).

(b) The governing body of the local tax collecting unit adopts a resolution approving the exemption as provided in subsection (4).

(2) Except as otherwise provided in subsection (3), a qualified start-up business may claim the exemption under this section by filing an affidavit on or before May 1 in each tax year with the assessor of the local tax collecting unit. The affidavit shall be in a form prescribed by the state tax commission. The affidavit shall state that the qualified start-up business was eligible for and claimed the qualified start-up business credit under section 31a of the single business tax act, 1975 PA 228, MCL 208.31a, or section 415 of the Michigan business tax act, 2007 PA 36, MCL 208.1415, for the applicant's last tax year ending before May 1. The affidavit shall include all of the following:

(a) A copy of the qualified start-up business's annual return filed under the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, in which the qualified start-up business claimed the qualified start-up business credit under section 31a of the single business tax act, 1975 PA 228, MCL 208.31a, or section 415 of the Michigan business tax act, 2007 PA 36, MCL 208.1415.

(b) A statement authorizing the department of treasury to release information contained in the qualified start-up business's annual return filed under the single business tax act, 1975 PA 228, MCL 208.1 to 208.145, or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601, that pertains to the qualified start-up business credit claimed under section 31a of the single business tax act, 1975 PA 228, MCL 208.31a, or section 415 of the Michigan business tax act, 2007 PA 36, MCL 208.1415.

(3) If a qualified start-up business applies for an extension for filing its annual single business tax return under section 73 of the single business tax act, 1975 PA 228, MCL 208.73, or section 505 of the Michigan business tax act, 2007 PA 36, MCL 208.1505, the qualified start-up business may claim the exemption under this section after May 1 if all of the following conditions are met:

(a) The governing body of the local tax collecting unit adopts a resolution under subsection (4)(b) approving the exemption for all qualified start-up businesses that apply for an extension for filing the annual single business tax return under section 73 of the single business tax act, 1975 PA 228, MCL 208.73, or section 505 of the Michigan business tax act, 2007 PA 36, MCL 208.1505.

(b) The qualified start-up business submits a copy of its application for an extension for filing its annual single business tax return under section 73 of the single business tax act, 1975 PA 228, MCL 208.73, or section 505 of the Michigan business tax act, 2007 PA 36, MCL 208.1505, and the affidavit described in subsection (2) to the December board of review provided in section 53b. For purposes of section 53b, an exemption granted under this subsection shall be considered the correction of a clerical error.

(4) On or before its last meeting in May in each tax year, the governing body of a local tax collecting unit may adopt a resolution approving the exemption provided in this section. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. A resolution approving the exemption provided in this section may be for 1 or both of the following:

(a) One or more of the individual qualified start-up businesses that claim the exemption under this section by filing an affidavit on or before May 1 as provided in subsection (2).

(b) All qualified start-up businesses that claim the exemption under this section after May 1 as provided in subsection (3).

(5) A qualified start-up business shall not receive the exemption under this section for more than a total of 5 tax years. A qualified start-up business may receive the exemption under this section in nonconsecutive tax

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years.

(6) If an exemption under this section is erroneously granted, the tax rolls shall be corrected for the current tax year and the 3 immediately preceding tax years. The property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. If an owner pays the corrected tax bill issued under this subsection within 60 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. If an owner pays a corrected tax bill issued under this subsection more than 60 days after the corrected tax bill is issued, the owner is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.

(7) Real and personal property of a qualified start-up business is not exempt from collection of the following:

(a) A special assessment levied by the local tax collecting unit in which the property is located.

(b) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

(c) A tax levied under section 705 or 1212 of the revised school code, 1976 PA 451, MCL 380.705 and 380.1212.

(8) As used in this section, "qualified start-up business" means that term as defined in section 31a of the single business tax act, 1975 PA 228, MCL 208.31a, or section 415 of the Michigan business tax act, 2007 PA 36, MCL 208.1415.

History: Add. 2004, Act 252, Imd. Eff. July 23, 2004;—Am. 2007, Act 191, Imd. Eff. Dec. 21, 2007.

Popular name: Act 206

211.7ii Tax exemption for property used by innovations center in certified technology park.

Sec. 7ii. (1) For taxes levied after December 31, 2004, except as otherwise provided in subsection (3), upon application for an exemption under this section by the administration of an innovations center, the governing body of a local tax collecting unit may adopt a resolution to exempt from the collection of taxes under this act all real property of that innovations center that is located in a certified technology park and that is owned or used by the administration of the innovations center. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing. A copy of the resolution shall be filed with the state tax commission.

(2) The administration of an innovations center may claim the exemption under subsection (1) by filing an affidavit claiming the exemption with the assessor of the local tax collecting unit. The affidavit shall be in a form prescribed by the state tax commission.

(3) Not more than 1 innovations center located in a certified technology park is eligible for the exemption under subsection (1).

(4) As used in this section:

(a) "Certified technology park" means that term as defined in section 2 of the local development financing act, 1986 PA 281, MCL 125.2152.

(b) "High-technology activity" means 1 or more of the following:

(*i*) Advanced computing, which is any technology used in the design and development of any of the following:

(A) Computer hardware and software.

(B) Data communications.

(C) Information technologies.

(*ii*) Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.

(*iii*) Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.

(*iv*) Electronic device technology, which is any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and

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optical and optic-electrical devices, or data and digital communications and imaging devices.

(*v*) Engineering or laboratory testing related to the development of a product.

(*vi*) Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.

(*vii*) Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.

(*viii*) Life science technology, which is any technology that has a medical diagnostic or treatment value, including, but not limited to, pharmaceutical products.

(*ix*) Product research and development.

(c) "Innovations center" means real property that meets all of the following conditions:

(*i*) Is a business incubator as that term is defined in section 2 of the local development financing act, 1986 PA 281, MCL 125.2152.

(*ii*) Is located within a single building.

(*iii*) Is primarily used to provide space and administrative assistance to 1 or more qualified high-technology businesses located within the building.

(d) "Qualified high-technology business" means a business that is either of the following:

(*i*) A business with not less than 25% of the total operating expenses of the business used for research and development as determined under generally accepted accounting principles.

(*ii*) A business whose primary business activity is high-technology activity.

History: Add. 2004, Act 245, Imd. Eff. July 23, 2004.

Popular name: Act 206

211.7jj Federally-qualified health center; tax exemption; definition.

Sec. 7jj. Beginning December 31, 2004, real and personal property of a federally-qualified health center is exempt from the collection of taxes under this act. As used in this section, "federally-qualified health center" means that term as defined in section 1396d(*l*)(2)(B) of the social security act, 42 USC 1396d.

History: Add. 2006, Act 326, Eff. Dec. 31, 2004.

Compiler's note: Enacting section 1 of Act 326 of 2006 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for taxes levied in December 2004 and each year after December 2004."

For transfer of powers and duties of department of natural resources to department of natural resources and environment, and abolishment of department of natural resources, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

For transfer of powers and duties of department of natural resources and environment to department of natural resources, see E.R.O. No. 2011-1, compiled at MCL 324.99921.

Popular name: Act 206

211.7jj[1] Qualified forest property; exemption; limitation; forest management plan; maintenance and availability of list of qualified foresters; application; review of forest management plan, application, and supporting documents by department; school tax affidavit; denial; appeal; claiming exemption; collection of fee by local tax collecting unit; removal of exemption and recapture of tax; filing appeal; placement on tax roll; corrected tax bill; notification of change in use of property; subject to recapture tax; report; retention of documents; disclosure of information; exemption from tax levied by local school district for school operating purposes; definitions.

Sec. 7jj. (1) Except as otherwise limited in this subsection, qualified forest property is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, according to the provisions of this section. Buildings, structures, or land improvements located on qualified forest property are not eligible for the exemption under this section. The amount of qualified forest property in this state that is eligible for the exemption under this section is limited as follows:

(a) In the fiscal year ending September 30, 2008, 300,000 acres.

(b) In the fiscal year ending September 30, 2009, 600,000 acres.

(c) In the fiscal year ending September 30, 2010, 900,000 acres.

(d) In the fiscal year ending September 30, 2011 and each fiscal year thereafter through the fiscal year ending September 30, 2018, 1,200,000 acres.

(e) In the fiscal year ending September 30, 2019 and each fiscal year thereafter, 2,500,000 acres. Beginning in the fiscal year ending September 30, 2013 and each fiscal year thereafter, real property eligible

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for exemption under this section as qualified forest property as a result of the withdrawal of that property from the operation of part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120, as provided in section 51108(5) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51108, or as a result of the property's eligibility for exempt status under this section as provided for in section 8(2) of the transitional qualified forest property specific tax act, 2016 PA 260, MCL 211.1098, shall not be credited against the number of acres of property that are eligible for exemption as qualified forest property under subdivision (d) or this subdivision, as applicable.

(2) If a property owner is interested in obtaining an exemption for qualified forest property under this section, the property owner may contact the local conservation district or the department, and the local conservation district or the department shall advise the property owner on the exemption process. If requested by the property owner, the local conservation district or the department shall provide the property owner with a list of qualified foresters to prepare a forest management plan. The department shall maintain a list of qualified foresters throughout the state and shall make the list available to the conservation districts and to interested property owners. To claim an exemption under subsection (1), a property owner shall obtain a forest management plan from a qualified forester and submit a digital copy of that forest management plan, an application for exemption as qualified forest property, and a fee of $50.00 to the department on a form created by the department by September 1 prior to the tax year in which the exemption is requested. Before submitting the application to the department, the property owner is encouraged to consult with the local conservation district to review the obligations of the qualified forest program and the obligations of the property owner's forest management plan. A forest management plan is not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. The department shall forward a copy of the application to the local conservation district for review and to the local tax collecting unit for notification of the application.

(3) A conservation district shall review the application to determine if the applied-for property meets the minimum requirements set forth in subsection (17)(k) for enrolling into the qualified forest program. A conservation district shall respond within 45 days after the date of its receipt of the application indicating whether the property in the application is eligible for enrollment. If the conservation district does not respond within 45 days after its receipt of the application, the property shall be considered eligible for the exemption under this section.

(4) The department shall review the application, comments from the conservation district, and the forest management plan to determine if the property is eligible for the exemption under this section. The department shall review the forest management plan to determine if the elements required in subsection (17)(f) are in the plan. Within 90 days of its receipt of the application, forest management plan, and fee, the department shall review the application and if the application and supporting documents are not in compliance, the department shall deny the application and notify the property owner of that denial. If the application and supporting documents are in compliance with the requirements of this section, the department shall approve the application and shall prepare a qualified forest school tax affidavit, in recordable form, indicating all of the information described in subdivisions (a) to (f). If the application and supporting documents that are in compliance with this section and approved by the department extend to multiple parcels owned by the same person and located in the same local tax collecting unit, the department may include the following information, required for each parcel in recordable form, in a single qualified forest school tax affidavit:

(a) The name of the property owner.

(b) The tax parcel identification number of the property.

(c) The legal description of the property.

(d) The year the application was submitted for the exemption.

(e) A statement that the property owner is attesting that the property for which the exemption is claimed is qualified forest property and will be managed according to the approved forest management plan.

(f) A statement indicating that the property owner holds the timber rights for the property for which the exemption is claimed.

(5) The department shall send a qualified forest school tax affidavit prepared under subsection (4) to the property owner for execution. The 90-day review period by the department may be extended upon request of the property owner. The property owner shall execute the qualified forest school tax affidavit and shall have the executed qualified forest school tax affidavit recorded by the register of deeds in the county in which the property is located. The property owner shall provide a copy of the qualified forest school tax affidavit to the department. The department shall provide a spreadsheet listing all parcels for which it has received a qualified forest school tax affidavit to the conservation district and to the department of treasury. These spreadsheets may be sent electronically.

(6) If the application is denied, the property owner has 30 days from the date of notification of the denial

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by the department to initiate an appeal of that denial. An appeal of the denial shall be by certified letter to the director of the department.

(7) To claim an exemption under subsection (1), the owner of qualified forest property shall provide a copy of the recorded qualified forest school tax affidavit attesting that the land is qualified forest property to the local tax collecting unit and assessor by December 31.

(8) If a copy of the recorded qualified forest school tax affidavit is provided to the assessor by the owner, the assessor shall exempt the property from the collection of the tax as provided in subsection (1) until December 31 of the year in which the property is no longer qualified forest property.

(9) Beginning in the year that qualified forest property is first exempt under this section and each year thereafter, the local tax collecting unit shall collect a fee on each parcel of qualified forest property exempt under this section located in that local tax collecting unit. The fee shall be determined by multiplying 2 mills by the taxable value of that qualified forest property. The fee shall be collected on the summer tax bill or, if the local tax collecting unit does not collect summer taxes, on the winter tax bill at the same time and in the same manner as taxes collected under this act. Each local tax collecting unit shall disburse the fee collected under this subsection to the department of treasury for deposit in the private forestland enhancement fund created in section 51305 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51305. If property is no longer exempt as qualified forest property under this section, the fee under this subsection shall not be collected on that property. The fee collected in this subsection shall be subject to the property tax administration fee established by the local tax collecting unit under section 44.

(10) Not more than 90 days after all or a portion of the exempted property is no longer qualified forest property, the owner shall notify the department that all or a portion of the property is no longer qualified forest property. The department shall notify the county treasurer that a request has been made to remove the exemption for the applicable portion of the property and to calculate any recapture tax required under the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036. The county treasurer shall bill the landowner for any recapture tax required under the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036. When, as provided in section 5 of the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1035, the proceeds of the recapture tax are deposited into the private forestland enhancement fund created in section 51305 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51305, the department shall prepare a rescission form for the applicable portion of the property that is no longer qualified forest property and shall file the rescission form with the register of deeds for the county in which the exempted property is located. A copy of the rescission form shall be provided to the assessor by the department. The rescission form shall include a legal description of the exempted property. If an owner fails to notify the department that all or a portion of the property is no longer qualified forest property as required by this subsection, that owner is subject to a penalty of $5.00 per day for each separate failure beginning the day immediately after the 90 days have elapsed, up to a maximum of $1,000.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the private forestland enhancement fund created in section 51305 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51305.

(11) An owner of property that is qualified forest property on December 31 for which an exemption was not on the tax roll may file an appeal with the July or December board of review under section 53b in the year the exemption was claimed or the immediately succeeding year.

(12) If property for which an exemption has been granted under this section is not qualified forest property, the department shall notify the local tax collecting unit and the property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for each tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll.

(13) If all or a portion of property for which an exemption has been granted under this section is converted by a change in use and is no longer qualified forest property, or if an owner of qualified forest property does not wish to keep all or a portion of the property enrolled in the qualified forest program, the owner of the property converted by a change in use or to be withdrawn from the qualified forest program shall notify the department as provided for in subsection (10) on a form created by the department. The form shall include a legal description of the exempted property. A copy of the form shall be filed with the register of deeds for the county in which the exempted property is located. Upon notice that property is no longer qualified forest property, the local tax collecting unit and assessor shall immediately rescind the exemption under this section and shall place the property on the tax roll as though the exemption under this section had not been granted for the immediately succeeding tax year and the department of treasury shall immediately begin collection of

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any applicable tax and penalty under this act or under the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036.

(14) If qualified forest property is exempt under this section, an owner of that qualified forest property shall report to the department on a form prescribed by the department when a forest practice or timber harvest has occurred on the qualified forest property during a calendar year. The report shall indicate the forest practice completed and the volume and value of timber harvested on that qualified forest property. One copy of the form shall be forwarded to the conservation district, and 1 copy shall be retained by the department for 7 years. If it is determined by the department that a forest practice or harvest has occurred in a calendar year and no report was filed, a fine of $500.00 may be collected by the department. Beginning December 31, 2013 and each year thereafter, the department shall provide to the standing committees of the senate and house of representatives with primary jurisdiction over forestry issues a report that includes all of the following:

(a) The number of acres of qualified forest property in each county.

(b) The number of acres of agricultural use property that is combined with productive forest under subsection (17)(k)(*iii*).

(c) The amount of timber produced on qualified forest property each year.

(d) The number of forest management plans completed by conservation districts and the total number of forest management plans submitted for approval each year.

(15) While qualified forest property is exempt under this section, the owner shall retain the current management plan, most recent harvest records, recorded copy of a receipt of the tax exemption, and a map that shows the location and size of any buildings and structures on the property. The owner shall make the documents available to the department upon request. The department shall maintain a database listing all qualified forest properties, including the dates indicated for forest practices and harvests in the forest management plan, and shall notify the property owner and the conservation district in any year that forest practices or harvests are to occur. If an owner does not accomplish forest practices and harvests within 3 years after the time specified in the current forest management plan and the plan has not been amended to extend the date of forest practices and harvests, the property is not eligible for the exemption under this section, the department shall notify the local tax collecting unit that the property is not eligible for the exemption under this section, and the property shall be placed on the tax roll as though the exemption under this section had not been granted as provided in this section and shall be subject to repayment as indicated in the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036. Information in the database specific to an individual property owner's forest management plan is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. However, information in the database in the aggregate, including, but not limited to, how much timber would be expected to be on the market each year as a result of enrollees, is not exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(16) Notwithstanding any provision in this section to the contrary, property is exempt from the tax levied by a local school district for school operating purposes as provided in subsection (1) if all of the following conditions are met:

(a) The property was subject to the transitional qualified forest property specific tax under the transitional qualified forest property specific tax act, 2016 PA 260, MCL 211.1091 to 211.1101, for a period of 5 years as determined by the department under section 8 of the transitional qualified forest property specific tax act, 2016 PA 260, MCL 211.1098.

(b) Pursuant to section 8 of the transitional qualified forest property specific tax act, 2016 PA 260, MCL 211.1098, the department has determined that the property is still eligible for the exemption under this section.

(c) The property owner, with the department's assistance, executes a recordable qualified forest school tax affidavit, has the executed qualified forest school tax affidavit recorded by the register of deeds in the county in which the property is located, and provides copies of the executed qualified forest school tax affidavit to other interested parties as required by the department.

(17) As used in this section:

(a) "Agricultural use property" means real property devoted primarily to agricultural use as that term is defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101.

(b) Except as otherwise provided in section 9308(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.9308, "approved forest management plan" means a forest management plan developed by a qualified forester. An owner of property shall submit a forest management plan to the department for approval as prescribed in subsection (2). The forest management plan shall include a statement signed by the owner that he or she agrees to comply with all terms and conditions contained in the approved

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forest management plan. If a forest management plan and application are submitted to the department, the department shall review and either approve or disapprove the owner's application within 90 days after submission. Approval of the plan shall be based solely on compliance with the elements required in subdivision (f). Denial of the plan shall be based solely on noncompliance with the requirements listed in subdivision (f). If the department disapproves a forest management plan, the department shall indicate the changes necessary to qualify the forest management plan for approval on subsequent review. An owner may submit amendments to his or her forestry plan to the department. The department may reject amendments that delay a harvest date repeatedly or indefinitely. A forest management plan submitted for approval shall be for a maximum of 20 years. To continue receiving an exemption under this section, an owner of property shall submit a digital copy of any succeeding proposed forest management plan to the department for approval together with a fee of $50.00. The first amendment to the plan is not subject to a fee. Additional amendments may be subject to a fee of $50.00.

(c) "Conservation district" means a conservation district organized under part 93 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.9301 to 324.9313.

(d) "Converted by a change in use" means both of the following definitions in subparagraphs (*i*) and (*ii*), subject to subparagraph (*iii*):

(*i*) That term as defined in section 2 of the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1032.

(*ii*) That due to a change in use of either productive forest property or agricultural use property, the property is no longer eligible for exemption as qualified forest property under subdivision (k)(*iii*).

(*iii*) Property is not converted by a change of use under subparagraph (*i*) or (*ii*) by the construction of a residence and related structures on not more than 1 acre of the property if the requirements of subdivision (k) are met as to the remainder of the property. For purposes of this subparagraph, the remainder of the property is that portion of it exclusive of 1 acre on which the residence and related structures are located, which is not eligible for the exemption under this section.

(e) "Department" means the department of agriculture and rural development.

(f) "Forest management plan" means a written plan prepared and signed by a qualified forester that prescribes measures to optimize production, utilization, regeneration, and harvest of timber. The forest management plan shall include a schedule and timetables for the various silvicultural practices used on forestlands, which shall be a maximum of 20 years in length. A forest management plan shall include all of the following:

(*i*) The name and address of each owner of the property.

(*ii*) The legal description and parcel identification number of the property or of the parcel on which the property is located.

(*iii*) A statement of the owner's forest management objectives.

(*iv*) A map, diagram, or aerial photograph that identifies both forested and unforested areas of the property, using conventional map symbols indicating the species, size, and stocking rate and other major features of the property, including the location of any buildings. The location and use of any buildings may be established on a map created by a qualified forester and does not require a survey by a registered surveyor.

(*v*) A description of all stands or management units and forest practices, including harvesting, thinning, and reforestation, that will be undertaken, specifying the approximate period of time before each is completed.

(*vi*) A description of soil conservation practices that may be necessary to control any soil erosion that may result from the forest practice described pursuant to subparagraph (*v*).

(*vii*) A description of activities that may be undertaken for the management of forest resources other than trees, including wildlife habitat, watersheds, and aesthetic features.

(g) "Forest practice" means any action intended to improve forestland or forest resources and includes, but is not limited to, any of the following:

(*i*) The improvement of species of forest trees.

(*ii*) Reforestation.

(*iii*) The harvesting of species of forest trees.

(*iv*) Road construction associated with the improvement or harvesting of forest tree species or reforestation.

(*v*) Use of chemicals or fertilizers for the purpose of growing or managing species of forest trees.

(*vi*) Applicable silvicultural practices.

(h) "Forest products" includes, but is not limited to, timber and pulpwood-related products.

(i) "Harvest" means the point at which timber that has been cut, severed, or removed for purposes of sale is first measured in the ordinary course of business as determined by reference to common practice in the timber industry. The term does not include the cutting, severance, or removal of timber for firewood, fence posts, or

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(j) Subject to subparagraph (*v*), "productive forest" means real property capable of growing not less than 20 cubic feet of wood per acre per year. The term includes real property on which there is a tree density that meets at least one of subparagraphs (*i*) to (*iv*), as follows:

(*i*) At least 200 seedlings per acre.

(*ii*) At least 100 saplings per acre 2 to 5 inches in diameter measured 4.5 feet from level ground.

(*iii*) At least 3 cords per acre of either of the following types of poletimber:

(A) Conifer species 5 to 9 inches in diameter measured 4.5 feet from level ground.

(B) All other species 5 to 11 inches in diameter measured 4.5 feet from level ground.

(*iv*) At least 1,300 board feet per acre of either of the following types of sawtimber:

(A) Conifer species at least 9 inches in diameter measured 4.5 feet from level ground.

(B) All other species at least 11 inches in diameter measured 4.5 feet from level ground.

(*v*) If property has been considered productive forest, an act of God that negatively affects that property shall not result in that property not being considered productive forest.

(k) "Qualified forest property" means a parcel of real property that meets all of the following conditions as determined by the department:

(*i*) Is not less than 20 contiguous acres in size. For parcels less than 40 acres, not less than 80% shall be stocked with productive forest capable of producing forest products. For parcels 40 acres or more, not less than 50% shall be stocked with productive forest capable of producing forest products. These stocking density requirements apply on a per-parcel basis only and cannot be met on a basis that averages stocking density across multiple parcels. Contiguity is not broken by a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation.

(*ii*) Is subject to an approved forest management plan.

(*iii*) If a parcel contains both productive forest and agricultural use property, the combined acreage of the productive forest and the agricultural use property meets all of the following requirements:

(A) The parcel is not less than 20 contiguous acres. If a parcel is less than 40 acres, not less than 80% shall be the combined productive forest and agricultural use property. If the parcel is 40 acres or more, not less than 50% shall be the combined productive forest and agricultural use property.

(B) The acreage of agricultural use property on the parcel shall be determined by the assessor in the local tax collecting unit in which the parcel is located. The property owner shall request the determination. The assessor shall report the acreage of the agricultural use property in a form prescribed by the state tax commission to the property owner and the department within 30 days after the date of the request for the determination. An owner that disagrees with an assessor's determination of the acreage of agricultural use property on the parcel may appeal that determination to the board of review under section 53b. If the property owner converts all or part of the agricultural use property to forest property by planting trees or other means, the property owner shall notify the department and the assessor of the conversion and the forest management plan shall be modified to reflect the change in use.

(*l*) "Qualified forester" means an individual who meets 1 or more of the following requirements and has registered with the department of agriculture and rural development under section 51306 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51306:

(*i*) Is a forester certified by the Society of American Foresters.

(*ii*) Is a forest stewardship plan writer.

(*iii*) Is a technical service provider as registered by the United States Department of Agriculture for forest management plan development.

(*iv*) Is a registered forester.

(*v*) Is a member of the Association of Consulting Foresters.

(m) "Registered forester" means an individual registered under part 535 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.53501 to 324.53519.

History: Add. 2006, Act 378, Imd. Eff. Sept. 27, 2006;—Am. 2013, Act 42, Imd. Eff. June 6, 2013;—Am. 2015, Act 107, Imd. Eff. June 30, 2015;—Am. 2016, Act 261, Imd. Eff. June 28, 2016;—Am. 2018, Act 117, Eff. July 25, 2018;—Am. 2018, Act 672, Eff. Mar. 29, 2019.

Compiler's note: This added section is compiled at MCL 211.7jj[1] to distinguish it from another Sec. 7jj deriving from 2006 PA 326.

Popular name: Act 206

211.7kk Eligible nonprofit housing property; tax exemptions; duration; definitions.

Sec. 7kk. (1) Before December 31, 2014, the governing body of a local tax collecting unit may adopt a

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resolution to exempt from the collection of taxes under this act eligible nonprofit housing property. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing.

(2) The exemption under subsection (1) is effective on the December 31 immediately succeeding the adoption of the resolution by the governing body of the local tax collecting unit or the issuance of a building permit for the eligible nonprofit housing property, whichever is later. The exemption under this section shall continue in effect for 2 years, until the eligible nonprofit housing property is occupied by a low-income person under a lease agreement, or until there is a transfer of ownership of the eligible nonprofit housing property, whichever occurs first. A copy of the resolution shall be filed with the state tax commission.

(3) Beginning December 31, 2014, a charitable nonprofit housing organization that owns eligible nonprofit housing property may apply to the state tax commission for an exemption from the collection of taxes under this act on a form prescribed by the department of treasury. The state tax commission, after consultation with the state treasurer or his or her designee, shall grant or deny the exemption within 60 days of receipt of the application for exemption and shall send written notification of its determination to the local tax collecting unit and to the charitable nonprofit housing organization. An exemption under this subsection is effective beginning December 31 in the year in which the state tax commission approves the exemption.

(4) Subject to subsection (6), for eligible nonprofit housing property that is, when transferred to the charitable nonprofit housing organization, a residential building lot, an exemption under subsection (3) shall continue in effect for the lesser of 5 years or until either of the following occurs:

(a) The eligible nonprofit housing property is occupied by a low-income person under a lease agreement.

(b) The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

(5) Subject to subsection (6), for eligible nonprofit housing property that is not a residential building lot, an exemption under subsection (3) shall continue in effect for the lesser of 3 years or until either of the following occurs:

(a) The eligible nonprofit housing property is occupied by a low-income person under a lease agreement.

(b) The eligible nonprofit housing property is transferred by the charitable nonprofit housing organization.

(6) An exemption under subsection (3) shall be reduced by the number of years in which the eligible nonprofit housing property was exempt under subsection (1).

(7) As used in this section:

(a) "Charitable nonprofit housing organization" means a charitable nonprofit organization the primary purpose of which is the construction or renovation of residential housing for conveyance to a low-income person.

(b) "Eligible nonprofit housing property" means a residential building lot, a single family dwelling, a duplex, or a multiunit building with not more than 4 individual units, owned by a charitable nonprofit housing organization, the ownership of which the charitable nonprofit housing organization intends to transfer to a low-income person to be used as that low-income person's principal residence after construction of a single family dwelling, duplex, or multiunit building on the residential building lot is completed or the renovation of the single family dwelling, duplex, or multiunit building is completed.

(c) "Family income" and "statewide median gross income" mean those terms as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(d) "Low-income person" means a person with a family income of not more than 80% of the statewide median gross income who is eligible to participate in the charitable nonprofit housing organization's program based on criteria established by the charitable nonprofit housing organization.

(e) "Principal residence" means property exempt as a principal residence under section 7cc.

(f) "Residential building lot" includes real property on which is located a structure that will be torn down within 1 year of transfer to the charitable nonprofit housing organization.

(g) "Transferred" means a transfer of ownership as defined in section 27a.

History: Add. 2006, Act 612, Imd. Eff. Jan. 3, 2007;—Am. 2014, Act 456, Imd. Eff. Jan. 2, 2015.

Popular name: Act 206

211.7mm Charitable nonprofit housing organization; real and personal property used for retail store; exemption; definitions.

Sec. 7mm. Beginning December 31, 2009, real and personal property of a charitable nonprofit housing organization that is used for a retail store operated by that charitable nonprofit housing organization and that is engaged exclusively in the sale of donated items suitable for residential housing purposes, the proceeds of which are used for the purposes of the charitable nonprofit housing organization, is exempt from the

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collection of taxes levied under this act. As used in this section:

(a) "Charitable nonprofit housing organization" means an organization that is not operated for profit and that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501, the primary purpose of which is the construction or renovation of residential housing for conveyance to a low-income person.

(b) "Family income" and "statewide median gross income" mean those terms as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(c) "Low-income person" means a person with a family income of not more than 60% of the statewide median gross income who is eligible to participate in the charitable nonprofit housing organization's program based on criteria established by the charitable nonprofit housing organization.

History: Add. 2010, Act 109, Imd. Eff. July 1, 2010.

Popular name: Act 206

211.7nn Supporting housing property; tax exemption; rescission; "supportive housing property" defined.

Sec. 7nn. (1) Beginning December 31, 2008, supportive housing property is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, if an owner of that supportive housing property claims an exemption as provided in this section.

(2) An owner of supportive housing property may claim an exemption under this section by filing an affidavit on or before December 31 with the local tax collecting unit in which the supportive housing property is located. The affidavit shall state that the property is owned and occupied as supportive housing property on the date that the affidavit is signed. The affidavit shall be on a form prescribed by the department of treasury. One copy of the affidavit shall be retained by the owner, 1 copy shall be retained by the local tax collecting unit until any appeal or audit period under this act has expired, and 1 copy shall be forwarded to the department of treasury.

(3) Upon receipt of an affidavit filed under subsection (2) and unless the claim is denied under this section, the assessor shall exempt the supportive housing property from the collection of the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as provided in subsection (1) until December 31 of the year in which the property is no longer supportive housing property.

(4) Not more than 90 days after exempted property is no longer supportive housing property, an owner shall rescind the claim of exemption by filing with the local tax collecting unit a rescission form prescribed by the department of treasury. An owner who fails to file a rescission as required by this subsection is subject to a penalty of $5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of $200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury.

(5) If the assessor of the local tax collecting unit believes that the property for which an exemption is claimed is not supportive housing property, the assessor may deny a new or existing claim by notifying the owner and the department of treasury in writing of the reason for the denial and advising the owner that the denial may be appealed to the state tax commission within 35 days after the date of the notice. The assessor may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the assessor denies an existing claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes with interest and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest and penalties computed from the date the taxes were last payable without interest or penalty. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due, interest, and penalties through the date of that notification. The department of treasury shall then assess the

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owner who claimed the exemption under this section for the tax, interest, and penalties accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax, penalty, and interest collected into the state school aid fund. The denial shall be made on a form prescribed by the department of treasury.

(6) The department of treasury shall make available the affidavit forms and the forms to rescind an exemption, which may be on the same form, to all city and township assessors, county equalization officers, county registers of deeds, and closing agents.

(7) As used in this section, "supportive housing property" means real property certified as supportive housing property under chapter 3B of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1459 to 125.1459b.

History: Add. 2008, Act 454, Imd. Eff. Jan. 9, 2009.

Popular name: Act 206

211.7oo Low grade iron ore and low grade iron ore mining property; tax exemption.

Sec. 7oo. Low grade iron ore and low grade iron ore mining property subject to taxation under 1951 PA 77, MCL 211.621 to 211.626, or iron ore or ore property subject to taxation under 1963 PA 68, 207.271 to 207.279, are exempt from the collection of taxes under this act.

History: Add. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Popular name: Act 206

211.7pp Mineral and right, claim, lease, or option; tax exemption; shaft, incline, adit, or value of overburden stripping at open mine; tax exemption; "mineral" and "open mine" defined.

Sec. 7pp. Beginning December 31, 2012, any mineral and any right, claim, lease, or option in or of a mineral is exempt from the collection of taxes under this act. Beginning December 31, 2012, any shaft, incline, adit, or value of overburden stripping located at an open mine is exempt from the collection of taxes under this act. The exemption under this section does not apply to the surface property, rights in the surface property, surface improvements, or personal property at an open mine. As used in this section, "mineral" and "open mine" mean those terms as defined in the nonferrous metallic minerals extraction severance tax act.

History: Add. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Popular name: Act 206

211.7qq Mineral-producing property; tax exemption; "mineral-producing property" and "mineral severance tax" defined.

Sec. 7qq. Any mineral-producing property subject to the mineral severance tax under the nonferrous metallic minerals extraction severance tax act is exempt from the collection of taxes under this act. As used in this section, "mineral-producing property" and "mineral severance tax" mean those terms as defined in the nonferrous metallic minerals extraction severance tax act.

History: Add. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Popular name: Act 206

211.7ss New construction on development property; tax exemption under MCL 380.1211; filing of affidavit; determination by assessor; rescission of exemption; failure to file rescission; penalty; appeal; denial or modification of existing exemption by assessor; erroneous granting of exemption; withdrawal; issuance of corrected tax bill; definitions.

Sec. 7ss. (1) For taxes levied after November 1, 2012 through December 30, 2013, new construction on development property is eligible for exemption from the collection of the tax levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the new construction is no longer located on development property, whichever occurs first, as provided in this section.

(2) Beginning November 1, 2013 through December 30, 2015, development property on which is located new construction exempt under subsection (1) is exempt from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 2 years or until the property is no longer development property, whichever occurs first.

(3) Beginning December 31, 2013, eligible development property is exempt from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the property is no longer eligible

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development property, whichever occurs first.

(4) To claim an exemption under subsection (1), an owner of development property shall file an affidavit claiming the exemption with the local tax collecting unit on or before June 1, 2013 for the immediately succeeding summer tax levy and all applicable subsequent tax levies or on or before November 1, 2013 for the immediately succeeding winter tax levy and all applicable subsequent tax levies. The affidavit shall be on a form prescribed by the department of treasury.

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

(6) To claim an exemption under subsection (3), an owner of eligible development property shall file an affidavit claiming the exemption with the local tax collecting unit on or before June 1 for the immediately succeeding summer tax levy and all applicable subsequent tax levies or on or before November 1 for the immediately succeeding winter tax levy and all applicable subsequent tax levies. The affidavit shall be on a form prescribed by the department of treasury.

(7) Upon receipt of an affidavit filed under subsection (4), the assessor shall determine if the real property on which new construction is located is development property. If the real property is development property, the assessor shall exempt the new construction located on that development property from the collection of the tax levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the new construction is no longer located on development property, whichever occurs first.

(8) Upon receipt of an affidavit filed under subsection (5), the assessor shall determine if the real property on which new construction is located is development property. If the real property is development property, the assessor shall exempt the development property from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 2 years or until the property is no longer development property, whichever occurs first.

(9) Upon receipt of an affidavit filed under subsection (6), the assessor shall determine if the real property on which new construction is located is eligible development property. If the real property is eligible development property, the assessor shall exempt the eligible development property from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the property is no longer eligible development property, whichever occurs first.

(10) Not more than 90 days after all or a portion of new construction exempt under subsection (1) is no longer located on development property, an owner shall rescind the exemption for the new construction by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(11) Not more than 90 days after all or a portion of the development property exempt under subsection (2) is no longer development property, an owner shall rescind the exemption for that development property by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(12) Not more than 90 days after all or a portion of eligible development property exempt under subsection (3) is no longer eligible development property, an owner shall rescind the exemption for that eligible development property by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(13) An owner of exempted new construction, development property, or eligible development property who fails to file a rescission form as required under this section is subject to a penalty of $5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of $200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury.

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

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taxes, with the December board of review.

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

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

(17) As used in this section:

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

(*i*) Is not occupied and has never been occupied.

(*ii*) Is available for sale.

(*iii*) Is not leased.

(*iv*) Is not used for any business or commercial purpose. This restriction does not apply to real property used as an on-site office in a specific development. However, in the case of a specific development that consists of multiple units, only 1 such unit is eligible for exclusion from this restriction as an on-site office.

(b) "Eligible development property" means all of the following real property not previously exempt under this section:

(*i*) A residential dwelling, condominium unit, or other residential structure that was new construction after December 30, 2012 and that meets all of the following conditions:

(A) Is not occupied and has never been occupied. In the case of a condominium or other residential structure that consists of multiple units, occupancy does not occur until all of the units are occupied. However, any unit that is occupied is not eligible for exemption under this section.

(B) Is available for sale.

(C) Is not leased.

(D) Is not used for any business or commercial purpose. This restriction does not apply to real property used as an on-site office in a specific development. However, in the case of a specific development that consists of multiple units, only 1 such unit is eligible for exclusion from this restriction as an on-site office.

(*ii*) The land on which the residential dwelling, condominium unit, or other residential structure identified in subparagraph (*i*) is located.

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

History: Add. 2012, Act 494, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 204, Imd. Eff. Dec. 18, 2013.

Popular name: Act 206

211.7tt Real and personal property owned by eligible economic development group; tax exemption; adoption of resolution by local tax collecting unit; notification to assessor and legislative body; determination by state tax commission; approval of resolution; election to withdraw mills levied by county; filing copy of resolution; report; "eligible economic development group" defined.

Sec. 7tt. (1) The governing body of a local tax collecting unit may adopt a resolution to exempt from the

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collection of taxes under this act specifically identified real and personal property owned by an eligible economic development group as provided in this section.

(2) A resolution adopted by the governing body of the local tax collecting unit under subsection (1) shall set forth the period during which specifically identified real and personal property is exempt, which period shall not exceed 7 years. If the resolution is approved as provided in this section, the exemption of that specifically identified real and personal property is effective on the December 31 immediately succeeding the adoption of the resolution and shall continue in effect through December 30 in the final year of exemption as determined in the resolution.

(3) A resolution adopted by the governing body of the local tax collecting unit under subsection (1) may include terms and conditions of a development agreement with the eligible economic development group that owns the specifically identified real and personal property, upon which development agreement the exemption under this section is predicated.

(4) Before acting on the resolution under subsection (1), the clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. The governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing before acting on the resolution under subsection (1). A copy of the resolution adopted under subsection (1) shall be filed with the state tax commission, the state treasurer, and all affected taxing units. A resolution adopted under subsection (1) is not effective unless approved as provided in subsection (5).

(5) Not more than 60 days after receipt of a copy of the resolution adopted by the governing body of a local tax collecting unit under subsection (1), the state tax commission shall determine if the real and personal property subject to the exemption is owned by an eligible economic development group. If the state tax commission determines that the real and personal property subject to the exemption is owned by an eligible economic development group, the state treasurer shall approve the resolution adopted under subsection (1) if the state treasurer determines that exempting that real and personal property of the eligible economic development group is necessary to reduce unemployment, promote economic growth, and increase capital investment in this state.

(6) Not more than 45 days after the state treasurer approves under subsection (5) a resolution adopted under subsection (1), the county in which the local tax collecting unit that adopted the resolution under subsection (1) is located may by resolution elect to withdraw all mills levied by that county from the exemption under this section. If a county elects to withdraw all mills levied by that county from the exemption under this section, the local tax collecting unit shall levy and collect all mills levied by that county on the real and personal property owned by an eligible economic development group identified in the resolution adopted under subsection (1). A copy of a resolution adopted under this subsection shall be filed with the local tax collecting unit, the state tax commission, and the state treasurer.

(7) The state tax commission shall annually report to the senate finance committee and house tax policy committee the total number of eligible economic development groups that are receiving an exemption under this section.

(8) As used in this section, "eligible economic development group" means a nonprofit organization the primary purpose of which is the economic development of real property or combining parcels of real property for economic development purposes.

History: Add. 2014, Act 274, Imd. Eff. July 2, 2014.

Popular name: Act 206

211.7uu Act inapplicable to nonprofit street railway.

Sec. 7uu. This act does not apply to real or personal property owned by a nonprofit street railway.

History: Add. 2014, Act 488, Imd. Eff. Jan. 13, 2015.

Popular name: Act 206

211.7vv Transitional qualified forest property; tax exemption; property subject to tax under transitional qualified forest property specific tax act; definition.

Sec. 7vv. (1) Transitional qualified forest property is exempt from the collection of taxes under this act for a period not longer than 5 years.

(2) Property exempt from the collection of taxes under subsection (1) is subject to the specific tax levied under the transitional qualified forest property specific tax act.

(3) As used in this section, "transitional qualified forest property" means that term as defined in the transitional qualified forest property specific tax act.

History: Add. 2016, Act 261, Imd. Eff. June 28, 2016.

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Popular name: Act 206

211.7ww Aquaculture production facility or hydroponics production facility; tax exemption; definitions.

Sec. 7ww. For taxes levied after December 31, 2014, an eligible aquaculture production facility or an eligible hydroponics production facility is exempt from the collection of taxes under this act. An eligible aquaculture production facility or eligible hydroponics production facility exempt under this section is subject to the specific tax levied under the eligible hydroponics and eligible aquaculture production facilities specific tax act. As used in this section, "eligible aquaculture production facility" and "eligible hydroponics production facility" mean those terms as defined in the eligible hydroponics and eligible aquaculture production facilities specific tax act.

History: Add. 2014, Act 511, Imd. Eff. Jan. 14, 2015.

Popular name: Act 206

211.7xx Public bridge facility exemption; definitions.

Sec. 7xx. All real and personal property constituting a public bridge facility that is subject to a public-private agreement is exempt from the collection of taxes under this act. As used in this section, "public bridge facility" and "public-private agreement" mean those terms as defined in section 5k of the home rule city act, 1909 PA 279, MCL 117.5k.

History: Add. 2020, Act 355, Eff. Mar. 24, 2021.

Popular name: Act 206

PERSONAL PROPERTY.

211.8 Personal property; scope.

Sec. 8. For the purposes of taxation, personal property includes all of the following:

(a) All goods, chattels, and effects within this state.

(b) All goods, chattels, and effects belonging to inhabitants of this state, located without this state, except that property actually and permanently invested in business in another state shall not be included.

(c) All interests owned by individuals in real property, the fee title to which is in this state or the United States, except as otherwise provided in this act.

(d) For taxes levied before January 1, 2003, buildings and improvements located upon leased real property, except if the value of the real property is also assessed to the lessee or owner of those buildings and improvements. For taxes levied after December 31, 2002, buildings and improvements located upon leased real property, except buildings and improvements exempt under section 9f or improvements assessable under subdivision (h), shall be assessed as real property under section 2 to the owner of the buildings or improvements in the local tax collecting unit in which the buildings or improvements are located if the value of the buildings or improvements is not otherwise included in the assessment of the real property. For taxes levied after December 31, 2001, buildings and improvements exempt under section 9f or improvements assessable under subdivision (h) and located on leased real property shall be assessed as personal property.

(e) Tombs or vaults built within any burial grounds and kept for hire or rent, in whole or in part, and the stock of a corporation or association owning the tombs, vaults, or burial grounds.

(f) All other personal property not enumerated in this section and not especially exempted by law.

(g) The personal property of gas and coke companies, natural gas companies, electric light companies, waterworks companies, hydraulic companies, and pipe line companies transporting oil or gas as public or common carriers, to be assessed in the local tax collecting unit in which the personal property is located. The mains, pipes, supports, and wires of these companies, including the supports and wire or other line used for communication purposes in the operation of those facilities, and the rights of way and the easements or other interests in real property by virtue of which the mains, pipes, supports, and wires are erected and maintained, shall be assessed as personal property in the local tax collecting unit where laid, placed, or located. Interests in underground rock strata used for gas storage purposes, whether by lease or ownership separate from the surface of real property, shall be separately valued and assessed as personal property in the local tax collecting unit in which it is located to the person who holds the interest. Interests in underground rock strata shall be reported as personal property to the appropriate assessing officer for all property descriptions included in the storage field in the local tax collecting unit and a separate valuation shall be assessed for each school district. The personal property of street railroad, plank road, cable or electric railroad or transportation companies, bridge companies, and all other companies not required to pay a specific tax to this state in lieu of all other taxes, shall, except as otherwise provided in this section, be assessed in the local tax collecting unit in which the property is located, used, or laid, and the track, road, or bridge of a company is considered

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personal property. None of the property assessable as personal property under this subdivision shall be affected by any assessment or tax levied on the real property through or over which the personal property is laid, placed, or located, nor shall any right of way, easement, or other interest in real property, assessable as personal property under this subdivision, be extinguished or otherwise affected in case the real property subject to assessment is sold in the exercise of the taxing power.

(h) During the tenancy of a lessee, leasehold improvements and structures installed and constructed on real property by the lessee, provided and to the extent the improvements or structures add to the true cash taxable value of the real property notwithstanding that the real property is encumbered by a lease agreement, and the value added by the improvements or structures is not otherwise included in the assessment of the real property or not otherwise assessable under subdivision (j). The cost of leasehold improvements and structures on real property shall not be the sole indicator of value. Leasehold improvements and structures assessed under this subdivision shall be assessed to the lessee.

(i) A leasehold estate received by a sublessor from which the sublessor receives net rentals in excess of net rentals required to be paid by the sublessor except to the extent that the excess rentals are attributable to the installation and construction of improvements and structures assessed under subdivision (h) or (j) or included in the assessment of the real property. For purposes of this act, a leasehold estate is considered to be owned by the lessee receiving additional net rentals. A lessee in possession is required to provide the assessor with the name and address of its lessor. Taxes collected under this act on leasehold estates shall become a lien against the rentals paid by the sublessee to the sublessor.

(j) To the extent not assessed as real property, a leasehold estate of a lessee created by the difference between the income that would be received by the lessor from the lessee on the basis of the present economic income of the property as defined and allowed by section 27(5), minus the actual value to the lessor under the lease. This subdivision does not apply to property if subject to a lease entered into before January 1, 1984 for which the terms of the lease governing the rental rate or the tax liability have not been renegotiated after December 31, 1983. This subdivision does not apply to a nonprofit housing cooperative. As used in this subdivision, "nonprofit cooperative housing corporation" means a nonprofit cooperative housing corporation that is engaged in providing housing services to its stockholders and members and that does not pay dividends or interest upon stock or membership investment but that does distribute all earnings to its stockholders or members.

(k) For taxes levied after December 31, 2002, a trade fixture.

(*l*) For taxes levied after December 31, 2005, a wind energy system. As used in this subdivision, "wind energy system" means an integrated unit consisting of a wind turbine composed of a rotor, an electrical generator, a control system, an inverter or other power conditioning unit, and a tower, which uses moving air to produce power.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3831;—CL 1915, 4002;—Am. 1917, Act 8, Eff. Aug. 10, 1917;—Am. 1921, Act 297, Eff. Aug. 18, 1921;—Am. 1925, Act 193, Eff. Aug. 27, 1925;—Am. 1929, Act 322, Imd. Eff. May 28, 1929;—CL 1929, 3396;—Am. 1931, Act 94, Imd. Eff. May 11, 1931;—CL 1948, 211.8;—Am. 1949, Act 61, Eff. Sept. 23, 1949;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1978, Act 408, Imd. Eff. Sept. 26, 1978;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1983, Act 254, Imd. Eff. Dec. 29, 1983;—Am. 2000, Act 415, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2006, Act 633, Imd. Eff. Jan. 4, 2007;—Am. 2013, Act 162, Imd. Eff. Nov. 12, 2013.

Popular name: Act 206

211.8a Qualified personal property of qualified business; availability for use by another person; assessment to user; statements; filing; copies; examination of books and records; additions to statement; definitions; requirements of nonprofit organization not affected.

Sec. 8a. (1) Qualified personal property made available by a person that is a qualified business for use by another person shall not be assessed to the qualified business and instead is assessable and taxable to the user who acquires or possesses the qualified personal property to the extent provided for in this section. Property assessed under this section shall not be required to be assessed separately from other personal property assessed to the user.

(2) A person who is a qualified business that makes available qualified personal property shall file the statement required by section 19 not later than February 1. A person to whom qualified personal property is taxable as provided in this section shall file the statement required by section 19 by February 20 and shall include the qualified personal property on that statement. The statement filed by the qualified business shall include, itemized for each user, all of the following for all qualified personal property:

(a) The name of the qualified business.

(b) The user responsible for payment of the tax.

(c) The type of property.

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(d) The location of the property, as indicated in the records of the qualified business.

(e) The purchase price including sales tax, freight, and installation.

(f) The year the property was purchased.

(g) If the qualified business is the manufacturer of the property, the original selling price, and if there is no original selling price, then the original cost.

(h) The amount and frequency of periodic payments required of the user.

(i) An affirmation that the person making the statement is a qualified business and that property included in the statement is qualified personal property as defined in this section.

(3) A user of qualified personal property may request from the assessor, and the assessor shall provide, a copy of that portion of the statement filed by the qualified business by February 1 that includes qualified personal property for that user. If a good faith statement is not filed by February 1, or if property is not included in the statement required to be filed by February 1, then that property omitted or not reported is assessable and taxable to the person who makes the property available regardless of whether the person is a qualified business or the property is qualified personal property.

(4) A designee of the local tax collecting unit who is a certified assessor may examine the books and records of a person who files the statement required by section 19 that are necessary to determine if property included in the statement required by section 19 is qualified personal property. A person is not required to be a certified personal property examiner to examine books and records pursuant to this subsection.

(5) The state tax commission shall develop additions to the statement required by section 19 necessary to assure that property reported pursuant to subsection (2) is certified under oath to be qualified personal property reported by a person to whom qualified personal property is taxable.

(6) As used in this section:

(a) "Employee" means a person who performs a service for wages or other remuneration under a contract of hire, written or oral, express or implied.

(b) "Qualified business" means a for-profit business that obtains services relating to that business from 30 or fewer employees or employees of independent contractors performing services substantially similar to employees during a random week in the year ending on the tax day. If a person is a unified business group as that term is defined in section 117 of the Michigan business tax act, 2007 PA 36, MCL 208.1117, the number of employees from whom services are obtained includes all employees of the unitary business group and employees of independent contractors of the unitary business group rendering services to the qualified business.

(c) "Qualified personal property" means property on which a retail sales tax has been paid or liability accrued contemporaneous with the user acquiring possession of the property, or on which sales tax would be payable if the property was not exempt, and that is subject to an agreement entered into after December 31, 1993 to which all of the following apply:

(*i*) A party engaged in a for-profit business obtains the right to use or possess personal property in exchange for making periodic payments for a noncancelable term of 12 months or more.

(*ii*) The party making periodic payments can obtain legal title to the property by making all the periodic payments or all of the periodic payments and a final payment that is less than the true cash value of the property determined using state tax commission cost multipliers for personal property.

(*iii*) The written agreement between the qualified business and the party making periodic payments requires that party to report the property as qualified personal property pursuant to section 19 and to pay taxes assessed against the property.

(d) "Random week" means a 7-day period during a calendar year beginning on a Monday and ending on a Sunday that is selected at random. Not later than January 15 each year, the state tax commission shall establish the random week for the immediately preceding year.

(7) This section does not affect the requirements for reporting or assessing personal property acquired or possessed by a nonprofit organization.

History: Add. 1994, Act 96, Imd. Eff. Apr. 13, 1994;—Am. 1998, Act 537, Imd. Eff. Jan. 19, 1999;—Am. 2007, Act 191, Imd. Eff. Dec. 21, 2007.

Popular name: Act 206

211.8b Personal property located on real property; taxable value.

Sec. 8b. The taxable value of personal property located on a parcel of real property and assessed to the same person shall be calculated separately from the calculation of taxable value of the real property under section 27a. The taxable value of buildings on leased land shall be calculated separately from the taxable value of other personal property assessed to the same person. This section does not prohibit the filing of personal property statements combining personal property located on more than 1 parcel of real property.

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History: Add. 1994, Act 415, Imd. Eff. Dec. 29, 1994.

Popular name: Act 206

211.8c Daily rental property; assessment; conditions; audit; personal property; definitions.

Sec. 8c. (1) Daily rental property shall be assessed to the owner at the location of the rental business and is not assessable at its location on tax day as provided in section 2 if all of the following conditions are satisfied:

(a) The location of the rental business is in this state and the daily rental property is located in this state on tax day as provided in section 2.

(b) The daily rental property is permanently labeled with the name of the owner and either the business address or current telephone number of the owner with an indication that the property is daily rental property. The owner shall also affix a unique identifying number to the daily rental property. If the daily rental property consists of multiple small items that are part of a matched set or if it is impractical to label the daily rental property, the required statement and identifying number may be placed on the daily rental property's container used to store the daily rental property when not in use.

(c) Not later than February 20 of each year, the owner provides the assessor of the city or township where the rental business is located an itemized listing of the owner's daily rental property, as of tax day. The listing shall describe the daily rental property by manufacturer, make, and model.

(d) Not later than February 20 of each tax year, the owner shall give the assessor of the city or township where the rental business is located written authorization to provide a copy of information provided pursuant to subdivision (c) to the assessor of any other city or township in which the daily rental property may have been physically located on tax day.

(e) If the owner of daily rental property is required to provide a written statement pursuant to section 18 to any local tax collecting unit other than the local tax collecting unit in which the daily rental property is assessable, the written statement shall include a written statement indicating the jurisdiction in which its daily rental property is being reported.

(2) The owner's reporting of daily rental property is subject to audit by any of the following:

(a) Any assessment jurisdiction in which the daily rental property is located on tax day.

(b) The local tax collecting unit where the rental business is located.

(c) The county equalization department of a county in which the daily rental property is located on tax day or where the rental business is located.

(d) The state tax commission.

(3) The owner's tangible personal property that is not assessable as provided in subsection (1) is assessable as provided in section 2.

(4) As used in this section:

(a) "Daily rental property" means tangible personal property that is exclusively offered on an hourly, daily, weekly, or monthly basis for a rental term of 6 months or less pursuant to a written agreement and had an acquisition cost when new of $10,000.00 or less, including freight and sales tax. In determining whether a rental term extends beyond 6 months, the rental term shall be computed by adding all permitted or required extensions of the rental term set forth in the written agreement for the daily rental property. Daily rental property does not include tangible personal property rented in conjunction with a service contract that extends beyond 90 days.

(b) "Location of the rental business" or "where the rental business is located" means the local tax collecting unit in which the daily rental property is kept when it is not rented to a customer.

(c) "Owner" means the individual, partnership, corporation, association, or other legal entity that owns daily rental property.

History: Add. 1998, Act 537, Imd. Eff. Jan. 19, 1999.

Popular name: Act 206

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PERSONAL PROPERTY EXEMPTED.

211.9 Personal property exempt from taxation; real property; definitions.

Sec. 9. (1) The following personal property, and real property described in subdivision (j)(*i*), is exempt from taxation:

(a) The personal property of charitable, educational, and scientific institutions incorporated under the laws of this state. This exemption does not apply to secret or fraternal societies, but the personal property of all charitable homes of secret or fraternal societies and nonprofit corporations that own and operate facilities for the aged and chronically ill in which the net income from the operation of the nonprofit corporations or secret or fraternal societies does not inure to the benefit of a person other than the residents is exempt.

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(b) The property of all library associations, circulating libraries, libraries of reference, and reading rooms owned or supported by the public and not used for gain.

(c) The property of posts of the grand army of the republic, sons of veterans' unions, and of the women's relief corps connected with them, of young men's Christian associations, women's Christian temperance union associations, young people's Christian unions, a boy or girl scout or camp fire girls organization, 4-H clubs, and other similar associations.

(d) Pensions receivable from the United States.

(e) The property of Indians who are not citizens.

(f) The personal property owned and used by a householder such as customary furniture, fixtures, provisions, fuel, and other similar equipment, wearing apparel including personal jewelry, family pictures, school books, library books of reference, and allied items. Personal property is not exempt under this subdivision if it is used to produce income, if it is held for speculative investment, or if it constitutes an inventory of goods for sale in the regular course of trade.

(g) Household furnishings, provisions, and fuel of not more than $5,000.00 in taxable value, of each social or professional fraternity, sorority, and student cooperative house recognized by the educational institution at which it is located.

(h) The working tools of a mechanic of not more than $500.00 in taxable value. "Mechanic", as used in this subdivision, means a person skilled in a trade pertaining to a craft or in the construction or repair of machinery if the person's employment by others is dependent on his or her furnishing the tools.

(i) Fire engines and other implements used in extinguishing fires owned or used by an organized or independent fire company.

(j) Property actually used in agricultural operations and farm implements held for sale or resale by retail servicing dealers for use in agricultural production. As used in this subdivision, "agricultural operations" means farming in all its branches, including cultivation of the soil, growing and harvesting of an agricultural, horticultural, or floricultural commodity, dairying, raising of livestock, bees, fur-bearing animals, or poultry, turf and tree farming, raising and harvesting of fish, collecting, evaporating, and preparing maple syrup if the owner of the property has $25,000.00 or less in annual gross wholesale sales, and any practices performed by a farmer or on a farm as an incident to, or in conjunction with, farming operations, but excluding retail sales and food processing operations. Property used in agricultural operations includes all of the following:

(*i*) A methane digester and a methane digester electric generating system if the person claiming the exemption complies with all of the following:

(A) After the construction of the methane digester or the methane digester electric generating system is completed, the person claiming the exemption submits to the local tax collecting unit an application for the exemption and a copy of certification from the department of agriculture that it has verified that the farm operation on which the methane digester or methane digester electric generating system is located is in compliance with the appropriate system of the Michigan agriculture environmental assurance program in the year immediately preceding the year in which the affidavit is submitted. Three years after an application for exemption is approved and every 3 years thereafter, the person claiming the exemption shall submit to the local tax collecting unit an affidavit attesting that the department of agriculture has verified that the farm operation on which the methane digester or methane digester electric generating system is located is in compliance with the appropriate system of the Michigan agriculture environmental assurance program. The application for the exemption under this subparagraph shall be in a form prescribed by the department of treasury and shall be provided to the person claiming the exemption by the local tax collecting unit.

(B) When the application is submitted to the local tax collecting unit, the person claiming the exemption also submits certification provided by the department of environmental quality that he or she is not currently being investigated for a violation of part 31 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101 to 324.3133, that within a 3-year period immediately preceding the date the application is submitted to the local tax collecting unit, he or she has not been found guilty of a criminal violation under part 31 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101 to 324.3133, and that within a 1-year period immediately preceding the date the application is submitted to the local tax collecting unit, he or she has not been found responsible for a civil violation that resulted in a civil fine of $10,000.00 or more under part 31 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101 to 324.3133.

(C) The person claiming an exemption cooperates by allowing access for not more than 2 universities to collect information regarding the effectiveness of the methane digester and the methane digester electric generating system in generating electricity and processing animal waste and production area waste. Information collected under this sub-subparagraph shall not be provided to the public in a manner that would identify the owner of the methane digester or the methane digester electric generating system or the farm

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operation on which the methane digester or the methane digester electric generating system is located. The identity of the owner of the methane digester or the methane digester electric generating system and the identity of the owner and location of the farm operation on which the methane digester or the methane digester electric generating system is located are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. As used in this sub-subparagraph, "university" means a public 4-year institution of higher education created under article VIII of the state constitution of 1963.

(D) The person claiming the exemption ensures that the methane digester and methane digester electric generating system are operated under the specific supervision and control of persons certified by the department of agriculture as properly qualified to operate the methane digester, methane digester electric generating system, and related waste treatment and control facilities. The department of agriculture shall consult with the department of environmental quality and the Michigan state university cooperative extension service in developing the operator certification program.

(*ii*) A biomass gasification system. As used in this subparagraph, "biomass gasification system" means apparatus and equipment that thermally decomposes agricultural, food, or animal waste at high temperatures and in an oxygen-free or a controlled oxygen-restricted environment into a gaseous fuel and the equipment used to generate electricity or heat from the gaseous fuel or store the gaseous fuel for future generation of electricity or heat.

(*iii*) A thermal depolymerization system. As used in this subparagraph, "thermal depolymerization system" means apparatus and equipment that use heat to break down natural and synthetic polymers and that can accept only organic waste.

(*iv*) Machinery that is capable of simultaneously harvesting grain or other crops and biomass and machinery used for the purpose of harvesting biomass. As used in this subparagraph, "biomass" means crop residue used to produce energy or agricultural crops grown specifically for the production of energy.

(*v*) Machinery used to prepare the crop for market operated incidental to a farming operation that does not substantially alter the form, shape, or substance of the crop and is limited to cleaning, cooling, washing, pitting, grading, sizing, sorting, drying, bagging, boxing, crating, and handling if not less than 33% of the volume of the crops processed in the year ending on the applicable tax day or in at least 3 of the immediately preceding 5 years were grown by the farmer in Michigan who is the owner or user of the crop processing machinery.

(*vi*) Machinery used to install land tile on property exempt under section 7ee as qualified agricultural property. If machinery is used to install land tile on property other than qualified agricultural property, that machinery is exempt only to the extent that it is used to install land tile on qualified agricultural property. A person claiming an exemption under this section shall indicate the machinery's percentage of exempt use in the statement submitted under section 19. As used in this subparagraph, "land tile" means fired clay or perforated plastic tubing used as part of a subsurface drainage system for land.

(*vii*) Machinery used to install or implement soil and water conservation techniques on property exempt under section 7ee as qualified agricultural property. If machinery is used to install or implement soil and water conservation techniques on property other than qualified agricultural property, that machinery is exempt only to the extent that it is used to install or implement soil and water conservation techniques on qualified agricultural property. A person claiming an exemption under this section shall indicate the machinery's percentage of exempt use in the statement submitted under section 19. As used in this subparagraph, "soil and water conservation techniques" means techniques for the conservation of soil and water described in the field office technical guide published by the natural resources conservation service of the United States department of agriculture.

(k) Personal property of not more than $500.00 in taxable value used by a householder in the operation of a business in the householder's dwelling or at 1 other location in the city, township, or village in which the householder resides.

(*l*) The products, materials, or goods processed or otherwise and in whatever form, but expressly excepting alcoholic beverages, located in a public warehouse, United States customs port of entry bonded warehouse, dock, or port facility on December 31 of each year, if those products, materials, or goods are designated as in transit to destinations outside this state pursuant to the published tariffs of a railroad or common carrier by filing the freight bill covering the products, materials, or goods with the agency designated by the tariffs, entitling the shipper to transportation rate privileges. Products in a United States customs port of entry bonded warehouse that arrived from another state or a foreign country, whether awaiting shipment to another state or to a final destination within this state, are considered to be in transit and temporarily at rest, and not subject to the collection of taxes under this act. To obtain an exemption for products, materials, or goods under this subdivision, the owner shall file a sworn statement with, and in the form required by, the assessing officer of the tax district in which the warehouse, dock, or port facility is located, at a time between the tax day,

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December 31, and before the assessing officer closes the assessment rolls describing the products, materials, or goods, and reporting their cost and value as of December 31 of each year. The status of persons and products, materials, or goods for which an exemption is requested is determined as of December 31, which is the tax day. Any property located in a public warehouse, dock, or port facility on December 31 of each year that is exempt from taxation under this subdivision but that is not shipped outside this state pursuant to the particular tariff under which the transportation rate privilege was established shall be assessed upon the immediately succeeding or a subsequent assessment roll by the assessing officer and taxed at the same rate of taxation as other taxable property for the year or years for which the property was exempted to the owner at the time of the omission unless the owner or person entitled to possession of the products, materials, or goods is a resident of, or authorized to do business in, this state and files with the assessing officer, with whom statements of taxable property are required to be filed, a statement under oath that the products, materials, or goods are not for sale or use in this state and will be shipped to a point or points outside this state. If a person, firm, or corporation claims exemption by filing a sworn statement, the person, firm, or corporation shall append to the statement of taxable property required to be filed in the immediately succeeding year or, if a statement of taxable property is not filed for the immediately succeeding year, to a sworn statement filed on a form required by the assessing officer, a complete list of the property for which the exemption was claimed with a statement of the manner of shipment and of the point or points to which the products, materials, or goods were shipped from the public warehouse, dock, or port facility. The assessing officer shall assess the products, materials, or goods not shipped to a point or points outside this state upon the immediately succeeding assessment roll or on a subsequent assessment roll and the products, materials, or goods shall be taxed at the same rate of taxation as other taxable property for the year or years for which the property was exempted to the owner at the time of the omission. The records, accounts, and books of warehouses, docks, or port facilities, individuals, partnerships, corporations, owners, or those in possession of tangible personal property shall be open to and available for inspection, examination, or auditing by assessing officers. A warehouse, dock, port facility, individual, partnership, corporation, owner, or person in possession of tangible personal property shall report within 90 days after shipment of products, materials, or goods in transit, for which an exemption under this section was claimed or granted, the destination of shipments or parts of shipments and the cost value of those shipments or parts of shipments to the assessing officer. A warehouse, dock, port facility, individual, partnership, corporation, or owner is subject to a fine of $100.00 for each failure to report the destination and cost value of shipments or parts of shipments as required in this subdivision. A person, firm, individual, partnership, corporation, or owner failing to report products, materials, or goods located in a warehouse, dock, or port facility to the assessing officer is subject to a fine of $100.00 and a penalty of 50% of the final amount of taxes found to be assessable for the year on property not reported, the assessable taxes and penalty to be spread on a subsequent assessment roll in the same manner as general taxes on personal property. For the purpose of this subdivision, a public warehouse, dock, or port facility means a warehouse, dock, or port facility owned or operated by a person, firm, or corporation engaged in the business of storing products, materials, or goods for hire for profit who issues a schedule of rates for storage of the products, materials, or goods and who issues warehouse receipts pursuant to 1909 PA 303, MCL 443.50 to 443.55. A United States customs port of entry bonded warehouse means a customs warehouse within a classification designated by 19 CFR 19.1 and that is located in a port of entry, as defined by 19 CFR 101.1. A portion of a public warehouse, United States customs port of entry bonded warehouse, dock, or port facility leased to a tenant or a portion of any premises owned or leased or operated by a consignor or consignee or an affiliate or subsidiary of the consignor or consignee is not a public warehouse, dock, or port facility.

(m) Personal property owned by a bank or trust company organized under the laws of this state, a national banking association, or an incorporated bank holding company as defined in section 1841 of the bank holding company act of 1956, 12 USC 1841, that controls a bank, national banking association, trust company, or industrial bank subsidiary located in this state. Buildings owned by a state or national bank, trust company, or incorporated bank holding company and situated upon real property that the state or national bank, trust company, or incorporated bank holding company is not the owner of the fee are considered real property and are not exempt under this section. Personal property owned by a state or national bank, trust company, or incorporated bank holding company that is leased, loaned, or otherwise made available to and used by a private individual, association, or corporation in connection with a business conducted for profit is not exempt under this section.

(n) Farm products, processed or otherwise, the ultimate use of which is for human or animal consumption as food, except wine, beer, and other alcoholic beverages regularly placed in storage in a public warehouse, dock, or port facility while in storage are considered in transit and only temporarily at rest and are not subject to the collection of taxes under this act. The assessing officer is the determining authority as to what

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constitutes, is defined as, or classified as, farm products as used in this subdivision. The records, accounts, and books of warehouses, docks, or port facilities, individuals, partnerships, corporations, owners, or those in possession of farm products shall be open to and available for inspection, examination, or auditing by assessing officers.

(o) Sugar, in solid or liquid form, produced from sugar beets, dried beet pulp, and beet molasses if owned or held by processors.

(p) The personal property of a parent cooperative preschool. As used in this subdivision and section 7z, "parent cooperative preschool" means a nonprofit, nondiscriminatory educational institution maintained as a community service and administered by parents of children currently enrolled in the preschool, that provides an educational and developmental program for children younger than compulsory school age, that provides an educational program for parents, including active participation with children in preschool activities, that is directed by qualified preschool personnel, and that is licensed under 1973 PA 116, MCL 722.111 to 722.128.

(q) All equipment used exclusively in wood harvesting, but not including portable or stationary sawmills or other equipment used in secondary processing operations. As used in this subdivision, "wood harvesting" means clearing land for forest management purposes, planting trees, all forms of cutting or chipping trees, and loading trees on trucks for removal from the harvest area.

(r) Liquefied petroleum gas tanks located on residential or agricultural property used to store liquefied petroleum gas for residential or agricultural property use.

(s) Water conditioning systems used for a residential dwelling.

(t) For taxes levied after December 31, 2000, aircraft excepted from the registration provisions of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and all other aircraft operating under the provisions of a certificate issued under 14 CFR part 121, and all spare parts for such aircraft.

(2) As used in this section:

(a) "Biogas" means a mixture of gases composed primarily of methane and carbon dioxide.

(b) "Methane digester" means a system designed to facilitate the production, recovery, and storage of biogas from the anaerobic microbial digestion of animal or food waste.

(c) "Methane digester electric generating system" means a methane digester and the apparatus and equipment used to generate electricity or heat from biogas or to store biogas for the future generation of electricity or heat.

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History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 25, Imd. Eff. Mar. 20, 1895;—CL 1897, 3832;—Am. 1909, Act 309, Eff. Sept. 1, 1909;—CL 1915, 4003;—Am. 1921, Act 297, Eff. Aug. 18, 1921;—CL 1929, 3397;—Am. 1931, Act 94, Imd. Eff. May 11, 1931;—Am. 1934, 1st Ex. Sess., Act 10, Imd. Eff. Mar. 19, 1934;—Am. 1935, Act 83, Eff. Sept. 21, 1935;—Am. 1939, Act 232, Eff. Sept. 29, 1939;—CL 1948, 21.9;—Am. 1949, Act 261, Imd. Eff. June 7, 1949;—Am. 1952, Act 213, Imd. Eff. Apr. 30, 1952;—Am. 1953, Act 159, Eff. Oct. 2, 1953;—Am. 1956, Act 206, Eff. Aug. 11, 1956;—Am. 1958, Act 209, Eff. Sept. 13, 1958;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1966, Act 205, Imd. Eff. July 11, 1966;—Am. 1967, Act 259, Imd. Eff. July 19, 1967;—Am. 1968, Act 347, Eff. Nov. 15, 1968;—Am. 1969, Act 169, Imd. Eff. Aug. 5, 1969;—Am. 1971, Act 189, Imd. Eff. Dec. 20, 1971;—Am. 1974, Act 83, Imd. Eff. Apr. 17, 1974;—Am. 1976, Act 270, Imd. Eff. Oct. 6, 1976;—Am. 1978, Act 54, Imd. Eff. Mar. 10, 1978;—Am. 1984, Act 206, Imd. Eff. July 9, 1984;—Am. 1990, Act 317, Eff. Mar. 28, 1991;—Am. 1993, Act 273, Imd. Eff. Dec. 28, 1993;—Am. 1996, Act 582, Imd. Eff. Jan. 17, 1997;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2006, Act 550, Imd. Eff. Dec. 29, 2006;—Am. 2008, Act 334, Imd. Eff. Dec. 23, 2008;—Am. 2008, Act 337, Imd. Eff. Dec. 23, 2008;—Am. 2011, Act 289, Imd. Eff. Dec. 21, 2011;—Am. 2011, Act 290, Imd. Eff. Dec. 21, 2011.

Compiler's note: Enacting section 2 of Act 140 of 2003 provides:

"Enacting section 2. Section 9 (t) of the general property tax act, 1893 PA 206, MCL 211.9, as added by this amendatory act is retroactive and is effective for taxes levied after December 31, 2000."

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Popular name: Act 206

211.9a Repealed. 1985, Act 147, Imd. Eff. Nov. 12, 1985.

Compiler's note: The repealed section pertained to tax exemption for motor vehicles in stock.

Popular name: Act 206

211.9b Special tool; exemption from taxation; definitions.

Sec. 9b. (1) A special tool is exempt from the collection of taxes under this act.

(2) The statement required under section 19 may provide for a separate line for providing the aggregate total original cost of excluded exempt special tools.

(3) As used in this section:

(a) "Product" means an item of tangible property that is directly created or produced through the

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manufacturing process. A product may be any of the following items:

(*i*) A part.

(*ii*) A special tool.

(*iii*) A component.

(*iv*) A sub-assembly.

(*v*) Completed goods that are available for sale or lease in wholesale or retail trade.

(b) "Special tool" means a finished or unfinished device such as a die, jig, fixture, mold, pattern, special gauge, or similar device, that is used, or is being prepared for use, to manufacture a product and that cannot be used to manufacture another product without substantial modification of the device. The length of the economic life of the product manufactured shall not be considered in making a determination whether a device used to manufacture that product is a special tool. Special tools do not include the following:

(*i*) A device that differs in character from dies, jigs, fixtures, molds, patterns, or special gauges.

(*ii*) Standard tools.

(*iii*) Machinery or equipment, even if customized, and even if used in conjunction with special tools.

(c) "Standard tool" means a die, jig, fixture, mold, pattern, gauge, or other tool that is not a special tool. Standard tool does not include machinery or equipment, even if customized, and even if used in conjunction with special tools or standard tools.

History: Add. 1964, Act 197, Eff. Jan. 1, 1965;—Am. 1994, Act 189, Imd. Eff. June 21, 1994;—Am. 2003, Act 274, Imd. Eff. Jan. 8, 2004;—Am. 2004, Act 4, Eff. Dec. 31, 2003.

Compiler's note: Enacting section 1 of Act 4 of 2004 provides:
"Enacting section 1. This amendatory act is retroactive and is effective December 31, 2003."

Popular name: Act 206

Administrative rules: R 209.1 et seq. of the Michigan Administrative Code.

211.9c Exemption of personal property from tax collection; "heavy earth moving equipment" and "inventory" defined.

Sec. 9c. (1) Personal property that is inventory is exempt from the collection of taxes under this act.

(2) As used in this section:

(a) "Heavy earth moving equipment" means industrial construction equipment that meets all of the following criteria:

(*i*) Is self-propelled.

(*ii*) Weighs 10,000 pounds or more.

(*iii*) Is designed and principally intended to move, transport, or reconfigure dirt, earth, soil, or other construction material at a construction site.

(b) "Inventory" means 1 of the following:

(*i*) The stock of goods held for resale in the regular course of trade of a retail or wholesale business.

(*ii*) Finished goods, goods in process, and raw materials of a manufacturing business.

(*iii*) Materials and supplies, including repair parts and fuel.

(*iv*) On and after December 31, 2000, heavy earth moving equipment subject to 1 or more lease agreements with the same person totaling not more than 1 year and principally intended for sale rather than lease. A lease agreement used to support this exemption shall be made available to the assessor on request and shall be considered confidential information to be used for assessment purposes only.

(3) Inventory does not include the following:

(a) Before December 31, 2000, any of the following:

(*i*) Personal property under lease or principally intended for lease rather than sale.

(*ii*) Personal property allowed a deduction or allowance for depreciation or depletion under the internal revenue code of 1986.

(b) On and after December 31, 2000, any of the following:

(*i*) Personal property, other than heavy earth moving equipment, under lease or principally intended for lease rather than sale.

(*ii*) Heavy earth moving equipment subject to 1 or more lease agreements with the same person totaling more than 1 year or principally intended for lease rather than sale.

(*iii*) Personal property for which a deduction or allowance for depreciation, depletion, or amortization is allowed or has been taken under the internal revenue code of 1986.

History: Add. 1975, Act 234, Imd. Eff. Aug. 27, 1975;—Am. 2000, Act 317, Imd. Eff. Oct. 24, 2000.

Popular name: Act 206

211.9d Computer software exempt from taxation; construction of section; "computer

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software" defined.

Sec. 9d. (1) Computer software is exempt from taxation under this act unless either of the following is true:

(a) The software is incorporated as a permanent component of a computer, machine, piece of equipment, or device, or of real property, and the software is not commonly available separately.

(b) The cost of the software is included as part of the cost of a computer, machine, piece of equipment, or device, or of the cost of real property on the books or records of the taxpayer.

(2) This section shall not be construed to affect the value of a machine, device, piece of equipment, or computer, or the value of real property, or to affect the taxable status of any other property subject to tax under this act.

(3) As used in this section, "computer software" means a set of statements or instructions that when incorporated in a machine-usable medium is capable of causing a machine or device having information processing capabilities to indicate, perform, or achieve a particular function, task, or result.

History: Add. 1990, Act 286, Imd. Eff. Dec. 14, 1990.

Popular name: Act 206

211.9e Intangible personal property exempt from taxes collected; effect of section on taxable status of computer software.

Sec. 9e. Intangible personal property is exempt from the collection of taxes under this act. This section does not affect the taxable status of computer software under section 9d.

History: Add. 1995, Act 9, Eff. Mar. 30, 1995.

Popular name: Act 206

211.9f Personal property of business; resolution; tax exemption; duration; continuation; determination by state tax commission; adoption of resolution by Next Michigan development corporation; written agreement; exemption for eligible manufacturing personal property; delivery of combined document; definitions.

Sec. 9f. (1) The governing body of an eligible local assessing district or, subject to subsection (5), the board of a Next Michigan development corporation in which an eligible local assessing district is a constituent member may adopt a resolution to exempt from the collection of taxes under this act all new personal property owned or leased by an eligible business located in 1 or more eligible districts or distressed parcels designated in the resolution or an eligible Next Michigan business as provided in this section. The clerk of the eligible local assessing district or the recording officer of a Next Michigan development corporation shall notify in writing the assessor of the township or city in which the eligible district or distressed parcel is located and the legislative body of each taxing unit that levies ad valorem property taxes in the eligible local assessing district in which the eligible district or distressed parcel is located. Before acting on the resolution, the governing body of the eligible local assessing district or a Next Michigan development corporation shall afford the assessor and a representative of the affected taxing units an opportunity for a hearing.

(2) The exemption under this section is effective on the December 31 immediately succeeding the adoption of the resolution by the governing body of the eligible local assessing district or a Next Michigan development corporation and, except as otherwise provided in subsection (9), shall continue in effect for a period specified in the resolution. However, an exemption shall not be granted under this section after December 31, 2012 for an eligible business located in an eligible district identified in subsection (11)(f)(*ix*) or in an eligible local assessing district identified in subsection (11)(h)(*ii*). A copy of the resolution shall be filed with the state tax commission, the state treasurer, and the president of the Michigan strategic fund. A resolution is not effective unless approved as provided in subsection (3).

(3) Not more than 60 days after receipt of a copy of the resolution adopted by the governing body of an eligible local assessing district under subsection (1), the state tax commission shall determine if the new personal property subject to the exemption is owned or leased by an eligible business and if the eligible business is located in 1 or more eligible districts. If the state tax commission determines that the new personal property subject to the exemption is owned or leased by an eligible business and that the eligible business is located in 1 or more eligible districts, the state treasurer, with the written concurrence of the president of the Michigan strategic fund, shall approve the resolution adopted under subsection (1) if the state treasurer and the president of the Michigan strategic fund determine that exempting new personal property of the eligible business is necessary to reduce unemployment, promote economic growth, and increase capital investment in this state. In addition, for an eligible business located in an eligible local assessing district described in subsection (11)(h)(*ii*), the resolution adopted under subsection (1) shall be approved if the state treasurer and

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the president of the Michigan strategic fund determine that granting the exemption is a net benefit to this state, that expansion, retention, or location of an eligible business will not occur in this state without this exemption, and that there is no significant negative effect on employment in other parts of this state as a result of the exemption.

(4) After December 31, 2016, a governing body of an eligible local assessing district shall not adopt a resolution under subsection (1) exempting new personal property from the collection of taxes under this act without a written agreement entered into with the eligible business subject to the exemption, which written agreement contains a remedy provision that includes, but is not limited to, the following:

(a) A requirement that the exemption under this section is revoked if the eligible business is determined to be in violation of the provisions of the written agreement.

(b) A requirement that the eligible business may be required to repay all or part of the personal property taxes exempted under this section if the eligible business is determined to be in violation of the provisions of the written agreement.

(c) A requirement that the exemption under this section is revoked if the eligible business is determined to be in violation of the provisions concerning the exemption set forth in the resolution adopted under subsection (1).

(d) A requirement that the exemption under this section is revoked if continuance of the exemption would be contrary to any of the requirements of this section, including, but not limited to, the requirement that the eligible business be an eligible business or an acquiring eligible business under this section.

(5) A Next Michigan development corporation may only adopt a resolution under subsection (1) exempting new personal property from the collection of taxes under this act for new personal property located in a Next Michigan development district. A Next Michigan development corporation shall not adopt a resolution under subsection (1) exempting new personal property from the collection of taxes under this act without a written agreement entered into with the eligible Next Michigan business subject to the exemption, which written agreement contains a remedy provision that includes, but is not limited to, all of the following:

(a) A requirement that the exemption under this section is revoked if the eligible Next Michigan business is determined to be in violation of the provisions of the written agreement.

(b) A requirement that the eligible Next Michigan business may be required to repay all or part of the personal property taxes exempted under this section if the eligible Next Michigan business is determined to be in violation of the provisions of the written agreement.

(c) For an agreement entered into after December 31, 2016, a requirement that the exemption under this section is revoked if the eligible Next Michigan business is determined to be in violation of the provisions concerning the exemption set forth in the resolution adopted under subsection (1).

(d) For an agreement entered into after December 31, 2016, a requirement that the exemption under this section is revoked if continuance of the exemption would be contrary to any of the requirements of this section, including, but not limited to, the requirement that the eligible Next Michigan business be an eligible business or an acquiring eligible business under this section.

(6) Subject to subsections (7) and (9), if an existing eligible business sells or leases new personal property exempt under this section to an acquiring eligible business, the exemption granted to the existing eligible business shall continue in effect for the period specified in the resolution adopted under subsection (1) for the new personal property purchased or leased from the existing eligible business by the acquiring eligible business and for any new personal property purchased or leased by the acquiring eligible business.

(7) After December 31, 2007, an exemption for an existing eligible business shall continue in effect for an acquiring eligible business under subsection (6) only if the continuation of the exemption is approved in a resolution adopted by the governing body of an eligible local assessing district or the board of a Next Michigan development corporation in which the eligible local assessing district is a constituent member.

(8) Notwithstanding 2000 PA 415, all of the following shall apply to an exemption under this section that was approved by the state tax commission on or before April 30, 1999, regardless of the effective date of the exemption:

(a) The exemption shall be continued for the term authorized by the resolution adopted by the governing body of the eligible local assessing district and approved by the state tax commission with respect to buildings and improvements constructed on leased real property during the term of the exemption if the value of the real property is not assessed to the owner of the buildings and improvements.

(b) The exemption shall not be impaired or restricted with respect to buildings and improvements constructed on leased real property during the term of the exemption if the value of the real property is not assessed to the owner of the buildings and improvements.

(9) Notwithstanding any other provision of this section to the contrary, if new personal property exempt under this section on or after December 31, 2012 is eligible manufacturing personal property, that eligible

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manufacturing personal property shall remain exempt under this section until the later of the following:

(a) The date that eligible manufacturing personal property would otherwise be exempt from the collection of taxes under this act under section 9m, 9n, or 9o.

(b) The date that eligible manufacturing personal property is no longer exempt under the resolution adopted under subsection (1).

(10) An eligible business that owns or leases new personal property that is exempt under this section and that is eligible personal property shall deliver the combined document in the time, form, and manner prescribed in sections 9m and 9n to the assessor of the township or city in which the eligible personal property is located each year that the new personal property is eligible personal property. The form shall indicate that the new personal property is eligible personal property.

(11) As used in this section:

(a) "Acquiring eligible business" means an eligible business that purchases or leases assets of an existing eligible business, including the purchase or lease of new personal property exempt under this section, and that will conduct business operations similar to those of the existing eligible business at the location of the existing eligible business within the eligible district.

(b) "Authorized business" means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(c) "Eligible manufacturing personal property" means that term as defined in section 9m.

(d) "Distressed parcel" means a parcel of real property located in a city or village that meets all of the following conditions:

(*i*) Is located in a qualified downtown revitalization district. As used in this subparagraph, "qualified downtown revitalization district" means an area located within 1 or more of the following:

(A) The boundaries of a downtown district as defined in section 1 of 1975 PA 197, MCL 125.1651.

(B) The boundaries of a principal shopping district or a business improvement district as defined in section 1 of 1961 PA 120, MCL 125.981.

(C) The boundaries of the local governmental unit in an area that is zoned and primarily used for business as determined by the local governmental unit.

(*ii*) Meets 1 of the following conditions:

(A) Has a blighted or functionally obsolete building located on the parcel. As used in this sub-subparagraph, "blighted" and "functionally obsolete" mean those terms as defined in section 2 of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2652.

(B) Is a vacant parcel that had been previously occupied.

(*iii*) Is zoned to allow for mixed use.

(e) "Eligible business" means, effective August 7, 1998, a business engaged primarily in manufacturing, mining, research and development, wholesale trade, office operations, or the operation of a facility for which the business that owns or operates the facility is an eligible taxpayer. For purposes of a Next Michigan development corporation, eligible business means only an eligible Next Michigan business. Eligible business does not include a casino, retail establishment, professional sports stadium, or that portion of an eligible business used exclusively for retail sales. Professional sports stadium does not include a sports stadium in existence on June 6, 2000 that is not used by a professional sports team on the date of the resolution adopted pursuant to subsection (1). As used in this subdivision, "casino" means a casino regulated by this state under the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226, and all property associated or affiliated with the operation of a casino, including, but not limited to, a parking lot, hotel, motel, or retail store.

(f) "Eligible district" means 1 or more of the following:

(*i*) An industrial development district as that term is defined in 1974 PA 198, MCL 207.551 to 207.572.

(*ii*) A renaissance zone as that term is defined in the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

(*iii*) An enterprise zone as that term is defined in the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

(*iv*) A brownfield redevelopment zone as that term is designated under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

(*v*) An empowerment zone designated under subchapter U of chapter 1 of the internal revenue code of 1986, 26 USC 1391 to 1397F.

(*vi*) An authority district or a development area as those terms are defined in the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

(*vii*) An authority district as that term is defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

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(*viii*) A downtown district or a development area as those terms are defined in 1975 PA 197, MCL 125.1651 to 125.1681.

(*ix*) An area that contains an eligible taxpayer.

(*x*) A Next Michigan development district.

(g) "Eligible distressed area" means 1 of the following:

(*i*) That term as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(*ii*) An area that contains an eligible taxpayer.

(h) "Eligible local assessing district" means a city, village, or township that contains an eligible distressed area or that is a party to an intergovernmental agreement creating a Next Michigan development corporation, or a city, village, or township that meets 1 or more of the following conditions and is located in a county all or a portion of which borders another state or Canada:

(*i*) Is currently served by not fewer than 4 of the following existing services:

(A) Water.

(B) Sewer.

(C) Police.

(D) Fire.

(E) Trash.

(F) Recycling.

(*ii*) Is party to an agreement under 1984 PA 425, MCL 124.21 to 124.30, with a city, village, or township that provides not fewer than 4 of the following existing services:

(A) Water.

(B) Sewer.

(C) Police.

(D) Fire.

(E) Trash.

(F) Recycling.

(i) "Eligible Next Michigan business" means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(j) "Eligible personal property" means that term as defined in section 3(e)(*ii*) or (*iv*) of the state essential services assessment act, 2014 PA 92, MCL 211.1053.

(k) "Eligible taxpayer" means a taxpayer that meets both of the following conditions:

(*i*) Is an authorized business.

(*ii*) Is eligible for tax credits described in section 9 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.809.

(*l*) "Existing eligible business" means an eligible business identified in a resolution adopted under subsection (1) for which an exemption has been granted under this section.

(m) "New personal property" means personal property that was not previously subject to tax under this act or was not previously placed in service in this state and that is placed in an eligible district after a resolution under subsection (1) is approved. As used in this subdivision, for exemptions approved by the state treasurer under subsection (3) after April 30, 1999, new personal property does not include buildings described in section 14(6) and personal property described in section 8(h), (i), and (j). For exemptions subject to resolutions adopted under subsection (1) after December 31, 2014, new personal property does not include eligible manufacturing personal property.

(n) "Next Michigan development corporation" and "Next Michigan development district" mean those terms as defined under the Next Michigan development act, 2010 PA 275, MCL 125.2951 to 125.2959.

History: Add. 1998, Act 328, Imd. Eff. Aug. 7, 1998;—Am. 1999, Act 20, Imd. Eff. Apr. 30, 1999;—Am. 2000, Act 415, Imd. Eff. Jan. 8, 2001;—Am. 2004, Act 79, Imd. Eff. Apr. 21, 2004;—Am. 2007, Act 115, Imd. Eff. Oct. 30, 2007;—Am. 2007, Act 116, Imd. Eff. Oct. 30, 2007;—Am. 2008, Act 230, Imd. Eff. July 17, 2008;—Am. 2008, Act 285, Imd. Eff. Sept. 29, 2008;—Am. 2008, Act 573, Imd. Eff. Jan. 16, 2009;—Am. 2010, Act 249, Eff. Dec. 21, 2010;—Am. 2010, Act 274, Imd. Eff. Dec. 15, 2010;—Am. 2012, Act 399, Eff. Mar. 28, 2013;—Am. 2014, Act 87, Imd. Eff. Apr. 1, 2014;—Am. 2015, Act 119, Imd. Eff. July 10, 2015;—Am. 2016, Act 108, Imd. Eff. May 6, 2016;—Am. 2016, Act 329, Imd. Eff. Dec. 8, 2016;—Am. 2017, Act 261, Eff. Dec. 31, 2017.

Compiler's note: For transfer of Michigan strategic fund from department of management and budget to department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Enacting section 1 of Act 87 of 2014 provides:

"Enacting section 1. The exclusion of generation, transmission, or distribution of electricity for sale from the definition of "industrial processing" under this amendatory act is not intended to affect any other provision of Michigan law or impact the decision in Detroit Edison Company v Department of Treasury, court of appeals docket no. 309732."

Popular name: Act 206

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211.9g Area designated as rural enterprise community; exemption of personal property that is component part of natural gas distribution system.

Sec. 9g. Beginning December 30, 1998 until December 30, 2018, personal property located in an area designated as a rural enterprise community as of the effective date of the amendatory act that added this section under title XIII of the omnibus budget reconciliation act of 1993, Public Law 103-66, 107 Stat. 416, that is a component part of a natural gas distribution system is exempt from the collection of taxes under this act.

History: Add. 1998, Act 468, Imd. Eff. Jan. 4, 1999.

Popular name: Act 206

211.9g[1] Leased bottled water coolers; exemption.

Sec. 9g. Bottled water coolers available for lease or subject to an existing lease are exempt from the collection of taxes under this act.

History: Add. 1998, Act 471, Imd. Eff. Jan. 4, 1999.

Compiler's note: Section 9g, as added by Act 471 of 1998, was compiled as MCL 211.9g[1] to distinguish it from another section 9g, deriving from Act 468 of 1998 and pertaining to areas designated as rural enterprise communities.

Popular name: Act 206

211.9i Alternative energy personal property; exemption from tax.

Sec. 9i. (1) Subject to subsection (2), alternative energy personal property is exempt from the collection of taxes under this act as provided in this section.

(2) The exemption under this section applies to the following:

(a) Taxes levied on alternative energy personal property after December 31, 2002 and before January 1, 2013.

(b) Taxes levied on that category of alternative energy personal property described in subsection (3)(a)(*i*) after the effective date of the amendatory act that added this subdivision, without regard to ownership of the alternative energy personal property, provided that all of the following conditions are met:

(*i*) The alternative energy personal property has a generating capacity of not more than 150 kilowatts and is used solely to offset all or a portion of the commercial or industrial energy usage of the person upon whose real property the alternative energy personal property is located.

(*ii*) If installed after the effective date of the amendatory act that added this subparagraph, the alternative energy personal property has a true cash value that, when combined with the true cash value of all personal property exempt under section 9o as eligible personal property of the person claiming the exemption under this section or a related entity, equals less than $80,000.00.

(3) As used in this section:

(a) "Alternative energy personal property" means all of the following:

(*i*) An alternative energy system.

(*ii*) An alternative energy vehicle.

(*iii*) All personal property of an alternative energy technology business.

(*iv*) The personal property of a business that is not an alternative energy technology business that is used solely for the purpose of researching, developing, or manufacturing an alternative energy technology.

(b) "Alternative energy system", "alternative energy vehicle", "alternative energy technology", and "alternative energy technology business" mean those terms as defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827.

History: Add. 2002, Act 549, Imd. Eff. July 26, 2002;—Am. 2019, Act. 118, Imd. Eff. Nov. 15, 2019.

Popular name: Act 206

211.9j Tax exemption for property used by qualified high-technology business in innovations center.

Sec. 9j. (1) For taxes levied after December 31, 2004, upon application for an exemption under this section by the administration of an innovations center, the governing body of a local tax collecting unit may adopt a resolution to exempt from the collection of taxes under this act all personal property that is owned or used by any qualified high-technology business located in that innovations center and all personal property that is owned or used by the administration of that innovations center. The clerk of the local tax collecting unit shall notify in writing the assessor of the local tax collecting unit and the legislative body of each taxing unit that levies ad valorem property taxes in the local tax collecting unit. Before acting on the resolution, the governing body of the local tax collecting unit shall afford the assessor and a representative of the affected taxing units

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an opportunity for a hearing. A copy of the resolution shall be filed with the state tax commission. The application for exemption under this section shall be in a form prescribed by the state tax commission.

(2) The administration of an innovations center may claim the exemption under subsection (1) by filing an affidavit claiming the exemption with the assessor of the local tax collecting unit. The affidavit shall be in a form prescribed by the state tax commission.

(3) As used in this section:

(a) "Certified technology park" means that term as defined in section 2 of the local development financing act, 1986 PA 281, MCL 125.2152.

(b) "High-technology activity" means 1 or more of the following:

(*i*) Advanced computing, which is any technology used in the design and development of any of the following:

(A) Computer hardware and software.

(B) Data communications.

(C) Information technologies.

(*ii*) Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.

(*iii*) Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.

(*iv*) Electronic device technology, which is any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.

(*v*) Engineering or laboratory testing related to the development of a product.

(*vi*) Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.

(*vii*) Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.

(*viii*) Life science technology, which is any technology that has a medical diagnostic or treatment value, including, but not limited to, pharmaceutical products.

(*ix*) Product research and development.

(c) "Innovations center" means real property that meets all of the following conditions:

(*i*) Is a business incubator as that term is defined in section 2 of the local development financing act, 1986 PA 281, MCL 125.2152.

(*ii*) Is located within a single building.

(*iii*) Is primarily used to provide space and administrative assistance to 1 or more qualified high-technology businesses located within the building.

(d) "Qualified high-technology business" means a business that is either of the following:

(*i*) A business with not less than 25% of the total operating expenses of the business used for research and development as determined under generally accepted accounting principles.

(*ii*) A business whose primary business activity is high-technology activity.

History: Add. 2004, Act 244, Imd. Eff. July 23, 2004.

Popular name: Act 206

211.9k Industrial personal property or commercial personal property; tax exemption.

Sec. 9k. For taxes levied after December 31, 2007, personal property classified under section 34c as industrial personal property or commercial personal property is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211. For taxes levied after December 31, 2007, personal property classified under section 34c as industrial personal property is exempt from the tax levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, as provided in section 3 of the state education tax act, 1993 PA 331, MCL 211.903.

History: Add. 2007, Act 40, Imd. Eff. July 12, 2007.

Compiler's note: Enacting section 1 of Act 40 of 2007 provides:

"Enacting section 1. It is the intent of the legislature to address potential revenue shortfalls for the payment of tax increment financing obligations that may result from the exemptions provided by this amendatory act and to evaluate the impact of this exemption on tax

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increment financing projects in the future."

Popular name: Act 206

211.9m Qualified new personal property; exemption; combined document; requirements; denial of claim; books and records; fraudulent claim; definitions.

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

(2) A person shall claim the exemption under this section and section 9n by filing a combined document that includes: the form to claim the exemption under this section and section 9n, a report of the fair market value and year of acquisition by the first owner of qualified new personal property, and for any year before 2023, a statement under section 19. All of the following apply to a claim of the exemption under this section:

(a) The combined document must be in a form and manner prescribed by the department of treasury.

(b) Leasing companies are not eligible to receive the exemption under this section and may not use the combined document prescribed in this section. With respect to personal property that is the subject of a lease agreement, regardless of whether the agreement constitutes a lease for financial or tax purposes, all of the following apply:

(*i*) If the personal property is eligible manufacturing personal property, the lessee and lessor may elect that the lessee report the leased personal property on the combined document.

(*ii*) An election made by the lessee and the lessor under this subdivision must be made in a form and manner approved by the department.

(*iii*) Absent an election, the personal property must be reported by the lessor on the personal property statement unless the exemption for eligible manufacturing personal property is claimed by the lessee on the combined document.

(c) The combined document prescribed in this section must be completed and delivered to the assessor of the township or city in which the qualified new personal property is located by February 20 of each year for any year the exemption is claimed before 2023 and the first year the exemption is claimed in a year after 2022. However, if February 20 of a year is a Saturday, Sunday, or legal holiday, the delivery deadline for that year is the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a combined document delivered by the United States Postal Service, the delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subdivision. If the combined document prescribed in this section is not timely delivered to the assessor of the township or city, a late application may be filed directly with the March board of review before its final adjournment by submitting the combined document prescribed in this section. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice.

(d) The assessor shall transmit to the department of treasury the information contained in the combined document filed under this section, and other parcel information required by the department of treasury, in the form and manner prescribed by the department of treasury by no later than April 1.

(e) Beginning in 2023, an exemption granted under this section remains in effect until the personal property is no longer qualified new personal property. A person claiming an exemption under this section shall rescind the claim of exemption by February 20, or if February 20 of a year is a Saturday, Sunday, or legal holiday, the next day that is not a Saturday, Sunday, or legal holiday, of the year in which exempted property is no longer eligible for the exemption by filing with the assessor of the township or city a rescission form prescribed by the department of treasury and the statement required under section 19. Upon receipt of a timely filed rescission form, the local assessor shall immediately remove the exemption. An owner that fails to file a rescission for property later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible manufacturing personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the

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corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(f) The assessor of the township or city shall annually transmit the rescission forms filed, or the information contained in the rescission forms filed, under this section to the department of treasury in the form and in the manner prescribed by the department of treasury no later than April 1.

(3) If the assessor of the township or city believes that personal property for which the form claiming an exemption is timely filed each year under subsection (2)(c) is not qualified new personal property or the form filed was incomplete, the assessor may deny that claim for exemption by notifying the person that filed the form in writing of the reason for the denial and advising the person that the denial must be appealed to the board of review under section 30 by filing a combined document as prescribed under subsection (2). If the denial is issued after the first meeting of the March board of review that follows the organizational meeting, the appeal of the denial is either to the March board of review or the Michigan tax tribunal by filing a petition and a completed combined document as prescribed under subsection (2), within 35 days of the denial notice. The assessor may deny a claim for exemption under this subsection for the current year only. If the assessor denies a claim for exemption, the assessor shall remove the exemption of that personal property and amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes.

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

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

(6) As used in this section:

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

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

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

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

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

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

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

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

(c) "Eligible manufacturing personal property" means all personal property located on occupied real property if that personal property is predominantly used in industrial processing or direct integrated support. For personal property that is construction in progress and part of a new facility not in operation, eligible manufacturing personal property means all personal property that is part of that new facility if that personal property will be predominantly used in industrial processing when the facility becomes operational. Personal property that is not owned, leased, or used by the person who owns or leases occupied real property where the personal property is located is not eligible manufacturing personal property, unless the personal property is located on the occupied real property to carry on a current on-site business activity. Personal property that is placed on occupied real property solely to qualify the personal property for an exemption under this section or section 9n is not eligible manufacturing personal property. Utility personal property as described in section 34c(3)(e) and personal property used in the generation, transmission, or distribution of electricity for sale are not eligible manufacturing personal property. Personal property located on occupied real property is predominantly used in industrial processing or direct integrated support if the result of the following calculation is more than 50%:

(*i*) Multiply the original cost of all personal property that is subject to the collection of taxes under this act and all personal property that is exempt from the collection of taxes under sections 7k, 9b, 9f, 9n, and 9o and this section that is located on that occupied real property and that is not construction in progress by its

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percentage of use in industrial processing or in direct integrated support. For an item of personal property that is used in industrial processing, its percentage of use in industrial processing must equal the percentage of the exemption the property would be eligible for under section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t, or section 4o of the use tax act, 1937 PA 94, MCL 205.94o. Utility personal property as described in section 34c(3)(e) and personal property used in the generation, transmission, or distribution of electricity for sale is not included in this calculation.

(*ii*) Divide the result of the calculation under subparagraph (*i*) by the total original cost of all personal property that is subject to the collection of taxes under this act and all personal property that is exempt from the collection of taxes under sections 7k, 9b, 9f, 9n, and 9o and this section that is located on that occupied real property and that is not construction in progress. Utility personal property as described in section 34c(3)(e) and personal property used in the generation, transmission, or distribution of electricity for sale is not included in this calculation.

(d) "Fair market value" means the fair market value of personal property at the time of acquisition by the first owner, including the cost of freight, sales tax, installation, and other capitalized costs, except capitalized interest. There is a rebuttable presumption that the acquisition price paid by the first owner for personal property, and any costs of freight, sales tax, installation, and other capitalized costs, except capitalized interest, reflect the fair market value.

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

(f) "New personal property" means property that was initially placed in service in this state or outside of this state after December 31, 2012 or that was construction in progress on or after December 31, 2012 that had not been placed in service in this state or outside of this state before 2013.

(g) "Occupied real property" means any of the following:

(*i*) A parcel of real property that is entirely owned, leased, or otherwise occupied by a person claiming an exemption under this section or under section 9n.

(*ii*) Contiguous parcels of real property that are entirely owned, leased, or otherwise occupied by a person claiming an exemption under this section or under section 9n and that host a single, integrated business operation engaged primarily in industrial processing, direct integrated support, or both. A business operation is not engaged primarily in industrial processing, direct integrated support, or both if it engages in significant business activities that are not directly related to industrial processing or direct integrated support. Contiguity is not broken by a boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. As used in this subparagraph, "single, integrated business operation" means a company that combines 1 or more related operations or divisions and operates as a single business unit.

(*iii*) The portion of a parcel of real property that is owned, leased, or otherwise occupied by a person claiming the exemption under this section or under section 9n or by an affiliated person.

(h) "Original cost" means the fair market value of personal property at the time of acquisition by the first owner. There is a rebuttable presumption that the acquisition price paid by the first owner for personal property reflects the original cost of that personal property. The department of treasury may provide guidelines for 1 or more of the following circumstances:

(*i*) Determining original cost of personal property when the actual acquisition price paid by the first owner for personal property is not determinative of the original cost of that personal property.

(*ii*) Estimating original cost of personal property when the actual acquisition price paid by the first owner for the personal property is unknown.

(*iii*) Adjusting original cost of personal property when the personal property is idle, is obsolete or has material obsolescence, or is surplus.

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

(j) "Qualified new personal property" means property that meets all of the following conditions:

(*i*) Is eligible manufacturing personal property.

(*ii*) Is new personal property.

History: Add. 2012, Act 401, Eff. Mar. 28, 2013;—Am. 2013, Act 154, Imd. Eff. Nov. 5, 2013;—Am. 2014, Act 87, Imd. Eff. Apr. 1, 2014;—Am. 2015, Act 119, Imd. Eff. July 10, 2015;—Am. 2016, Act 108, Imd. Eff. May 6, 2016;—Am. 2017, Act 42, Imd. Eff. May 25, 2017;—Am. 2017, Act 261, Eff. Dec. 31, 2017;—Am. 2021, Act 153, Imd. Eff. Dec. 27, 2021.

Compiler's note: Enacting section 1 of Act 401 of 2012 provides:

"Enacting section 1. Section 9m of the general property tax act, 1893 PA 206, MCL 211.9m, as added by this amendatory act, is

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repealed if House Bill No. 6026 of the 96th Legislature is not approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Enacting section 1 of Act 87 of 2014 provides:

"Enacting section 1. The exclusion of generation, transmission, or distribution of electricity for sale from the definition of "industrial processing" under this amendatory act is not intended to affect any other provision of Michigan law or impact the decision in Detroit Edison Company v Department of Treasury, court of appeals docket no. 309732."

Enacting section 1 of Act 89 of 2014 provides:

"Enacting section 1. Section 9m of the general property tax act, 1893 PA 206, MCL 211.9m, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

Compiler's note: Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

"APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.

2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.

3. Increase portion of state use tax dedicated for aid to local school districts.

4. Prohibit Authority from increasing taxes.

5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES [ ]

NO [ ]".

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

Popular name: Act 206

211.9n Qualified previously existing personal property; exemption; combined document; requirements; denial of claim; books and records; fraudulent claim; definitions.

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

(2) A person shall claim the exemption under this section and section 9m by filing a combined document that includes: the form to claim the exemption under this section and section 9m, a report of the fair market value and year of acquisition by the first owner of qualified previously existing personal property, and for any year before 2023, a statement under section 19. All of the following apply to a claim of the exemption under this section:

(a) The combined document must be in a form and manner prescribed by the department of treasury.

(b) Leasing companies are not eligible to receive the exemption under this section and may not use the combined document prescribed in this section. With respect to personal property that is the subject of a lease agreement, regardless of whether the agreement constitutes a lease for financial or tax purposes, all of the following apply:

(*i*) If the personal property is eligible manufacturing personal property, the lessee and lessor may elect that the lessee report the leased personal property on the combined document.

(*ii*) An election made by the lessee and the lessor under this subdivision must be made in a form and manner approved by the department.

(*iii*) Absent an election, the personal property must be reported by the lessor on the personal property statement unless the exemption for eligible manufacturing personal property is claimed by the lessee on the combined document.

(c) The combined document prescribed in this section must be completed and delivered to the assessor of the township or city in which the qualified previously existing personal property is located by February 20 of each year for any year the exemption is claimed before 2023 and the first year the exemption is claimed in a year after 2022. However, if February 20 of a year is a Saturday, Sunday, or legal holiday, the delivery deadline for that year is the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a combined document delivered by the United States Postal Service, the delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subdivision. If the combined document prescribed in this section is not timely delivered to the assessor of the township or city, a late application may be filed directly with the March board of review before its final adjournment by submitting the combined document prescribed in this section. The board of review shall not accept a filing after adjournment of its March

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meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice.

(d) The assessor shall transmit to the department of treasury the information contained in the combined document filed under this section, and other parcel information required by the department of treasury and in the manner prescribed by the department of treasury no later than April 1.

(e) Beginning in 2023, an exemption granted under this section remains in effect until the personal property is no longer qualified previously existing personal property. A person claiming an exemption under this section shall rescind the claim of exemption by February 20, or if February 20 of a year is a Saturday, Sunday, or legal holiday, the next day that is not a Saturday, Sunday, or legal holiday, of the year in which exempted property is no longer eligible for the exemption by filing with the assessor of the township or city a rescission form prescribed by the department of treasury and the statement required under section 19. Upon receipt of a timely filed rescission form, the local assessor shall immediately remove the exemption. An owner that fails to file a rescission for property later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible manufacturing personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(f) The assessor of the township or city shall annually transmit the rescission forms filed, or the information contained in the rescission forms filed, under this section to the department of treasury in the form and in the manner prescribed by the department of treasury no later than April 1.

(3) If the assessor of the township or city believes that personal property for which the form claiming an exemption is timely filed each year under subsection (2)(c) is not qualified previously existing personal property or the form filed was incomplete, the assessor may deny that claim for exemption by notifying the person that filed the form in writing of the reason for the denial and advising the person that the denial must be appealed to the board of review under section 30 by filing a combined document as prescribed under subsection (2). If the denial is issued after the first meeting of the March board of review that follows the organizational meeting, the appeal of the denial is either to the March board of review or the Michigan tax tribunal by filing a petition and a completed combined document as prescribed under subsection (2), within 35 days of the denial notice. The assessor may deny a claim for exemption under this subsection for the current year only. If the assessor denies a claim for exemption, the assessor shall remove the exemption of that personal property and amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes.

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

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

(6) As used in this section:

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

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

(c) "Qualified previously existing personal property" means personal property that meets both of the following conditions:

(*i*) Is eligible manufacturing personal property.

(*ii*) Was first placed in service within this state or outside this state more than 10 years before the current calendar year.

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History: Add. 2012, Act 403, Eff. Mar. 28, 2013;—Am. 2013, Act 154, Imd. Eff. Nov. 5, 2013;—Am. 2015, Act 119, Imd. Eff. July 10, 2015;—Am. 2016, Act 108, Imd. Eff. May 6, 2016;—Am. 2017, Act 42, Imd. Eff. May 25, 2017;—Am. 2017, Act 261, Eff. Dec. 31, 2017;—Am. 2021, Act 154, Imd. Eff. Dec. 27, 2021.

Compiler's note: Enacting section 1 of Act 403 of 2012 provides:

"Enacting section 1. Section 9n of the general property tax act, 1893 PA 206, MCL 211.9n, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Enacting section 1 of Act 91 of 2014 provides:

"Enacting section 1. Section 9n of the general property tax act, 1893 PA 206, MCL 211.9n, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

Compiler's note: Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

"APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.

2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.

3. Increase portion of state use tax dedicated for aid to local school districts.

4. Prohibit Authority from increasing taxes.

5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES [ ]

NO [ ]".

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

Popular name: Act 206

***** *211.9o THIS SECTION IS AMENDED EFFECTIVE DECEMBER 31, 2022: See 211.9o.amended* *****

211.9o Eligible personal property; exemption; statement; books and records; audit program; filing rescission and statement if property no longer eligible; denial of claim for exemption; fraudulent claim; penalties; definitions.

Sec. 9o. (1) Beginning December 31, 2013, eligible personal property for which an exemption has been properly claimed under this section is exempt from the collection of taxes under this act.

(2) An owner of eligible personal property shall claim the exemption under this section by filing a statement with the local tax collecting unit in which the eligible personal property is located not later than February 20 of the first year the exemption is claimed or, if February 20 of the first year the exemption is claimed is a Saturday, Sunday, or legal holiday, not later than the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a statement delivered by the United States Postal Service, the filing is timely if the postmark date is on or before the filing deadline prescribed in this subsection. If the statement is not timely filed with the local tax collecting unit, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subsection. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice. A statement filed under this subsection shall be in a form prescribed by the state tax commission and shall include any address where any property owned by, leased to, or in the possession of that owner or a related entity is located within that local tax collecting unit. The statement shall require the owner to attest that the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year is less than $80,000.00.

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

(4) A person who claims an exemption for eligible personal property under this section shall maintain books and records and shall provide access to those books and records as provided in section 22. A local unit of government may develop and implement an audit program that includes, but is not limited to, the audit of all information submitted under subsection (2) for the current calendar year and the 3 calendar years immediately preceding the commencement of an audit. Any assessment as a result of an audit must be paid in

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full within 35 days of issuance and must include interest as described in subsection (5).

(5) An exemption granted under this section remains in effect until the personal property is no longer eligible personal property. An owner whose personal property is no longer eligible personal property shall file by February 20 of the year that the property is no longer eligible a rescission and the statement required under section 19. The rescission shall be filed on a form prescribed by the department of treasury. Upon receipt of a rescission form, the local assessor shall immediately remove the exemption. An owner who fails to file a rescission and whose property is later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subsection. Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

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

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

(8) As used in this section:

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

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

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

(*i*) Is industrial personal property or commercial personal property.

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

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

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

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

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

History: Add. 2012, Act 402, Eff. Mar. 28, 2013;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013;—Am. 2017, Act 261, Eff. Dec. 31,

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2017;—Am. 2018, Act 132, Imd. Eff. May 3, 2018.

Compiler's note: Enacting section 1 of Act 402 of 2012 provides:

"Enacting section 1. Section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not approved by a majority of the qualified electors of this state voting on the question at an election to be held on the August regular election date in 2014."

Enacting section 1 of Act 90 of 2014 provides:

"Enacting section 1. Section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

Compiler's note: Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

"APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.

2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.

3. Increase portion of state use tax dedicated for aid to local school districts.

4. Prohibit Authority from increasing taxes.

5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES [ ]

NO [ ]".

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

Popular name: Act 206

***** *211.9o.amended THIS AMENDED SECTION IS EFFECTIVE DECEMBER 31, 2022* *****

211.9o.amended Eligible personal property; exemption; statement; books and records; audit program; filing rescission and statement if property no longer eligible; denial of claim for exemption; fraudulent claim; penalties; definitions.

Sec. 9o. (1) Beginning December 31, 2013, eligible personal property for which an exemption has been properly claimed under this section is exempt from the collection of taxes under this act.

(2) An owner of eligible personal property shall claim the exemption under this section by filing a statement with the local tax collecting unit in which the eligible personal property is located not later than February 20 of the first year the exemption is claimed or, if February 20 of the first year the exemption is claimed is a Saturday, Sunday, or legal holiday, not later than the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a statement delivered by the United States Postal Service, the filing is timely if the postmark date is on or before the filing deadline prescribed in this subsection. If the statement is not timely filed with the local tax collecting unit, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subsection. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice. A statement filed under this subsection must be in a form prescribed by the state tax commission and must include any address where any property owned by, leased to, or in the possession of that owner or a related entity is located within that local tax collecting unit. In the statement, the owner shall attest that the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year is less than $180,000.00.

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

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

(5) An exemption granted under this section remains in effect until the personal property is no longer eligible personal property. An owner whose personal property is no longer eligible personal property shall file

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by February 20 of the year that the property is no longer eligible a rescission and the statement required under section 19. The rescission must be filed on a form prescribed by the department of treasury. Upon receipt of a rescission form, the local assessor shall immediately remove the exemption. An owner who fails to file a rescission and whose property is later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subsection. Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

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

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

(8) As used in this section:

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

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

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

(*i*) Is industrial personal property or commercial personal property.

(*ii*) The combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of the person claiming an exemption under this section or a related entity on December 31 of the immediately preceding year is less than $180,000.00.

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

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

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

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

History: Add. 2012, Act 402, Eff. Mar. 28, 2013;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013;—Am. 2017, Act 261, Eff. Dec. 31, 2017;—Am. 2018, Act 132, Imd. Eff. May 3, 2018;—Am. 2021, Act 150, Eff. Dec. 31, 2022.

Compiler's note: Enacting section 1 of Act 402 of 2012 provides:

"Enacting section 1. Section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, as added by this amendatory act, is repealed if House Bill No. 6026 of the 96th Legislature is not approved by a majority of the qualified electors of this state voting on the

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question at an election to be held on the August regular election date in 2014."

Enacting section 1 of Act 90 of 2014 provides:

"Enacting section 1. Section 9o of the general property tax act, 1893 PA 206, MCL 211.9o, as added by this amendatory act, is repealed if either House Bill No. 6026 of the 96th Legislature, 2012 PA 408, or Senate Bill No. 822 of the 97th Legislature is presented to the qualified electors of this state at an election to be held on the August regular election date in 2014 and the bill presented is not approved by a majority of the qualified electors of this state voting on the question."

Compiler's note: Pursuant to section 34 of article IV of the state constitution of 1963, a legislative referendum on Act 80 of 2014 was presented to the electors as Proposal 14-1 at the August 5, 2014 primary election. The proposal read as follows:

"APPROVAL OR DISAPPROVAL OF AMENDATORY ACT TO REDUCE STATE USE TAX AND REPLACE WITH A LOCAL COMMUNITY STABILIZATION SHARE TO MODERNIZE THE TAX SYSTEM TO HELP SMALL BUSINESSES GROW AND CREATE JOBS

The amendatory act adopted by the Legislature would:

1. Reduce the state use tax and replace with a local community stabilization share of the tax for the purpose of modernizing the tax system to help small businesses grow and create jobs in Michigan.

2. Require Local Community Stabilization Authority to provide revenue to local governments dedicated for local purposes, including police safety, fire protection, and ambulance emergency services.

3. Increase portion of state use tax dedicated for aid to local school districts.

4. Prohibit Authority from increasing taxes.

5. Prohibit total use tax rate from exceeding existing constitutional 6% limitation.

Should this law be approved?

YES [ ]

NO [ ]".

Act 80 of 2014 was approved by a majority of the voters at the August 5, 2014 primary election. The election results were certified by the Michigan Board of State Canvassers on August 22, 2014.

Popular name: Act 206

211.9p Qualified heavy equipment rental personal property; exemption; annual filing of statement; requirements; denial of claim; books and records; fraudulent claim; definitions.

Sec. 9p. (1) Beginning December 31, 2022 and each year thereafter, qualified heavy equipment rental personal property for which an exemption has been properly claimed under subsection (2) is exempt from the collection of taxes under this act.

(2) A qualified renter shall claim the exemption under this section annually by filing each year with the local assessing unit in which is located the qualified renter business location a statement that includes the form to claim the exemption under this section and a statement of all qualified heavy equipment rental personal property located at and rented from the qualified renter business location. Qualified heavy equipment rental personal property rented from the qualified renter business location is not assessable at its location on tax day. The exemption claimed under this section applies to all qualified heavy equipment rental personal property located at and rented from a qualified renter business location. All of the following apply to a claim of the exemption under this section:

(a) The statement must be filed in a form and manner prescribed by the department of treasury.

(b) The statement must list the addresses of the qualified renter and must identify each item of qualified heavy equipment rental personal property located at and rented from the qualified renter business location.

(c) The statement filed for 2023, or filed for 2024 by a qualified renter that did not claim an exemption under this section for 2023, must include the amount of ad valorem property tax levied in this state in 2020, 2021, and 2022 on qualified heavy equipment rental personal property owned by the qualified renter and, for the qualified heavy equipment rental personal property either for which ad valorem property tax was paid for 2020, 2021, or 2022 or that was acquired or brought into this state during 2020, 2021, or 2022 by a qualified renter and rented from a qualified renter business location, the qualified renter's liability under the tax levied under the qualified heavy equipment rental personal property specific tax act for 2020, 2021, and 2022 if that tax had been in effect for those years. A qualified renter shall provide documentation of both amounts as required by the department of treasury. The department of treasury may audit the documentation submitted.

(d) All information regarding the claim for the exemption must be considered taxpayer confidential information whether in the possession of the department of treasury or the local assessing unit and is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. This subdivision does not prohibit the department of treasury from sharing, as needed, information regarding a claim for the exemption under this section with local assessors.

(e) By not later than February 20, the statement prescribed in this section must be completed and delivered to the assessor of the township or city in which is located the qualified renter business location. However, if February 20 of a year is a Saturday, Sunday, or legal holiday, the delivery deadline for that year is the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a statement delivered by the United States Postal Service, the delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subdivision. If the statement prescribed in this section is not timely delivered to the

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appropriate assessor, a late application may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this section. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice.

(f) By not later than April 1, the assessor shall transmit to the department of treasury the information contained in the statement filed under this section and other parcel information required by the department of treasury in the form and manner prescribed by the department of treasury.

(g) An exemption under this section applies only to the tax year in which the statement is filed. There is no requirement for the owner to file any subsequent notice or rescission for qualified heavy equipment rental personal property no longer in this state or at the qualified rental business location to the assessor or department of treasury. Qualified heavy equipment rental personal property listed as exempt on an assessment roll for a given tax year must not automatically be listed as exempt on the assessment roll for the next tax year.

(3) Qualified heavy equipment rental personal property is exempt under this section from the collection of taxes under this act only if the qualified heavy equipment rental personal property is located in this state on tax day and 1 of the following conditions is satisfied:

(a) The qualified heavy equipment rental personal property is permanently labeled with the name of the qualified renter and the qualified rental business location. This labeling requirement does not apply to attachments or ancillary equipment otherwise labeled in a way that identifies its owner, including, but not limited to, attachments or ancillary equipment labeled with a unique identification number.

(b) The qualified heavy equipment rental personal property is permanently labeled with the name and phone number of the qualified renter, and the qualified renter's annual claim of exemption filed under subsection (2) identifies the physical location of the qualified heavy equipment rental personal property on tax day. The labeling requirement provided for in this subdivision does not apply to attachments or ancillary equipment otherwise labeled in a way that identifies its owner, including, but not limited to, attachments or ancillary equipment labeled with a unique identification number.

(4) If the assessor of the township or city believes that personal property for which the form claiming an exemption is timely filed under subsection (2)(e) is not qualified heavy equipment rental personal property or the form filed was incomplete, the assessor may deny that claim for exemption by notifying the person that filed the form in writing of the reason for the denial and advising the person that the denial must be appealed to the board of review under section 30 by filing a statement as prescribed under subsection (2). If the denial is issued after the first meeting of the March board of review that follows the organizational meeting, the appeal of the denial is either to the March board of review or the Michigan tax tribunal by filing a petition and a statement as prescribed under subsection (2) within 35 days of the denial notice. If the assessor denies a claim for exemption, the assessor shall remove the exemption of that personal property and amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes.

(5) A person claiming an exemption for qualified heavy equipment rental personal property exempt under this section shall maintain books and records and shall provide access to those books and records as provided in section 22.

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

(7) All qualified heavy equipment rental personal property located at a qualified renter business location that has claimed an exemption in any given year under this section is not eligible to be exempt from the collection of taxes under this act under section 9m, 9n, or 9o.

(8) As used in this section:

(a) "Affiliate" means a person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

(b) "Attachments or ancillary equipment" means items that can be attached to, or used in conjunction with, heavy equipment, including, but not limited to, fittings, hoses, cabling, ducts, wiring, chains, hoists, portable power or air equipment, monitoring equipment, fluid containers, buckets, demolition hammers, grapple forks, trenchers, planers, and augers.

(c) "Control" means direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(d) "Own" or "ownership" means to have ownership of an equity interest, or the equivalent, of 10% or more in a person.

(e) "Person" means an individual, corporation, limited liability company, partnership, association, or any

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other legal entity.

(f) "Qualified heavy equipment rental personal property" means any construction, earthmoving, or industrial equipment that is mobile and rented to customers by a qualified renter, including attachments or other ancillary equipment for that equipment. Qualified heavy equipment rental personal property does not include handheld tools or equipment solely designed for industry-specific uses in oil and gas exploration, mining, or forestry. For purposes of this subdivision, equipment is mobile if it is not intended to be permanently affixed to real property for its intended use and can be moved among worksites. Qualified heavy equipment rental personal property includes, but is not limited to, any of the following:

(*i*) A self-propelled vehicle that is not designed to be driven on the highway.

(*ii*) Industrial electrical generation equipment.

(*iii*) Industrial lift equipment.

(*iv*) Industrial material handling equipment.

(*v*) Industrial portable heating, ventilation, and air conditioning equipment.

(*vi*) Industrial compressors, generators, or pumps.

(*vii*) Equipment used in shoring, shielding, and ground trenching.

(*viii*) Equipment or vehicles not subject to titling under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(*ix*) Portable containers or office trailers.

(*x*) Equipment used to support a construction or industrial jobsite.

(g) "Qualified renter" means a person that meets all of the following:

(*i*) Is engaged in a line of business described in Code 532412 or 532310 of the North American Industry Classification System published by the United States Census Bureau, 2017 edition.

(*ii*) Maintains in this state a qualified renter business location.

(*iii*) Receives more than 50% of its annual gross receipts from the rental of qualified heavy equipment rental personal property to the public or has an affiliate that receives more than 50% of the affiliate's annual gross receipts from the rental of qualified heavy equipment rental personal property to the public.

(h) "Qualified renter business location" means the location within a local assessing unit where qualified heavy equipment rental personal property for which an exemption is claimed under this section is kept when it is not rented to a customer.

(i) "Rent" or "rental" means entering into an agreement for the use of property in exchange for consideration for a term of less than 365 consecutive days, or under an open-ended contract.

History: Add. 2022, Act 46, Imd. Eff. Mar. 23, 2022.

Popular name: Act 206

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ASSESSMENT.

211.10 Annual assessment of property.

Sec. 10. (1) An assessment of all the property in the state liable to taxation shall be made annually in all townships, villages, and cities by the applicable assessing officer as provided in section 3 of article IX of the state constitution of 1963 and section 27a.

(2) Notwithstanding any provision to the contrary in the act of incorporation or charter of a village, an assessment for village taxes shall be identical to the assessment made by the applicable assessing officer of the township in which the village is located, and tax statements shall set forth clearly the state equalized value and the taxable value of the individual properties in the village upon which authorized millages are levied.

(3) If a nonresident of the taxing unit requests in writing information regarding the assessment of his or her property, the supervisor or assessing officer shall reply to the request within a reasonable length of time.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3833;—CL 1915, 4004;—CL 1929, 3398;—CL 1948, 211.10;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1966, Act 288, Imd. Eff. July 12, 1966;—Am. 1991, Act 15, Imd. Eff. May 1, 1991;—Am. 1991, Act 135, Imd. Eff. Nov. 12, 1991;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994.

Popular name: Act 206

211.10a Assessment rolls and appraisal cards; inspection and copying.

Sec. 10a. All property assessment rolls and property appraisal cards shall be available for inspection and copying during the customary business hours.

History: Add. 1973, Act 177, Imd. Eff. Dec. 28, 1973.

Compiler's note: Former MCL 211.10a, which made subject to taxation certain realty acquired by department of conservation and provided for assessment and payment of taxes thereon, was repealed by Act 182 of 1954.

Popular name: Act 206

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211.10b Repealed. 1954, Act 118, Eff. Aug. 13, 1954.

Compiler's note: The repealed section provided that state land in Crawford county would be subject to taxation, and provided for payment of taxes by state military board.

Popular name: Act 206

211.10c State assessor's board; creation; appointment, qualifications, and terms of members; expenses; training courses; examinations; conducting business at public meeting; notice; writings available to public.

Sec. 10c. (1) As used in this section and section 10d, "board" means the state assessor's board created by this section. It shall consist of 5 members. The members of the board shall be appointed by the governor and shall be composed of 1 member representing the state tax commission, 1 member representing the township supervisors, 1 member representing the assessors, 1 member representing the county equalization directors, and 1 member representing the public colleges and universities of the state. The members shall serve at the pleasure of the governor. A member of the board shall not receive compensation but shall be entitled to actual expenses while in the performance of official duties. The board shall conduct training courses in assessment practices and review and approve courses in assessment practices offered by schools and colleges and universities as well as courses that are offered by a state or local unit of government in the techniques and practices of assessments. The board shall prepare and give examinations to determine if assessing officers possess the necessary qualifications for performing the functions of his or her office.

(2) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(3) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: Add. 1969, Act 203, Eff. Mar. 20, 1970;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978.

Popular name: Act 206

211.10d Annual assessment by certified assessor; training or test; establishment and supervision of school of assessment practices; examination; conditional 6-month certification; certification upon completion of qualifications; assessment if certified assessor unavailable; cost of preparing rolls; certification of assessment roll; cost of training; misdemeanor; rules; certification of director of county tax or equalization department; conditional extensions; vacancy.

Sec. 10d. (1) The annual assessment of property shall be made by an assessor who has been certified as qualified by the state tax commission as having successfully completed training in a school of assessment practices or by the passage of a test approved by the state tax commission and conducted by the state tax commission or an agency approved by the state tax commission that will enable the individual to properly discharge the functions of the office. The school shall be established by an approved educational institution in conjunction with the state tax commission and be supervised by the state tax commission and its agents and employees. The state tax commission may determine that a director of a county tax or equalization department or an assessor who has not received the training possesses the necessary qualifications for performing the functions of the office by the passage of an approved examination.

(2) The state tax commission may also grant a conditional 6-month certification to a newly elected assessing officer or an assessing officer appointed to fill an unexpired term if all of the following criteria are met:

(a) The newly elected or appointed assessing officer applies for certification and pays the required filing fee.

(b) The governing body of the assessing district requests the state tax commission to conditionally certify the newly elected or appointed assessing officer.

(c) The newly elected or appointed assessing officer or the governing body of the assessing district submits a statement outlining the course of training he or she plans to pursue.

(d) The period of time for which the conditional certification is requested does not exceed 6 months after the date that he or she assumes office.

(3) Conditional certification under subsection (2) shall not be granted for any assessing district more than once in 4 years.

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(4) Conditional certification under subsection (2) shall only be granted to a newly elected or appointed assessing officer in an assessing district that does not exceed a total state equalized valuation of $125,000,000.00.

(5) Upon presentation of evidence of the successful completion of the qualifications, the assessor shall be certified as qualified by the state tax commission.

(6) An assessing district that does not have an assessor qualified by certification of the state tax commission may employ an assessor so qualified. If an assessing district does not have an assessor qualified by certification of the state tax commission, and has not employed a certified assessor, the assessment shall be made by the county tax or equalization department or the state tax commission and the cost of preparing the rolls shall be charged to the assessing district.

(7) Every lawful assessment roll shall have a certificate attached signed by the certified assessor who prepared or supervised the preparation of the roll. A village that is located in more than 1 assessing district may, in a form and manner prescribed by the state tax commission, request state tax commission approval that the assessment of property within the village be combined with the assessment of property in 1 of those assessing districts. A certificate attached to an assessment roll pursuant to this subsection shall be in the form prescribed by the state tax commission. If after completing the assessment roll the certified assessor for the assessing district dies or otherwise becomes incapable of certifying the assessment roll, the director of the county tax or equalization department or the state tax commission shall certify the completed assessment roll at no cost to the assessing district.

(8) The assessing district shall assume the cost of training, if a certification is awarded, to the extent of course fees and recognized travel expenditures.

(9) An assessor who certifies an assessment roll over which he or she did not have direct supervision is guilty of a misdemeanor.

(10) The state tax commission shall promulgate rules for the issuance or revocation of certification.

(11) The director of a county tax or equalization department required by section 34 of this act shall be certified by the state tax commission at the level determined to be necessary by the state tax commission before being appointed by the county board of commissioners pursuant to section 34 or before performing or, after March 29, 1985, continuing to perform, the functions of the director of a county tax or equalization department. The state tax commission may grant a conditional extension of 12 months to an individual who is serving as the director of a county tax or equalization department on March 29, 1985 if all of the following conditions are satisfied:

(a) At the time of applying for certification the individual is currently certified at not less than 1 level below the level required by the state tax commission for that county.

(b) The individual applies for certification and pays the required fee.

(c) The county board of commissioners requests the state tax commission to grant the extension.

(d) The individual submits a statement to the state tax commission outlining the course of study he or she intends to pursue to obtain certification.

(12) The state tax commission may grant an additional 6-month extension to the conditional extension described in subsection (11) if the extension is requested by the county board of commissioners and the applicant demonstrates satisfactory progress in the course of study outlined to the state tax commission under subsection (11). In a county in which a vacancy has been created in the position of director of a county tax or equalization department and in which the position was previously filled by an individual certified at the level required by the state tax commission pursuant to this subsection, an individual certified at 1 level below the level required by the state tax commission pursuant to this subsection may serve in the position for 12 months after the vacancy has been created.

History: Add. 1969, Act 203, Eff. Mar. 20, 1970;—Am. 1972, Act 243, Imd. Eff. Aug. 3, 1972;—Am. 1979, Act 205, Imd. Eff. Jan. 8, 1980;—Am. 1980, Act 456, Imd. Eff. Jan. 15, 1981;—Am. 1984, Act 19, Eff. Mar. 29, 1985;—Am. 2018, Act 660, Imd. Eff. Dec. 28, 2018.

Compiler's note: Enacting section 1 of Act 660 of 2018 provides:

"Enacting section 1. It is the intent of the legislature to appropriate sufficient money to address start-up and training costs associated with this amendatory act, including, but not limited to, necessary costs incurred to train board of review members, increase the number of assessors qualified to serve as assessors of record, facilitate initial designated assessor designations, respond to assessor requests for technical assistance, enhance staff and programming within the state tax commission to improve technical support for assessors of record, and transition some assessment services to designated assessors."

Popular name: Act 206

Administrative rules: R 211.401 et seq. of the Michigan Administrative Code.

211.10e Use of official assessor's manual or any manual approved by state tax commission; records.

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Sec. 10e. All assessing officials whose duty it is to assess real or personal property on which real or personal property taxes are levied by any taxing unit of the state shall use only the official assessor's manual or a manual approved by the state tax commission consistent with the official assessor's manual, with their latest supplements, as prepared or approved by the state tax commission as a guide in preparing assessments. Beginning with the tax assessing year 1978, all assessing officials shall maintain records relevant to the assessments, including appraisal record cards, personal property records, historical assessment data, tax maps, and, through calendar year 2018, land value maps, consistent with standards set forth in the assessor's manual published by the state tax commission.

History: Add. 1986, Act 223, Imd. Eff. Sept. 25, 1986;—Am. 2018, Act 660, Imd. Eff. Dec. 28, 2018.

Compiler's note: Enacting section 1 of Act 660 of 2018 provides:

"Enacting section 1. It is the intent of the legislature to appropriate sufficient money to address start-up and training costs associated with this amendatory act, including, but not limited to, necessary costs incurred to train board of review members, increase the number of assessors qualified to serve as assessors of record, facilitate initial designated assessor designations, respond to assessor requests for technical assistance, enhance staff and programming within the state tax commission to improve technical support for assessors of record, and transition some assessment services to designated assessors."

Popular name: Act 206

211.10f Preparation of certified assessment roll; costs; quality of tax maps and appraisal records; levy of interim taxes; substitution of latest complete assessment roll; effect and labeling of interim tax levy; notice of new assessment; petition for hearing; contents of notice; final levy; reporting difference in tax; sharing additional taxes or credits against tax liability; technical assistance; certified copy of orders; copy of final determination.

Sec. 10f. (1) If a local assessing district does not have an assessment roll that has been certified by a qualified certified assessing officer, or if a certified assessor or a board of review for a local tax collecting unit is not in substantial compliance with the provisions of this act, the state tax commission shall assume jurisdiction over the assessment roll and provide for the preparation of a certified roll. The commission may order the county tax or equalization department to prepare the roll; may provide for the use of state employees to prepare the roll; or may order the local assessing unit to contract with a commercial appraisal firm to conduct an appraisal of the property in the assessing unit under the supervision of the county tax or equalization department and the commission. The costs of an appraisal and the preparation of the roll by the county tax or equalization department or by the commission shall be paid by the local assessing district as provided by section 10d. The commission shall consider the quality of the tax maps and appraisal records required by section 10e as part of its investigation of the facts before ordering the local assessing unit to contract for an appraisal.

(2) If a certified assessment roll cannot be provided in sufficient time for a summer tax levy, or for the annual levy on December 1, the commission shall order the levy of interim taxes based on the tentative taxable value of individual properties as determined by the commission. Tentative taxable values shall be calculated pursuant to section 27a. State equalized values necessary to determine tentative taxable values shall be determined by the commission, sitting as the state board of equalization, apportioned to the local assessing unit by the county board of commissioners, and apportioned to each property in proportion to the assessed valuation entered in the current uncertified assessment roll. If there is no current assessment roll, the commission shall substitute the latest complete assessment roll for the current roll for the interim tax levy. The payment of a tax levied as an interim tax levy does not constitute a final and ultimate discharge of the taxpayer's liability for the tax levied against that property. An interim tax levy made under this subsection shall be clearly labeled as an "interim tax levy subject to adjustment after an assessment roll is certified".

(3) Within 30 days after the final determination by the commission of the assessed valuation and taxable value for each individual property listed on the assessment roll, the commission shall cause to be mailed a notice of the new assessment and new taxable value to each owner. An owner has the right to petition the tax tribunal directly for a hearing on the assessed valuation or taxable value within 30 days after the date of the notice in the same manner as provided under section 35 of the tax tribunal act, Act No. 186 of the Public Acts of 1973, being section 205.735 of the Michigan Compiled Laws. The notice shall specify each parcel of property, the assessed valuation for the current year, the assessed valuation for the immediately preceding year, the tentative taxable value for the current year, the taxable value for the immediately preceding year, the state equalized valuation for the immediately preceding year, the tentative state equalized valuation for the current year, the net change in the assessed valuation, the net change in the tentative taxable value, and the net change between the tentative state equalized valuation for the current year and the state equalized valuation for the immediately preceding year. The notice shall include a statement informing the owner that an appeal of the assessment or taxable value must be made within 30 days of the date of the assessment notice directly

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to the tax tribunal and shall also include information on how and where an appeal can be made.

(4) After the final determination of the state equalized valuations and taxable values by the commission, the assessing officer or, if there is no assessing officer, an agent designated by the commission shall determine the difference in tax, if any, between the interim levy and a levy made on the final taxable values as finally determined by the commission, which may be referred to as the "final levy". The final levy shall be at the rates that were approved and ordered spread for the year in which there was not a certified assessment roll.

(5) A difference in the tax determined in subsection (4) shall be reported to the county board of commissioners, which shall order that additional taxes or credits against individual properties be added to or subtracted from the next succeeding annual tax roll, together with a proportionate share of the property tax administration fee, if a fee is charged, applicable to the difference.

(6) Additional taxes collected or credits against the tax liability made under this section shall be shared by taxing units in the respective proportions that they share the revenue received from the final levy.

(7) The commission shall render technical assistance if necessary to implement this section.

(8) The commission shall provide the tax tribunal with a certified copy of its orders and a copy of each final determination made under this section.

History: Add. 1986, Act 223, Imd. Eff. Sept. 25, 1986;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996.

Popular name: Act 206

211.10g Audit program; audit of assessing districts; notice of noncompliance; corrective action plan; written petition to challenge determination; designated assessor; costs; definitions.

Sec. 10g. (1) Pursuant to subsection (2), on and after December 31, 2021, the state tax commission shall audit the assessing districts in this state to determine if they do all of the following:

(a) Employ or contract with an assessor of record that oversees and administers an annual assessment of all property liable to taxation in the assessing district, as provided in section 10, in accordance with the constitution and laws of this state. For an assessing district that amends its corrective action plan pursuant to subsection (3)(c), its assessor of record must be an advanced assessing officer or a master assessing officer.

(b) Use a computer-assisted mass appraisal system that is approved by the state tax commission as having sufficient software capabilities to meet the requirements of this act and to store and back up necessary data.

(c) Subject to state tax commission guidelines, have and follow a published policy under which its assessor's office is reasonably accessible to taxpayers. A policy under this subdivision must include, at a minimum, the items in subparagraphs (*i*) to (*iv*) and should include the item in subparagraph (*v*) as follows:

(*i*) A designation, by name, telephone number, and electronic mail address, of at least 1 official or employee in the assessor's office to whom taxpayer inquiries may be submitted directly by telephone or electronic mail.

(*ii*) An estimated response time for taxpayer inquiries submitted under subparagraph (*i*), not to exceed 7 business days.

(*iii*) Information about how a taxpayer may arrange a meeting with an official or employee of the assessor's office for purposes of discussing an inquiry in person.

(*iv*) Information about how requests for inspection or production of records maintained by the assessor's office should be made by a taxpayer and how those requests will be handled by the assessor's office.

(*v*) Information about any process that the assessor's office may have to informally hear and resolve disputes brought by taxpayers before the March meeting of the board of review.

(d) If a city or township building within the assessing district is in an area with broadband internet access, provide taxpayers online access to information regarding its assessment services, including, but not limited to, parcel information, land value studies and documentation, and economic condition factors. As used in this subdivision, "area with broadband internet access" means an area determined by the connect Michigan broadband service industry survey to be served by fixed terrestrial service with advertised speeds of at least 25 megabits per second downstream and 3 megabits per second upstream in the most recent survey available.

(e) Include the contact information described in subdivision (c)(*i*) in notices to taxpayers concerning assessment changes and exemption determinations, including, but not limited to, notices issued under section 24c.

(f) Ensure that its support staff is sufficiently trained to respond to taxpayer inquiries, require that its assessors maintain their certification levels, and require that its board of review members receive board of review training and updates required and approved by the state tax commission.

(g) Comply with section 44(4) with respect to any property tax administration fee collected under section 44.

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(h) Have all of the following:

(*i*) Properly developed and documented land values.

(*ii*) An assessment database for which not more than 1% of parcels are in override.

(*iii*) Properly developed and documented economic condition factors.

(*iv*) An annual personal property canvass and sufficient personal property records according to developed policy and statutory requirements.

(*v*) A board of review that operates in accordance with this act.

(*vi*) An adequate process for determining whether to grant or deny exemptions according to statutory requirements.

(*vii*) An adequate process for meeting the requirements outlined in the state tax commission's publication entitled, "Supervising Preparation of the Assessment Roll", as those requirements existed on October 1, 2018.

(i) Comply with any other requirement that the state tax commission lawfully promulgates under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, in the exercise of its authority under this act that expressly states that it is intended as an additional requirement under this subsection.

(2) The state tax commission shall develop and implement an audit program to determine whether an assessing district is in substantial compliance with the requirements in subsection (1). If, after December 31, 2021, the state tax commission determines that an assessing district is not in substantial compliance with the requirements in subsection (1), the state tax commission may initiate the process described in subsection (3) to ensure that the assessing district achieves and maintains substantial compliance with those requirements.

(3) The state tax commission shall develop and implement a process to ensure that all assessing districts in the state achieve and maintain substantial compliance with the requirements in subsection (1). At a minimum, that process shall include all of the following actions and procedures:

(a) If the state tax commission determines that an assessing district is not in substantial compliance with the requirements in subsection (1) and elects to initiate the process described in this subsection, the commission shall provide the assessing district with a notice of noncompliance setting forth the reasons the assessing district is not in substantial compliance with the requirements in subsection (1) and requesting that the assessing district develop a corrective action plan approved by its governing body to address those deficiencies. Except as otherwise provided in subdivision (g), an assessing district shall file a corrective action plan requested under this subdivision with the state tax commission within 60 days after receipt of the notice of noncompliance. The state tax commission shall approve a corrective action plan filed under this subdivision or request changes to the plan within 60 days after filing.

(b) No earlier than May 1 and no later than September 1 of the calendar year immediately following the year of the notice described in subdivision (a), or, in the case of a corrective action plan approved by the state tax commission that extends beyond 1 year, no earlier than May 1 and no later than September 1 of the calendar year that is the second calendar year following the year of the notice described in subdivision (a), the state tax commission shall conduct an initial follow-up review with the assessing district and, within 90 days following that review, provide the district with an evaluation of its progress in implementing its corrective action plan and a notice of substantial compliance or noncompliance with the requirements in subsection (1).

(c) Except as otherwise provided in subdivisions (g) and (i), an assessing district that has received a notice of noncompliance as part of an initial follow-up review under subdivision (b) shall elect to either contract with the designated assessor for the county to serve as the district's assessor of record or amend its corrective action plan with the approval of the state tax commission to provide that the assessing district will employ or contract with a new assessor of record, who shall be an advanced assessing officer or a master assessing officer, to achieve and maintain substantial compliance with the requirements in subsection (1).

(d) If an assessing district amends its corrective action plan pursuant to subdivision (c), no earlier than May 1 and no later than September 1 of the following calendar year, the state tax commission shall conduct a second follow-up review with the assessing district and, within 90 days following that review, provide the district with an evaluation of its progress in implementing its corrective action plan and a notice of substantial compliance or noncompliance with the requirements in subsection (1).

(e) If the state tax commission, pursuant to subdivision (b) or (d), provides an assessing district a notice of substantial compliance with the requirements in subsection (1), no further follow-up reviews are required under this subsection.

(f) Except as otherwise provided in subdivision (g), if the state tax commission provides an assessing district a notice of noncompliance pursuant to a second follow-up review under subdivision (d) or notifies an assessing district that it has fallen out of substantial compliance less than 5 calendar years after the calendar year a notice of substantial compliance was issued under this subsection, the state tax commission may require the assessing district to contract with the designated assessor for the county to serve as the district's assessor of record. If the state tax commission notifies an assessing district that it has fallen out of substantial

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compliance with the requirements in subsection (1) more than 4 calendar years after the calendar year a notice of substantial compliance was issued, that notice of noncompliance shall be treated as an initial determination of noncompliance under this subsection.

(g) Within 30 days after receiving a notice of noncompliance under subdivisions (a), (b), (d), or (f), an assessing district may file a written petition with the state tax commission challenging the determination. The state tax commission shall arbitrate the dispute based on the documented facts supporting the notice of noncompliance and the information contained in the written petition and may request additional information as needed from the assessing district. If a petition is properly filed under this subdivision, the requirements applicable to an assessing district under subdivisions (a), (c), and (f) do not apply until the state tax commission notifies the assessing district of the results of the arbitration. With respect to the corrective action plan filing requirement in subdivision (a), the 60-day window for filing the plan will run from the date of this notice.

(h) Unless earlier times are agreed to by the state tax commission and the designated assessor, an assessing district that is under contract with a designated assessor under this subsection may petition the state tax commission no sooner than 3 years after commencement of the contract to end its contract with the designated assessor and may subsequently terminate the contract, subject to state tax commission approval, no sooner than 5 years after commencement of the contract. The state tax commission shall approve termination of a contract under this subdivision if it determines that the assessing district can achieve and maintain substantial compliance with the requirements in subsection (1) using a different assessor of record.

(i) Notwithstanding any other provision of this subsection, the state tax commission may immediately require an assessing district to contract with the designated assessor for the county to serve as the district's assessor of record if after the expiration of 90 days following a second notice of noncompliance under subdivision (b) or the issuance of a notice of arbitration results under subdivision (g), whichever is later, the assessing district has not either contracted with the designated assessor for the county or employed or contracted with a new assessor of record pursuant to subdivision (c) or if both of the following apply:

(*i*) The assessing district has failed to file an acceptable corrective action plan with the state tax commission under subdivision (a) within 180 days following an initial notice of noncompliance under subdivision (a) or has failed to make a good-faith effort to implement a corrective action plan approved by the state tax commission under subdivision (a) within 240 days following an initial notice of noncompliance under subdivision (a).

(*ii*) The failure is likely to result in assumption of the assessing district's assessment roll.

(j) A designated assessor may charge an assessing district that is required to contract with the designated assessor under this subsection, and that assessing district shall pay, for the reasonable costs incurred by the designated assessor in serving as the assessing district's assessor of record, including, but not limited to, the costs of overseeing and administering the annual assessment, preparing and defending the assessment roll, and operating the assessing office. The state tax commission shall develop guidelines, which, at a minimum, shall provide for the ability of an assessing district to protest a charge to the state tax commission and the ability of the state tax commission to resolve disputes between the designated assessor and the assessing district regarding costs and charges.

(k) A designated assessor is a local assessing unit for purposes of the provisions in section 44 concerning the division and use of any collected property tax administration fees.

(4) Beginning December 31, 2020, every county shall have a designated assessor on file with the state tax commission, subject to all of the following:

(a) Subject to subdivision (d), to designate an assessor as a designated assessor, a county shall provide the state tax commission with an interlocal agreement that designates an individual who will serve as the county's designated assessor and shall petition the state tax commission to approve of the individual as the designated assessor for that county. The interlocal agreement must be executed by the board of commissioners for that county, a majority of the assessing districts in that county, and the individual put forth as the proposed designated assessor. For purposes of this subdivision and subsection (5)(d), an assessing district is considered to be in the county where all of, or in the case of an assessing district that has state equalized value in multiple counties, the largest share of, that assessing district's state equalized value is located.

(b) Except as otherwise provided in subdivision (d), if the state tax commission determines that an individual named in a petition submitted under subdivision (a) is capable of ensuring that contracting assessing districts achieve and maintain substantial compliance with the requirements in subsection (1), it shall approve the petition.

(c) Except as otherwise provided in subdivision (d), if the state tax commission determines that an individual named in a petition submitted under subdivision (a) is not capable of ensuring that contracting assessing districts achieve and maintain substantial compliance with the requirements in subsection (1), it

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shall reject the petition and request the submission of additional interlocal agreements under subdivision (a) until a suitable assessor has been presented.

(d) Except as otherwise provided in subdivision (e), an approved designated assessor designation shall not be revoked and no new designation shall be made under subdivision (a) earlier than 5 years following the date of the approved designation.

(e) The state tax commission may designate and approve, on an interim basis and pursuant to a formal agreement, an individual to serve as a county's designated assessor and, if applicable, revoke the approved designation of the current designated assessor under the following circumstances and subject to the following time limit:

(*i*) If the designated assessor dies or becomes incapacitated.

(*ii*) If the designated assessor was designated and approved based on his or her employment status and that status materially changes.

(*iii*) If it determines at any time that the designated assessor is not capable of ensuring that contracting assessing districts achieve and maintain substantial compliance with the requirements in subsection (1).

(*iv*) If, as of December 31, 2020, it has not been provided an interlocal agreement, executed as provided in subdivision (a), that presents a suitable individual to serve as the county's designated assessor.

(*v*) An approved designation under this subdivision is effective only until a new assessor has been designated and approved under subdivisions (a) to (c).

(5) As used in this section:

(a) "Advanced assessing officer" means an individual certified by the state tax commission pursuant to section 10d as a Michigan Advanced Assessing Officer(3) or, if the state tax commission changes its certification designations, an individual certified by the state tax commission to perform functions equivalent in scope, as determined by the state tax commission, to those that previously could have been performed by a Michigan Advanced Assessing Officer(3).

(b) "Assessing district" means a city, township, or joint assessing authority.

(c) "Corrective action plan" means a plan developed by an assessing district that specifically indicates how the assessing district will achieve substantial compliance with the requirements in subsection (1) and when substantial compliance will be achieved.

(d) "Designated assessor" means an individual designated and approved, as provided in subsection (4), to serve a county as the assessor of record for the assessing districts in that county that are required to contract with a designated assessor pursuant to the process specified in subsection (3).

(e) "Master assessing officer" means an individual certified by the state tax commission pursuant to section 10d as a Michigan Master Assessing Officer(4) or, if the state tax commission changes its certification designations, an individual certified by the state tax commission to perform functions equivalent in scope, as determined by the state tax commission, to those that previously could have been performed by a Michigan Master Assessing Officer(4).

(f) "Noncompliance" means that the identified deficiencies, taken together, pose a significant risk that the assessing district is unable to perform the assessing function in conformity with the state constitution and state statute. It is the opposite of substantial compliance and shall be determined based on a holistic evaluation of compliance with the requirements in subsection (1), taking into account the anticipated overall impact of the deficiencies on the assessing district's ability to perform the assessment function. A finding of noncompliance shall not be based on isolated technical deficiencies.

(g) "Substantial compliance" means that any identified deficiencies do not pose a significant risk that the assessing district is unable to perform the assessment function in conformity with the state constitution and state statute. It is the opposite of noncompliance.

(6) Not later than 2 years after the effective date of the amendatory act that added this section, the state tax commission shall adopt and publish guidelines to implement this section. The guidelines shall include, at a minimum, minimum standards and model policies to be followed for substantial compliance with the requirements of subsection (1) and shall identify those deficiencies that may lead to a finding of noncompliance and those deficiencies that are technical. The state tax commission may update the guidelines as needed to implement this section.

History: Add. 2018, Act 660, Imd. Eff. Dec. 28, 2018.

Compiler's note: Enacting section 1 of Act 660 of 2018 provides:

"Enacting section 1. It is the intent of the legislature to appropriate sufficient money to address start-up and training costs associated with this amendatory act, including, but not limited to, necessary costs incurred to train board of review members, increase the number of assessors qualified to serve as assessors of record, facilitate initial designated assessor designations, respond to assessor requests for technical assistance, enhance staff and programming within the state tax commission to improve technical support for assessors of record, and transition some assessment services to designated assessors."

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Popular name: Act 206

211.11 Corporate property; situs; exemptions.

Sec. 11. All corporate real and tangible personal property, except where some other provision is made by law, shall be assessed to the corporation as to a natural person, in the name of the corporation. The place where its office is located in its articles of incorporation shall be deemed its residence if its business is actually transacted at such office; but if it shall establish its principal office in any other place than the place named in its articles of incorporation, then the place where it transacts its principal business shall be deemed its residence for all the purposes of this act. If there is no principal office in this state, then at the place in this state where such corporation or agent transacts business. The property of corporations paying specific taxes shall be exempt as to the property covered by such taxation, except when otherwise provided by law. All other real and tangible personal property of such corporation shall be taxed under this act.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 229, Imd. Eff. May 31, 1895;—CL 1897, 3834;—Am. 1903, Act 235, Eff. Sept. 17, 1903;—CL 1915, 4005;—CL 1929, 3399;—CL 1948, 211.11;—Am. 1965, Act 109, Imd. Eff. June 30, 1965.

Popular name: Act 206

211.12 Copartnership property; taxable situs; liability of each partner.

Sec. 12. For the purpose of assessing property and collecting taxes, a copartnership shall be treated as an individual, and whenever the name of the owner or occupant of property is required to be entered upon the assessment roll, if such property is owned or occupied by a copartnership, the firm name shall be used. A copartnership shall be deemed to reside in the township, where its business is principally carried on. Each partner shall be liable for the whole tax.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3835;—CL 1915, 4006;—CL 1929, 3400;—CL 1948, 211.12.

Popular name: Act 206

211.13 Personal property; taxable situs; persons assessable; assessment roll preparation.

Sec. 13. (1) All tangible personal property, except as otherwise provided in this act, shall be assessed to the owner of that tangible personal property, if known, in the local tax collecting unit in which the tangible personal property is located on tax day as provided in section 2. If the owner is not known and a person is beneficially entitled to tangible personal property or has possession of tangible personal property, the tangible personal property shall be assessed to that person. However, a person with only a security interest and no ownership interest in tangible personal property without possession shall not be assessed as an owner of that tangible personal property.

(2) If tangible personal property is assessed to a person in possession of that tangible personal property, that person, unless contrary to a contractual provision, has a right of action for the amount of the taxes assessed against the owner or person beneficially entitled to that tangible personal property.

(3) An assessing officer is not restricted to any particular period in preparing the assessment roll and may survey, examine, or review property at any time prior to or after the tax day as provided in section 2.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3836;—CL 1915, 4007;—CL 1929, 3401;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.13;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1954, Act 122, Imd. Eff. Apr. 19, 1954;—Am. 1958, Act 209, Eff. Sept. 13, 1958;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1966, Act 288, Imd. Eff. July 12, 1966;—Am. 1967, Act 136, Eff. Nov. 2, 1967;—Am. 1998, Act 537, Imd. Eff. Jan. 19, 1999.

Constitutionality: So long as each taxpayer with inventories in the assessing district has the same right of election and is taxed at the same rate after election, this section withstands the tests of constitutionality. Ford Motor Company v Michigan State Tax Commission, 400 Mich 499; 255 NW2d 608 (1977).

Popular name: Act 206

211.14 Personal property; taxable situs.

Sec. 14. (1) All goods and chattels located in a local tax collecting unit other than that in which the owner of the goods or chattels resides shall be assessed in the local tax collecting unit in which the goods or chattels are located.

(2) All animals kept throughout the year in a local tax collecting unit other than that in which the owner of the animals resides shall be assessed to the owner or the person in possession of the animals in the local tax collecting unit in which the animals are kept.

(3) The tangible personal property of minors under guardianship shall be assessed to the guardian in the local tax collecting unit in which the guardian resides, and the personal property of any other person under guardianship shall be assessed to the guardian in the local tax collecting unit in which the ward resides.

(4) Tangible personal property belonging to the estate of a deceased person, in the hands of the executors, administrators, or trustees appointed under the last will and testament of the deceased person, or by order of

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any court of competent jurisdiction, shall be assessed to the executors, administrators, or trustees in the local tax collecting unit and in the school district in which the deceased person resided, until the executors, administrators, or trustees give notice to the appropriate assessing officer that the estate has been distributed. If the deceased person was a nonresident of this state, the property shall be assessed in the local tax collecting unit in which it is located, to the executors, administrators, or trustees or to the person in possession of the property.

(5) Tangible personal property under the control of a trustee or agent, whether a corporation or a natural person, may be assessed to the trustee or agent in the local tax collecting unit in which the trustee or agent resides, except as otherwise provided. Personal property mortgaged or pledged is considered the property of the person in possession of that personal property and may be assessed to that person. Personal property not otherwise taxed under this act that is in the possession of any person, firm, or corporation using that property in connection with a business conducted for profit is considered the property of that person, firm, or corporation for taxation and shall be assessed to that person, firm, or corporation.

(6) For taxes levied before January 1, 2003, a building situated upon real property of the United States or of this state, or upon the real property of any person, firm, association, or corporation if the owner of the building is not the owner of the fee title to that real property, and if the value of the real property is not assessed to the owner of the building, shall be assessed as personal property to the owner or occupant of the building in the local tax collecting unit in which the real property is located. The building is subject to sale for taxes in the same manner as provided for the sale of personal property. It is not necessary to remove a building for the purpose of sale. For taxes levied after December 31, 2002, buildings and improvements, except buildings and improvements exempt under section 9f or improvements assessable under section 8(h), located upon real property of the United States or of this state, or upon the real property of any person, firm, association, or corporation if the owner of the building is not the owner of the fee title to that real property is considered real property for the purposes of taxation and assessment, and shall be assessed as real property under section 2 to the owner or occupant of the building in the local tax collecting unit in which the buildings are located if the value of the building is not otherwise included in the assessment of the real property. For taxes levied after December 31, 2001, buildings and improvements exempt under section 9f that are located upon the real property of the United States or of this state, or upon the real property of any person, firm, association, or corporation if the owner of the building is not the owner of the fee title to that real property shall be assessed as personal property to the owner or occupant of the building in the local tax collecting unit in which the real property is located.

(7) Tangible personal property of nonresidents of this state and all forest products, owned by residents or nonresidents, or estates of deceased persons, shall be assessed in the local tax collecting unit in which the tangible personal property or forest products are located, to the person or corporation in control of the premises, store, mill, dockyard, piling ground, place of storage, or warehouse where the tangible personal property or forest products are located, on December 31. If tangible personal property or forest products are in transit to a local tax collecting unit within this state, the tangible personal property or forest products shall be assessed in that local tax collecting unit. If tangible personal property or forest products are in transit to some place without this state, the tangible personal property or forest products shall be assessed at the local tax collecting unit in this state nearest to the last boom or sorting gap of the stream in or bordering on this state in which the tangible personal property or forest products will naturally be last floated during transit, and if the transit of the tangible personal property or forest products is to be other than through any watercourse in or bordering on this state, then the assessment shall be made in the local tax collecting unit at the point at which the tangible personal property or forest products will naturally leave this state in the ordinary course of transit. The tangible personal property or forest products in transit to any place without this state shall be assessed to the owner or the person or corporation in possession or control of the tangible personal property or forest products. If the transit of the tangible personal property or forest products will pass through the booms or sorting gaps or into the places of storage of any person or corporation operating upon any stream, then the tangible personal property or forest products may be assessed to that person or corporation. A person or corporation assessed for any tangible personal property or forest products belonging to a nonresident of this state is entitled to recover from the owner of the tangible personal property or forest products by a suit in attachment, garnishment, or for money had and received, any amount that the person or corporation assessed is compelled to pay because of the assessment, shall have a lien upon the tangible personal property or forest products as a security against loss or damage because of being assessed for the tangible personal property or forest products of another, and may retain possession of the tangible personal property or forest products until that lien is satisfied. A person or corporation assessed is not compelled to pay taxes on account of that assessment unless the appropriate assessing officer, at the time of assessment, serves notice in writing on the person or corporation in control of the premises, store, mill, dockyard, piling ground, place of storage, or

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warehouse that the assessment will be made. An owner or person interested in the tangible personal property or forest products may secure the release of the tangible personal property or forest products from that lien by giving to the person or corporation assessed a bond in an amount double the probable tax to be assessed on the tangible personal property or forest products, but not less than $200.00, with 2 sufficient sureties, conditioned for the payment of the tax by the owner or person interested and the saving of the person or corporation assessed from payment of the assessment and from costs, damages, and expenses on account of nonpayment, which bond as to amount and sufficiency of sureties shall be approved by the county clerk of the county in which the assessment is made.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3837;—Am. 1899, Act 32, Imd. Eff. Apr. 8, 1899;—Am. 1907, Act 129, Eff. Sept. 28, 1907;—Am. 1911, Act 182, Eff. Aug. 1, 1911;—CL 1915, 4008;—Am. 1923, Act 163, Eff. Aug. 30, 1923;—Am. 1927, Act 328, Eff. Sept. 5, 1927;—CL 1929, 3402;—Am. 1943, Act 231, Imd. Eff. Apr. 20, 1943;—CL 1948, 211.14;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1958, Act 209, Eff. Sept. 13, 1958;—Am. 1959, Act 266, Eff. Mar. 19, 1960;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 2000, Act 415, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.14a Assessment of property in alternate location due to COVID-19 pandemic; definitions.

Sec. 14a. Notwithstanding any provision of this act to the contrary, including any provision to the contrary in section 13(1) or 14(1), for the 2021 and 2022 tax years only, personal property, including exempt personal property, that is located on tax day in an alternate location due to the COVID-19 pandemic must not be assessed in that alternate location but instead must be assessed in its ordinary location. As used in this section:

(a) "Alternate location" means the geographic area of a local tax collecting unit in this state that is not the ordinary location of an item of personal property but is the location to which the property was moved due to the COVID-19 pandemic.

(b) "Exempt personal property" means personal property exempt from the collection of taxes under this act, including personal property exempt under sections 7 to 7xx and sections 9 to 9o.

(c) "Ordinary location" means the geographic area of a local tax collecting unit in this state where an item of personal property would have been located for its primary use but for the need to move it to an alternate location due to the COVID-19 pandemic. For purposes of this subdivision, evidence of the ordinary location of personal property includes, but is not limited to, either or both of the following:

(*i*) A business location of the owner or other person beneficially entitled to the property or in possession of it, as described in section 13(1), where the property usually is deployed under conditions unaffected by the COVID-19 pandemic.

(*ii*) If the property was located in the geographic area of a local tax collecting unit in this state on December 31, 2019, that location.

(d) "Tax day" means that term as described in section 2(2).

History: Add. 2020, Act 352, Imd. Eff. Dec. 30, 2020;—Am. 2021, Act 164, Imd. Eff. Dec. 27, 2021.

Popular name: Act 206

211.15 Forest products; place of destination; products in transit.

Sec. 15. All forest products in transit on December 31, and thereafter found in the waters or streams of this state or on the banks or shores of any lake, pond or stream of this state, when the same is not at the place where it is to be manufactured, shall be held to have a place of destination at the sorting grounds of the rafting and driving agents or booming company nearest the mouth of the stream, unless the contrary shall be made to appear by the owner or party having the same in charge: Provided, That all lumber, logs, timber, lath, pickets, shingles, posts, cordwood, tanbark, telegraph or telephone poles or railroad ties, that may be piled or left in any yard, railroad reserve, or in any shed, shall not be deemed in transit, but shall be assessed to the person or corporation having control of the yard, railroad reserve, shed or place of storage where the same be situated at the time provided by law for taking such assessment: Provided further, That forest products which have been piled or left on the banks or shores of any lake, pond or stream of this state for more than 6 months shall not be deemed in transit, but shall be assessed as provided in the preceding section.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3838;—CL 1915, 4009;—Am. 1921, Act 214, Eff. Aug. 18, 1921;—CL 1929, 3403;—Am. 1943, Act 231, Imd. Eff. Apr. 20, 1943;—CL 1948, 211.15;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1958, Act 209, Eff. Sept. 13, 1958.

Popular name: Act 206

211.16 Forest products; duty of supervisor.

Sec. 16. It shall be the duty of the supervisor of the township in which any such saw logs, timber, railroad ties, telegraph poles or tanbark, cut prior to the time of taking the annual assessment, may be banked or piled,

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or that may be in transit, to ascertain the amount of such property which may be or may have been in his township or assessment district at any time during the month of January in each year, liable to assessment, by actual view of the same, as far as practicable, and to fix the value of such property, and to assess the same to the owner thereof as herein provided.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3839;—CL 1915, 4010;—CL 1929, 3404;—CL 1948, 211.16;—Am. 1949, Act 285, Eff. Sept. 23, 1949.

Popular name: Act 206

211.17 Taxable situs of personal property; transfer after tax day.

Sec. 17. No change of location or sale of any personal property, after the tax day shall affect the assessment made pursuant thereto. As between school districts and road districts the location of personal property for taxation shall be determined by the same rules as between assessment districts: Provided, That whenever the owner or occupant shall reside upon contiguous tracts or parcels of land which lie in 2 or more assessment districts, then the personal property of such owner or occupant shall be assessed in the assessment district where such owner or occupant resides at the time the assessment is made.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3840;—CL 1915, 4011;—CL 1929, 3405;—Am. 1943, Act 231, Imd. Eff. Apr. 20, 1943;—CL 1948, 211.17;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1958, Act 209, Eff. Sept. 13, 1958.

Popular name: Act 206

ASSESSMENT, HOW MADE.

211.18 Repealed. 2002, Act 267, Imd. Eff. May 9, 2002.

Compiler's note: The repealed section pertained to statement of possessor of assessable property.

Popular name: Act 206

211.19 Statement as to assessable property.

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

(2) Except as otherwise provided in section 9m, 9n, or 9o, the supervisor or other assessing officer shall require any person whom he or she believes has personal property in their possession to make a statement of all the personal property of that person whether owned by that person or held for the use of another to be completed and delivered to the supervisor or assessor by February 20 of each year, or, if February 20 of a year is a Saturday, Sunday, or legal holiday, the next day that is not a Saturday, Sunday, or legal holiday of that year. For purposes of a statement delivered by the United States Postal Service, the delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subsection. If the statement is not timely delivered to the supervisor or other assessing officer, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subsection. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice. A notice the supervisor or other assessing officer provides regarding the statement required under this subsection shall also do all of the following:

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

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

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

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

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

(5) A statement under subsection (2) or (3) shall be in a form prescribed by the state tax commission. If a local tax collecting unit has provided for electronic filing of the statement under subsection (4), the filing format shall be prescribed by the state tax commission. The state tax commission shall not prescribe more than 1 format for electronically filing a statement under subsection (2) or more than 1 format for electronically filing a statement under subsection (3).

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

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

(8) An electronic or facsimile signature, for a statement required under this section, or a statement required under section 9o, or a combined document required under section 9m or 9n, or under section 7 of the state essential services assessment act, 2014 PA 92, MCL 211.1057, shall be accepted by a local tax collecting unit.

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

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3842;—CL 1915, 4013;—CL 1929, 3407;—Am. 1943, Act 213, Imd. Eff. Apr. 20, 1943;—CL 1948, 211.19;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1958, Act 209, Eff. Sept. 13, 1958;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1996, Act 126, Imd. Eff. Mar. 13, 1996;—Am. 2002, Act 267, Imd. Eff. May 9, 2002;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013;—Am. 2014, Act 87, Imd. Eff. Apr. 1, 2014;—Am. 2016, Act 108, Imd. Eff. May 6, 2016;—Am. 2017, Act 261, Eff. Dec. 31, 2017.

Compiler's note: Enacting section 1 of Act 87 of 2014 provides:

"Enacting section 1. The exclusion of generation, transmission, or distribution of electricity for sale from the definition of "industrial processing" under this amendatory act is not intended to affect any other provision of Michigan law or impact the decision in Detroit Edison Company v Department of Treasury, court of appeals docket no. 309732."

Popular name: Act 206

211.20 Repealed. 2002, Act 267, Imd. Eff. May 9, 2002.

Compiler's note: The repealed section pertained to form of statement and signature.

Popular name: Act 206

211.21 Willful neglect or refusal to make statement; penalty; report; fraudulent claim for personal property exemption.

Sec. 21. (1) If a person, member of a firm, or officer of a corporation willfully neglects or refuses to make out and deliver a statement required under section 19 or falsely answers or refuses to answer questions concerning his or her property or property under his or her control as required under this act, that person is guilty of a misdemeanor punishable by imprisonment in the county jail for not less than 30 days or more than 6 months or by a fine of not less than $100.00 or more than $1,000.00, or both. If a supervisor, assessing officer, or member of the state tax commission is satisfied that a person is liable under this subsection, he or she shall report the case to the prosecuting attorney of the county in which the property is located.

(2) If a person fraudulently claims an exemption for personal property under section 9m, 9n, or 9o, that person is guilty of a misdemeanor punishable by imprisonment in the county jail for not less than 30 days or more than 6 months or by a fine of not less than $500.00 or more than $2,500.00, or both. If the assessor for the local tax collecting unit is satisfied that a person is liable under this subsection, he or she shall report the case to the prosecuting attorney of the county in which the personal property is located.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3844;—Am. 1899, Act 154, Imd. Eff. June 23, 1899;—CL 1915, 4015;—CL 1929, 3409;—CL 1948, 211.21;—Am. 1996, Act 126, Imd. Eff. Mar. 13, 1996;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013.

Popular name: Act 206

211.22 Incorrect statement; inability to obtain statement; examination under oath of person having knowledge of amount or value of property; books and records; affidavits; preservation; assessment.

Sec. 22. (1) If a supervisor, assessing officer, member of the state tax commission, or director or deputy director of the county tax or equalization department is satisfied that a statement required under section 19 is incorrect, or if a statement required under section 19 cannot be obtained from the person, firm, or corporation whose property is assessed, a supervisor, assessing officer, member of the state tax commission, or director or deputy director of the county tax or equalization department may examine, under oath to be administered by the supervisor, assessing officer, member of the state tax commission, or director or deputy director of the county tax or equalization department, any person he or she believes has knowledge of the amount or value of any property owned, held, or controlled by the person neglecting, refusing, or omitting to be examined or to furnish the statement required under section 19.

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(2) A person who files an affidavit claiming an exemption for personal property under section 9o shall maintain adequate books and records relating to the description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of all industrial personal property and commercial personal property owned by, leased by, or in the possession of that person or a related entity for 4 years after filing an affidavit claiming the exemption. A person who files an affidavit claiming an exemption for personal property under section 9o shall provide access to the books and records relating to the description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of all industrial personal property and commercial personal property owned by, leased by, or in the possession of that person or a related entity if requested by the assessor of the local tax collecting unit, county equalization department, or department of treasury for 4 years immediately succeeding the year in which that person files an affidavit claiming the exemption.

(3) A person who files an affidavit claiming an exemption for personal property under section 9m or 9n shall maintain adequate books and records relating to the description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of that personal property; the customary industrial use for that personal property; and the asset classification grouping of that personal property as applied in mass appraisal techniques for assessing purposes until that personal property is no longer eligible for exemption under section 9m or 9n. A person who claims an exemption for personal property under section 9m or 9n shall provide access to the books and records relating to the description; the date of purchase, lease, or acquisition; and the purchase price, lease amount, or value of that personal property; the customary industrial use for that personal property; and the asset classification grouping of that personal property as applied in mass appraisal techniques for assessing purposes if requested by the assessor of the local tax collecting unit, county equalization department, or department of treasury in any year in which that person claims an exemption for that personal property under section 9m or 9n.

(4) The assessor of a local tax collecting unit shall preserve all affidavits claiming an exemption for personal property filed under sections 9m, 9n, and 9o for not less than 4 years after completion of the assessment roll for which the affidavits are filed.

(5) A supervisor or assessing officer is authorized to assess to a person, firm, or corporation subject to assessment the amount of real and personal property the supervisor or assessing officer considers reasonable and just.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3845;—Am. 1899, Act 154, Imd. Eff. June 23, 1899;—CL 1915, 4016;—CL 1929, 3410;—CL 1948, 211.22;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1996, Act 126, Imd. Eff. Mar. 13, 1996;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013.

Popular name: Act 206

211.22a Personal property examiners; certification; powers; expenses; examination of property.

Sec. 22a. (1) The state tax commission, upon presentation by representatives of county tax or equalization departments, townships and cities, of satisfactory evidence of education, experience, or by passage of a test conducted by the commission, shall certify a successful applicant as a qualified personal property examiner. A certified personal property examiner may examine only the property or the cost records relating to such property of any corporation, firm, or individual liable to assessment within their county, township or city for property taxes under this act.

(2) Upon written request of a city, village or township assessing officer to examine the property or books of any corporation, firm, or individual, a certified personal property examiner of the county tax or equalization department shall conduct the examination. Where there is no certified personal property examiner in the county equalization department, the examination shall be made by a representative of the state tax commission at the expense of the city, village or township.

(3) Where any corporation, firm or individual is subject to personal property assessment in more than 3 counties of the state then the corporation, firm or individual may request an examination be made at their expense by a representative of the state tax commission at a rate of 1/10 of 1 mill of the gross value of the personal property of said corporation, firm or individual under examination.

History: Add. 1969, Act 40, Eff. Dec. 31, 1971.

Popular name: Act 206

211.23 Statement; filing, preservation, permissible uses, unlawful use, liability for damages.

Sec. 23. All the statements herein required to be made and received by the supervisor or assessor shall be filed by him, and shall be presented to the board of review hereinafter provided for, or provided for in any act incorporating any village or city, for the use of said board, and after the assessment is reviewed and

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completed by such board of review, all of the statements shall be deposited in the office of the township or city clerk, and shall be preserved until after the next assessment is made and completed, after which they may be destroyed upon the order of the township board or city or village council, but no such statement shall be used for any other purpose except the making of an assessment for taxes as herein provided, or for enforcing the provisions of this act, and any officer or person who shall make or allow to be made wilfully or knowingly, any other or unlawful use of any such statement, shall be liable to the person making such statement for all damages resulting from such unauthorized or unlawful use of such statement. All the statements received by the supervisor or assessor shall be made available to the county tax or equalization department mandatorily established under section 34 of this act and use of such statements by such county tax or equalization department shall be deemed a use for the purpose of enforcing the provisions of this act.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3846;—CL 1915, 4017;—CL 1929, 3411;—CL 1948, 211.23;—Am. 1964, Act 275, Eff. Aug. 28, 1964.

Popular name: Act 206

211.23a County-wide appraisal of property for assessment; expenses.

Sec. 23a. The board of supervisors of any county may employ an independent appraisal firm to make a county-wide appraisal for the purpose of assisting local assessing officers in arriving at a true cash value for assessment purposes and of assisting the board of supervisors in reviewing and equalizing assessments. The expense of such appraisal, when approved by the board of supervisors, shall be paid from the general fund of the county. The purpose of such appraisal is to provide a uniform basis for the assessment of taxes throughout the county in order to apportion the burden of property taxes fairly and equitably among the owners of taxable property.

History: Add. 1956, Act 19, Imd. Eff. Mar. 22, 1956.

Popular name: Act 206

ASSESSMENT ROLL.

211.24 Property tax assessment roll; time; use of computerized database system.

Sec. 24. (1) On or before the first Monday in March in each year, the assessor shall make and complete an assessment roll, upon which he or she shall set down all of the following:

(a) The name and address of every person liable to be taxed in the local tax collecting unit with a full description of all the real property liable to be taxed. If the name of the owner or occupant of any tract or parcel of real property is known, the assessor shall enter the name and address of the owner or occupant opposite to the description of the property. If unknown, the real property described upon the roll shall be assessed as "owner unknown". All contiguous subdivisions of any section that are owned by 1 person, firm, corporation, or other legal entity and all unimproved lots in any block that are contiguous and owned by 1 person, firm, corporation, or other legal entity shall be assessed as 1 parcel, unless demand in writing is made by the owner or occupant to have each subdivision of the section or each lot assessed separately. However, failure to assess contiguous parcels as entireties does not invalidate the assessment as made. Each description shall show as near as possible the number of acres contained in it, as determined by the assessor. It is not necessary for the assessment roll to specify the quantity of land comprised in any town, city, or village lot.

(b) The assessor shall estimate, according to his or her best information and judgment, the true cash value and assessed value of every parcel of real property and set the assessed value down opposite the parcel.

(c) The assessor shall calculate the tentative taxable value of every parcel of real property and set that value down opposite the parcel.

(d) The assessor shall determine the percentage of value of every parcel of real property that is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and set that percentage of value down opposite the parcel.

(e) The assessor shall determine the date of the last transfer of ownership of every parcel of real property occurring after December 31, 1994 and set that date down opposite the parcel.

(f) The assessor shall estimate the true cash value of all the personal property of each person, and set the assessed value and tentative taxable value down opposite the name of the person. In determining the property to be assessed and in estimating the value of that property, the assessor is not bound to follow the statements of any person, but shall exercise his or her best judgment. For taxes levied after December 31, 2003, the assessor shall separately state the assessed value and tentative taxable value of any leasehold improvements.

(g) Property assessed to a person other than the owner shall be assessed separately from the owner's property and shall show in what capacity it is assessed to that person, whether as agent, guardian, or

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otherwise. Two or more persons not being copartners, owning personal property in common, may each be assessed severally for each person's portion. Undivided interests in lands owned by tenants in common, or joint tenants not being copartners, may be assessed to the owners.

(2) Subject to this section, a local tax collecting unit may use a computerized database system as the assessment roll described in subsection (1) if the local tax collecting unit and the assessor certify in a form and manner prescribed by the state tax commission that the proposed system has the capacity to enable a local tax collecting unit to comply and the local tax collecting unit complies with all of the following requirements:

(a) The assessor shall certify the assessment roll and maintain a computer printed format or a disk, external drive, or other electronic data processing format compatible with the computer system used by the local tax collecting unit. The affidavit attached to or included with the assessment roll shall include documentation that the assessment roll has been backed up through a computer backup system and a sworn statement by the assessor that the backup system contains a true and complete record of the assessment roll. The affidavit attached to or included with the assessment roll shall include documentation that authorizes and reports all changes in the assessment roll as certified by the assessor.

(b) The local tax collecting unit shall certify and maintain a retention policy that complies with the requirements of section 11 of the Michigan history center act, 2016 PA 470, MCL 399.11, and section 491 of the Michigan penal code, 1931 PA 328, MCL 750.491.

(c) The local tax collecting unit shall certify that the computerized database system has internal and external security procedures sufficient to assure the integrity of the system.

(d) Not later than May 1 of the third year following the year in which a local tax collecting unit begins using a computerized database system as the assessment roll in accordance with this subsection and every 3 years thereafter, the local tax collecting unit shall certify to the state tax commission that the requirements of this subsection are being met.

(e) An assessor or local tax collecting unit that provides a computer terminal for public viewing of the assessment roll is considered as having the assessment roll available for public inspection.

(f) If at any time the state tax commission believes that a local tax collecting unit is no longer in compliance with this subsection, the state tax commission shall provide written notice to the local tax collecting unit. The notice shall specify the reasons that use of the computerized database system as the original assessment roll is no longer in compliance with this subsection. The local tax collecting unit has 60 days to provide evidence that the local tax collecting unit is in compliance with this subsection or that action to correct noncompliance has been implemented. If, after the expiration of 60 days, the state tax commission believes that the local tax collecting unit is not taking satisfactory steps to correct a condition of noncompliance, the state tax commission upon its own motion may withdraw approval of the use of the computerized database system as the original assessment roll. Proceedings of the state tax commission under this subsection shall be in accordance with rules for other proceedings for the commission promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and shall not be considered a contested case.

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History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3847;—Am. 1899, Act 262, Eff. Sept. 23, 1899;—Am. 1907, Act 326, Eff. Sept. 28, 1907;—CL 1915, 4018;—CL 1929, 3412;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—Am. 1945, Act 159, Imd. Eff. May 16, 1945;—Am. 1947, Act 93, Eff. Oct. 11, 1947;—CL 1948, 211.24;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1963, Act 66, Eff. Sept. 6, 1963;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2012, Act 409, Imd. Eff. Dec. 20, 2012;—Am. 2016, Act 25, Eff. May 30, 2016;—Am. 2017, Act 176, Eff. Feb. 19, 2018.

Compiler's note: For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Popular name: Act 206

211.24a Tax rolls; preparation by county; expense.

Sec. 24a. Notwithstanding any other provisions of this act, a county, by resolution of the board of supervisors, may prepare tax rolls and extend the taxes thereon for the cities and townships in the county at the expense of the county or the local unit.

History: Add. 1963, Act 139, Imd. Eff. May 10, 1963.

Popular name: Act 206

211.24b Assessment based on taxable value; application.

Sec. 24b. (1) The tax roll and the tax statement shall clearly set forth the latest taxable value for each item of property.

(2) The supervisor or assessor shall spread the taxes on the tax roll on the taxable value for each item of property.

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(3) These requirements do not apply if the current year's state equalized valuation or taxable value is not available when the tax roll or tax statements of a city are prepared under a law or charter provision.

History: Add. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1965, Act 410, Imd. Eff. Nov. 3, 1965;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994.

Popular name: Act 206

211.24c Notice of increase in tentative state equalized valuation or tentative taxable value; contents; required information and forms; addressing and mailing assessment notice; effect of failure to send or receive assessment notice; calculation of tentative equalized valuation; model assessment notice form; statement; separate statement.

Sec. 24c. (1) The assessor shall give to each owner or person or persons listed on the assessment roll of the property a notice by first-class mail of an increase in the tentative state equalized valuation or the tentative taxable value for the year. The notice shall specify each parcel of property, the tentative taxable value for the current year, and the taxable value for the immediately preceding year. The notice shall also specify the time and place of the meeting of the board of review. The notice shall also specify the difference between the property's tentative taxable value in the current year and the property's taxable value in the immediately preceding year.

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

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

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

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

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

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

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

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

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

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

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

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

"If you purchased your principal residence after May 1 last year, to claim the principal residence exemption, if you have not already done so, you are required to file an affidavit before May 1.".

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

History: Add. 1969, Act 115, Imd. Eff. July 29, 1969;—Am. 1976, Act 361, Imd. Eff. Dec. 23, 1976;—Am. 1981, Act 210, Imd. Eff. Dec. 30, 1981;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1994, Act 237, Imd. Eff. June 30, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 105, Imd. Eff. July 24, 2003;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2003, Act 247, Imd. Eff. Dec. 29, 2003;—Am. 2010, Act 332, Imd. Eff. Dec. 21, 2010.

Popular name: Act 206

211.24d Structures or improvements approved for acquisition by governmental units; exemption; affidavit; false statement; notice of reoccupancy; noncompliance; condition for exemption.

Sec. 24d. (1) When the occupancy of a structure or improvement approved for acquisition by the appropriate units of local and federal government is subsequently vacated, the real property shall be exempt from ad valorem taxation on the tax day next following the vacation and until the property is acquired by the local public agency, the plan of acquisition is abandoned or the property is reinhabited.

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(2) To obtain the exemption, each year the property owner shall file with the local assessing officer an affidavit showing that the property possesses the qualifications for exemption and including his sworn statement that the property is vacant and shall remain vacant during the total tax year. The claim for exemption shall thereafter be open to public inspection.

(3) A person shall not claim or be allowed more than 1 exemption for each such property under this section. The claim for exemption shall thereafter be open to public inspection.

(4) If the owner knowingly makes a false statement on his affidavit he shall be subject to a civil penalty equal to 2 times the taxes the owner would have paid on the property but for the exemption plus interest compounded annually at a rate of 6%.

(5) If the property is reoccupied for any purpose or any period during the tax year for which the exemption is applicable, the owner within 10 days following the date of reoccupancy shall so notify the local assessing officer in writing and shall pay to the treasurer of the local unit an amount equal to the amount of taxes that would have been paid on the property but for the exemption. If the owner fails to comply with this subsection or subsection (6) he shall be subject to the penalty prescribed in subsection (4).

(6) As a condition for the exemption provided in this section, the owner shall render and maintain the property safe from vandalism and from becoming a public nuisance as may reasonably be required by the local assessing officer.

History: Add. 1972, Act 283, Imd. Eff. Oct. 25, 1972.

Popular name: Act 206

211.24e Definitions; levying ad valorem property taxes for operating purposes; limitation; reduction; approving levy of additional millage rate; change in state equalized valuation of local governmental unit resulting from appeal; insufficiency of additional millage rate; public hearing; notice; establishing proposed additional millage rate before public hearing; calculating reductions in millage rates; amount used for substance abuse treatment programs; distribution to coordinating agency; applicability of section; effect of MCL 380.1211.

Sec. 24e. (1) As used in this section:

(a) "Additional millage rate" means a millage rate for operating purposes in excess of the millage rate permitted by subsection (2).

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

(c) "Base tax rate" means a millage rate for a local unit of government equal to the dollar amount of taxes levied for operating purposes for the concluding fiscal year from existing property divided by the taxable value of existing property for ad valorem property tax levies for the ensuing fiscal year.

(d) "Concluding fiscal year" means the fiscal year of the taxing unit immediately preceding the fiscal year for which a limitation under this section is applied or calculated.

(e) "Ensuing fiscal year" means the fiscal year of the taxing unit for which a limitation under this section is applied or calculated.

(f) "Existing property" means all property against which ad valorem property taxes were levied by a local unit for its concluding fiscal year, minus all property that is considered losses for purposes of ad valorem property tax levies of the local unit for the ensuing fiscal year.

(g) "Local unit of government" or "taxing unit" means a city, village, township, charter township, county, charter county, local school district, intermediate school district, community college district, or authority.

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

(i) "Operating purposes" means all purposes for which ad valorem property taxes are levied by the taxing unit other than the levy of ad valorem property taxes to provide local school districts revenue that is deposited in a building and site fund, or to pay principal and interest due on a bond or note if and to the extent the ad valorem taxes levied for this purpose are in addition to charter or statutory limitations, as authorized by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) Except as provided by subsection (3), unless the taxing unit complies with section 16 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.436, the governing body of a taxing unit shall not levy ad valorem property taxes for operating purposes for an ensuing fiscal year of the taxing unit that yield an amount more than the sum of the taxes levied at the base tax rate on additions within the taxing unit for the ensuing fiscal year plus an amount equal to the taxes levied for operating purposes for the concluding fiscal year on existing property. If the taxing unit is a county, for purposes of this calculation the resulting sum shall be reduced by an amount equal to the estimate of the distribution as certified by the state treasurer to be received by the county pursuant to section 10 of the state convention facility development act, 1985 PA 106,

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MCL 207.630, to the extent that the distribution has been appropriated by the legislature and the estimate has been certified by the state treasurer before the final date on which a county millage rate can be certified for the ensuing year. For purposes of this section, the state treasurer shall certify an amount that is an estimate of the amount to be distributed to each county pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630.

(3) Unless the taxing unit complies with section 16 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.436, a governing body of a taxing unit may approve a levy of an additional millage rate only after providing the notice required by subsections (6) and (9) and holding a public hearing of the governing body as prescribed by subsection (6). To approve the levy of the additional millage rate, the governing body shall adopt a separate resolution or ordinance.

(4) If, as a result of an appeal of county equalization or state equalization, the state equalized valuation of a unit of local government changes, and an incorrect amount of property taxes has been levied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the rate authorized pursuant to this section. If the legislature makes an appropriation to a county pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, after the final date a county millage rate can be certified for the ensuing year, if an appropriation made pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, is reduced by an executive order, or if the amount of a distribution pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, varies from the estimated amount certified by the state treasurer pursuant to subsection (2), the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regularly estimated amount for purposes of the next required calculations under subsections (2) and (11).

(5) If, at any time, the taxing unit determines that the published, proposed additional millage rate or an adopted additional millage rate is insufficient, the taxing unit shall readvertise, hold another public hearing of the governing body, and, if necessary, revote.

(6) The public hearing of the governing body of a taxing unit required pursuant to subsections (3) and (5) shall be held for the purpose of receiving testimony and discussing a levy of an additional millage rate for its ensuing fiscal year. In addition to satisfying the requirements under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, the local unit of government or taxing unit shall publish notice of this public hearing in a newspaper of general circulation within the local unit of government or taxing unit. This notice shall be published not less than 6 days before the public hearing and may be jointly published with the notice of the public hearing on the taxing unit's proposed budget as required by section 2 of 1963 (2nd Ex Sess) PA 43, MCL 141.412, if both public hearings are held jointly. This notice shall specify the time, date, and place of the public hearing and shall include, in addition to other pertinent information the local unit of government or taxing unit may elect to include, a statement indicating the proposed additional millage rate, the percentage by which this proposed additional millage rate would increase revenues for operating purposes from ad valorem property tax levies permitted by operation of subsection (2), the percentage of increased revenue from the immediately preceding year that the taxing unit would receive if the additional millage rate is not approved, and that the date and location the taxing unit plans to take action on the proposed resolution or ordinance will be announced at the public hearing. This notice shall also provide a statement that the taxing unit publishing the notice has complete authority to establish the number of mills to be levied from within its authorized millage rate. The notice shall be in not less than 12-point type, shall be preceded by a headline stating "notice of a public hearing on increasing property taxes" which shall be in not less than 18-point type, shall be not less than 8 vertical column inches and 4 horizontal inches, and shall not be placed in that portion of the newspaper reserved for legal notice and classified advertisements.

(7) The proposed additional millage rate, which is required by subsection (6) to be part of the notice of the public hearing, shall be established by a resolution adopted by the governing body of the taxing unit before conducting the public hearing.

(8) Not more than 10 days after a public hearing, a taxing unit may approve the levy of an additional millage rate, but shall not approve an additional millage rate that is greater than a proposed additional millage rate that was published pursuant to subsection (6) and on which the public hearing has been held.

(9) Each local unit shall send timely written notice of the time, date, and place of a public hearing to be held pursuant to this section to all newspapers of general circulation within the local unit.

(10) This section shall not serve to extend or authorize the levy of ad valorem property taxes at a tax rate in excess of the maximum permitted by law, or to prevent the reduction of the tax rate either by action of the governing body of the taxing unit or pursuant to this act, including sections 34 and 34d. Reductions in millage rates that may be required by the compound operation of sections 34 and 34d shall be calculated independently of the tax rate limitation determined by operation of this section.

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(11) If the sum of a county's operating property tax levy for the ensuing fiscal year plus the county's distribution to be received pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, exceeds the product of the county's taxable value for the ensuing fiscal year times the greater of the county's base tax rate or concluding fiscal year's operating millage rate, then an amount equal to the lesser of 50% of the excess or 50% of the state convention facility development act distribution shall be used for substance abuse treatment programs within the county. The proceeds received by the taxing unit shall be distributed to the coordinating agency designated for that county pursuant to section 6226 of the public health code, 1978 PA 368, MCL 333.6226, and used only for substance abuse prevention and treatment programs in the county from which the proceeds originated.

(12) Except as provided in subsection (13), this section applies to a fiscal year of a taxing unit for which ad valorem property taxes are levied in 1982 or in any year after 1982. This section does not apply for the ensuing fiscal year of a local unit of government that levied ad valorem property taxes for operating purposes of 1 mill or less for its concluding fiscal year.

(13) This section does not apply to local school districts in 1994.

(14) In 1995, the calculations made pursuant to this section by local school districts shall be made without regard to the exemption provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, and the taxable value of property exempt under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, is not considered a loss.

History: Add. 1982, Act 5, Imd. Eff. Feb. 9, 1982;—Am. 1986, Act 2, Imd. Eff. Feb. 7, 1986;—Am. 1991, Act 75, Imd. Eff. July 11, 1991;—Am. 1994, Act 253, Imd. Eff. July 5, 1994;—Am. 1995, Act 42, Imd. Eff. May 22, 1995;—Am. 2002, Act 197, Imd. Eff. Apr. 29, 2002.

Popular name: Act 206

211.24f Proposal authorizing bond issuance or millage rate; ballot; maximum number of elections; submitting single question on renewal and additional millage.

Sec. 24f. (1) If a taxing unit submits a proposal on the question of authorizing the issuance of bonds, imposing a new millage, or increasing or renewing an existing millage, except an ad valorem special assessment millage for police or fire protection under 1951 PA 33, MCL 41.801 to 41.813, the ballot shall fully disclose each local unit of government to which the revenue from that millage will be disbursed. As used in this subsection:

(a) "Local unit of government" means a county, city, village, township, school district, intermediate school district, community college district, public library, or local authority created under state law.

(b) "Public library" means that term as defined in section 2 of the state aid to public libraries act, 1977 PA 89, MCL 397.552.

(2) In addition to the requirement set forth in subsection (1) and any other requirement provided by law, when submitting a proposal on the question of authorizing a millage rate to be levied under this act, the ballot shall state all of the following:

(a) The millage rate to be authorized.

(b) The estimated amount of revenue that will be collected in the first year that the millage is authorized and levied.

(c) The duration of the millage in years.

(d) A clear statement of the purpose for the millage.

(e) A clear statement indicating whether the proposed millage is a renewal of a previously authorized millage or the authorization of a new additional millage.

(3) In addition to any other requirement provided by law, when submitting a proposal to authorize the issuance of bonds, the ballot shall state all of the following:

(a) The principal amount to be borrowed.

(b) The maximum number of years the bonds may be outstanding, exclusive of any refunding.

(c) A clear statement of the purpose for which the proceeds of the bonds will be used.

(d) For bonds other than bonds that are intended to be paid from a separate revenue source or from taxes levied in less than the entire taxing unit, the estimated millage that will be levied for the proposed bonds in the first year that the levy is authorized and the estimated simple average annual millage that will be required to retire the debt. Inaccuracies in the estimates provided under this subdivision shall not affect the validity of the bonds, the general obligation unlimited tax status requiring the levy of taxes sufficient to pay the bonds, or the results of an election.

(e) For bonds that are intended to be paid from a separate revenue source or from taxes levied in less than the entire taxing unit, the primary source of the revenue that is intended to be used to retire the bonds.

(4) A taxing unit shall hold not more than 2 elections in a calendar year concerning the authorization of a

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millage rate greater than the product of the immediately preceding year's reduced maximum authorized rate or rates as defined in section 34d(16) multiplied by the current year's millage reduction fraction, regardless of the number of questions presented at the election.

(5) A taxing unit that levies millage under this act shall not submit a single question to the electors of the taxing unit requesting both the renewal of voter authorized millage and the authorization of new additional millage if the additional millage is greater than 0.5 mill. If authorization to levy millage has expired and the taxing unit submits to the electors the authorization of millage greater than the number of expired mills reduced pursuant to the millage reduction in section 34d(11), and if the additional millage is greater than 0.5 mill, the taxing unit shall submit 1 question for authorization of the number of expired mills reduced pursuant to the millage reduction in section 34d(11) and 1 or more additional questions for the authorization of millage in excess of that amount.

History: Add. 1993, Act 145, Imd. Eff. Aug. 19, 1993;—Am. 1994, Act 189, Imd. Eff. June 21, 1994;—Am. 1999, Act 248, Eff. Mar. 10, 2000;—Am. 2000, Act 244, Eff. Mar. 28, 2001.

Popular name: Act 206

211.25 Description of real property.

Sec. 25. (1) The description of real property may be as follows:

(a) If the land to be assessed is an entire section, it may be described by the number of the section, township, and range.

(b) If the tract is a subdivision of a section authorized by the United States for the sale of public lands, it may be described by the designation of the subdivision, with the number of the section, township, and range.

(c) If the tract is less than the subdivision, it may be described as a distinct part of the subdivision, or in a manner as will definitely describe it.

(d) In case of land platted or laid out as a town, city, or village, or as an addition to a town, city, or village, it shall be described by reference to the plat and by the number of the lots and blocks of that town, city, or village.

(e) When 2 or more parcels of land adjoin and belong to the same owner or owners, they may be assessed by 1 valuation if permission is obtained from the owner or owners. The assessing authority shall send a notice of intent to assess the parcels by 1 valuation to the owner or owners. Permission shall be considered obtained if there is no negative response within 30 days following the notice of intent.

(f) It is sufficient to describe the real property assessed upon a roll and in other proceedings under this act in the manner in use by initials, letters, abbreviations, and figures.

(g) In the case of the separate assessment of mineral rights not otherwise exempt under this act, it shall be sufficient to describe those mineral rights as provided in this section followed by the term "mineral rights only", and it shall be sufficient to describe those surface rights, which shall include all other rights in the property except mineral rights, as provided in this section followed by the term "surface rights only".

(2) The descriptions of real property of townships shall be arranged in the following manner:

(a) Acreage descriptions in numerical order of section beginning with section 1 of each township; a surveyed township being listed fully before a description of a second surveyed township, if any, is entered.

Lands included in an unincorporated village may be arranged without separation as to sections within a township.

(b) Government lots in a section shall be listed numerically.

(c) Descriptions listed in a private claim, if more than 1 private claim is located in the same township, the description of each claim shall be listed numerically.

(3) The descriptions of real property of islands shall be arranged and listed either by number or name of island.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3848;—Am. 1915, Act 131, Eff. Aug. 24, 1915;—CL 1915, 4019;—CL 1929, 3413;—Am. 1937, Act 22, Eff. Oct. 29, 1937;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—Am. 1945, Act 159, Imd. Eff. May 16, 1945;—CL 1948, 211.25;—Am. 1966, Act 288, Imd. Eff. July 12, 1966;—Am. 1973, Act 109, Eff. Dec. 31, 1973;—Am. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Popular name: Act 206

211.25a Real estate index number system.

Sec. 25a. An assessing officer, with the approval of the governing body of the city or township, may establish a real estate index number system for listing real estate for purposes of assessment and collection of taxes, in addition to, or in lieu of, the method of listing by legal description provided in this act. The system shall describe real estate by county, township, section, block and parcel or lot. The numbering system shall be approved by the state tax commission. The assessing officer shall establish and maintain cross indexes of

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numbers assigned under the system with the complete legal description of the real estate to which such numbers relate. The assessing officer shall assign individual index numbers and the assessment rolls, tax rolls and tax statements shall carry the index numbers and not the legal descriptions, except that both the legal description and the index number shall be shown on the tax statements for the first year after this section is effective. Indexes established hereunder shall be open to public inspection.

History: Add. 1965, Act 101, Imd. Eff. June 28, 1965.

Popular name: Act 206

211.26 Tax roll; description of personal property.

Sec. 26. The description of personal property on said roll may be made by using the word "personal".

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3849;—CL 1915, 4020;—CL 1929, 3414;—CL 1948, 211.26;—Am. 1964, Act 275, Eff. Aug. 28, 1964.

Popular name: Act 206

211.27 "True cash value" defined; considerations in determining value; indicating exclusions from true cash value on assessment roll; subsection (2) applicable only to residential property; repairs considered normal repairs, replacement, and maintenance; exclusions from real estate sales data; classification as agricultural real property; "present economic income" defined; applicability of subsection (5); "nonprofit cooperative housing corporation" defined; value of transferred property; "purchase price" defined; additional definitions; "standard tool" defined.

Sec. 27. (1) As used in this act, "true cash value" means the usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale. The usual selling price may include sales at public auction held by a nongovernmental agency or person if those sales have become a common method of acquisition in the jurisdiction for the class of property being valued. The usual selling price does not include sales at public auction if the sale is part of a liquidation of the seller's assets in a bankruptcy proceeding or if the seller is unable to use common marketing techniques to obtain the usual selling price for the property. A sale or other disposition by this state or an agency or political subdivision of this state of land acquired for delinquent taxes or an appraisal made in connection with the sale or other disposition or the value attributed to the property of regulated public utilities by a governmental regulatory agency for rate-making purposes is not controlling evidence of true cash value for assessment purposes. In determining the true cash value, the assessor shall also consider the advantages and disadvantages of location; quality of soil; zoning; existing use; present economic income of structures, including farm structures; present economic income of land if the land is being farmed or otherwise put to income producing use; quantity and value of standing timber; water power and privileges; minerals, quarries, or other valuable deposits not otherwise exempt under this act known to be available in the land and their value. In determining the true cash value of personal property owned by an electric utility cooperative, the assessor shall consider the number of kilowatt hours of electricity sold per mile of distribution line compared to the average number of kilowatt hours of electricity sold per mile of distribution line for all electric utilities.

(2) The assessor shall not consider the increase in true cash value that is a result of expenditures for normal repairs, replacement, and maintenance in determining the true cash value of property for assessment purposes until the property is sold. For the purpose of implementing this subsection, the assessor shall not increase the construction quality classification or reduce the effective age for depreciation purposes, except if the appraisal of the property was erroneous before nonconsideration of the normal repair, replacement, or maintenance, and shall not assign an economic condition factor to the property that differs from the economic condition factor assigned to similar properties as defined by appraisal procedures applied in the jurisdiction. The increase in value attributable to the items included in subdivisions (a) to (p) that is known to the assessor and excluded from true cash value must be indicated on the assessment roll. This subsection applies only to residential property. The following repairs are considered normal maintenance if they are not part of a structural addition or completion:

(a) Outside painting.

(b) Repairing or replacing siding, roof, porches, steps, sidewalks, or drives.

(c) Repainting, repairing, or replacing existing masonry.

(d) Replacing awnings.

(e) Adding or replacing gutters and downspouts.

(f) Replacing storm windows or doors.

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(g) Insulating or weatherstripping.
(h) Complete rewiring.
(i) Replacing plumbing and light fixtures.
(j) Replacing a furnace with a new furnace of the same type or replacing an oil or gas burner.
(k) Repairing plaster, inside painting, or other redecorating.
(*l*) New ceiling, wall, or floor surfacing.
(m) Removing partitions to enlarge rooms.
(n) Replacing an automatic hot water heater.
(o) Replacing dated interior woodwork.
(p) Installing, replacing, or repairing an alternative energy system, without regard to ownership of the system, with a generating capacity of not more than 150 kilowatts, the annual energy output of which does not exceed the annual energy consumption measured by the utility-provided electrical meter on the system to which it is connected. As used in this subdivision, "alternative energy system" means that term as defined in section 2 of the Michigan next energy authority act, 2002 PA 593, MCL 207.822.

(3) A city or township assessor, a county equalization department, or the state tax commission before utilizing real estate sales data on real property purchases, including purchases by land contract, to determine assessments or in making sales ratio studies to assess property or equalize assessments shall exclude from the sales data the following amounts allowed by subdivisions (a), (b), and (c) to the extent that the amounts are included in the real property purchase price and are so identified in the real estate sales data or certified to the assessor as provided in subdivision (d):

(a) Amounts paid for obtaining financing of the purchase price of the property or the last conveyance of the property.

(b) Amounts attributable to personal property that were included in the purchase price of the property in the last conveyance of the property.

(c) Amounts paid for surveying the property pursuant to the last conveyance of the property. The legislature may require local units of government, including school districts, to submit reports of revenue lost under subdivisions (a) and (b) and this subdivision so that the state may reimburse those units for that lost revenue.

(d) The purchaser of real property, including a purchaser by land contract, may file with the assessor of the city or township in which the property is located 2 copies of the purchase agreement or of an affidavit that identifies the amount, if any, for each item listed in subdivisions (a) to (c). The assessor shall forward 1 copy to the county equalization department. The affidavit must be as prescribed by the state tax commission.

(4) In finalizing sales studies for property classified as agricultural real property under section 34c, an assessor and equalization director shall determine if an affidavit for the property has been filed under section 27a(7)(o). If an affidavit has not been filed, the property must be reviewed to determine if classification as agricultural real property under section 34c is correct or should be changed. The assessor for the local tax collecting unit in which the property is located shall contact the property owner to determine why the property owner did not file an affidavit under section 27a(7)(o). Unless there are convincing facts to the contrary, the sale of property classified as agricultural real property under section 34c for which an affidavit under section 27a(7)(o) has not been filed must not be included in a sales study.

(5) As used in subsection (1), "present economic income" means for leased or rented property the ordinary, general, and usual economic return realized from the lease or rental of property negotiated under current, contemporary conditions between parties equally knowledgeable and familiar with real estate values. The actual income generated by the lease or rental of property is not the controlling indicator of its true cash value in all cases. This subsection does not apply to property subject to a lease entered into before January 1, 1984 for which the terms of the lease governing the rental rate or tax liability have not been renegotiated after December 31, 1983. This subsection does not apply to a nonprofit housing cooperative subject to regulatory agreements between the state or federal government entered into before January 1, 1984. As used in this subsection, "nonprofit cooperative housing corporation" means a nonprofit cooperative housing corporation that is engaged in providing housing services to its stockholders and members and that does not pay dividends or interest upon stock or membership investment but that does distribute all earnings to its stockholders or members.

(6) Except as otherwise provided in subsection (7), the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction. As used in this subsection and subsection (7), "purchase price" means the total consideration agreed to in an arms-length transaction and not at a forced sale paid by the purchaser of the property, stated in dollars, whether or not paid in dollars.

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(7) For a transfer of eligible nonprofit housing property from a charitable nonprofit housing organization to a low-income person that occurs after December 31, 2010 through December 30, 2021, the purchase price paid is the presumptive true cash value of the eligible nonprofit housing property transferred. For a transfer of eligible nonprofit housing property from a charitable nonprofit housing organization to a low-income person that occurs on or after December 31, 2021, the loan amount stated in the closing disclosure form for the transfer is the presumptive true cash value of the eligible nonprofit housing property transferred. In the year immediately succeeding the year in which the transfer of eligible nonprofit housing property occurs and each year thereafter, the taxable value of the eligible nonprofit housing property must be adjusted as provided under section 27a. As used in this subsection:

(a) "Charitable nonprofit housing organization" means a charitable nonprofit organization the primary purpose of which is the construction or renovation of residential housing for conveyance to a low-income person.

(b) "Eligible nonprofit housing property" means property owned by a charitable nonprofit housing organization, the ownership of which the charitable nonprofit housing organization intends to transfer to a low-income person after construction or renovation of the property is completed.

(c) "Family income" and "statewide median gross income" mean those terms as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(d) "Low-income person" means a person with a family income of not more than 80% of the statewide median gross income who is eligible to participate in the charitable nonprofit housing organization's program based on criteria established by the charitable nonprofit housing organization.

(8) For purposes of a statement submitted under section 19, the true cash value of a standard tool is the net book value of that standard tool as of December 31 in each tax year as determined using generally accepted accounting principles in a manner consistent with the established depreciation method used by the person submitting that statement. The net book value of a standard tool for federal income tax purposes is not the presumptive true cash value of that standard tool. As used in this subsection, "standard tool" means that term as defined in section 9b.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3850;—CL 1915, 4021;—CL 1929, 3415;—CL 1948, 211.27;—Am. 1951, Act 210, Eff. Sept. 28, 1951;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1965, Act 409, Imd. Eff. Nov. 3, 1965;—Am. 1969, Act 276, Imd. Eff. Aug. 11, 1969;—Am. 1973, Act 109, Eff. Dec. 31, 1973;—Am. 1976, Act 293, Imd. Eff. Oct. 26, 1976;—Am. 1976, Act 411, Imd. Eff. Jan. 9, 1977;—Am. 1978, Act 25, Imd. Eff. Feb. 21, 1978;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1983, Act 254, Imd. Eff. Dec. 29, 1983;—Am. 1985, Act 200, Imd. Eff. Dec. 27, 1985;—Am. 1989, Act 283, Imd. Eff. Dec. 26, 1989;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 744, Imd. Eff. Dec. 30, 2002;—Am. 2003, Act 274, Imd. Eff. Jan. 8, 2004;—Am. 2010, Act 340, Imd. Eff. Dec. 21, 2010;—Am. 2012, Act 409, Imd. Eff. Dec. 20, 2012;—Am. 2013, Act 162, Imd. Eff. Nov. 12, 2013;—Am. 2019, Act 116, Imd. Eff. Nov. 15, 2019;—Am. 2022, Act 156, Imd. Eff. July 19, 2022.

Constitutionality: For the purpose of assessing taxes on real property, to the extent that creative financing represents something of value either to a seller or a buyer, it is not part of the real property, and cannot be included in the determination of the true cash value of the property. Washtenaw County v State Tax Commission, 422 Mich 346; 373 NW2d 697 (1985).

Popular name: Act 206

211.27a Property tax assessment; determining taxable value; adjustment; exception; "transfer of ownership" defined; qualified agricultural property; notice of transfer of property; notification of recorded transaction; definitions.

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

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

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

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

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

(4) If the taxable value of property is adjusted under subsection (3), a subsequent increase in the property's taxable value is subject to the limitation set forth in subsection (2) until a subsequent transfer of ownership occurs. If the taxable value of property is adjusted under subsection (3) and the assessor determines that there had not been a transfer of ownership, the taxable value of the property shall be adjusted at the July or December board of review. Notwithstanding the limitation provided in section 53b(1) on the number of years

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for which a correction may be made, the July or December board of review may adjust the taxable value of property under this subsection for the current year and for the 3 immediately preceding calendar years. A corrected tax bill shall be issued for each tax year for which the taxable value is adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. For purposes of section 53b, an adjustment under this subsection shall be considered the correction of a clerical error.

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

(6) As used in this act, "transfer of ownership" means the conveyance of title to or a present interest in property, including the beneficial use of the property, the value of which is substantially equal to the value of the fee interest. Transfer of ownership of property includes, but is not limited to, the following:

(a) A conveyance by deed.

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

(c) A conveyance to a trust after December 31, 1994, except under any of the following conditions:

(*i*) If the settlor or the settlor's spouse, or both, conveys the property to the trust and the sole present beneficiary or beneficiaries are the settlor or the settlor's spouse, or both.

(*ii*) Beginning December 31, 2014, for residential real property, if the settlor or the settlor's spouse, or both, conveys the residential real property to the trust and the sole present beneficiary or beneficiaries are the settlor's or the settlor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the sole present beneficiary or beneficiaries shall furnish proof within 30 days that the sole present beneficiary or beneficiaries meet the requirements of this subparagraph. If a present beneficiary fails to comply with a request by the department of treasury or assessor under this subparagraph, that present beneficiary is subject to a fine of $200.00.

(d) A conveyance by distribution from a trust, except under any of the following conditions:

(*i*) If the distributee is the sole present beneficiary or the spouse of the sole present beneficiary, or both.

(*ii*) Beginning December 31, 2014, a distribution of residential real property if the distributee is the settlor's or the settlor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the sole present beneficiary or beneficiaries shall furnish proof within 30 days that the sole present beneficiary or beneficiaries meet the requirements of this subparagraph. If a present beneficiary fails to comply with a request by the department of treasury or assessor under this subparagraph, that present beneficiary is subject to a fine of $200.00.

(e) A change in the sole present beneficiary or beneficiaries of a trust, except under any of the following conditions:

(*i*) A change that adds or substitutes the spouse of the sole present beneficiary.

(*ii*) Beginning December 31, 2014, for residential real property, a change that adds or substitutes the settlor's or the settlor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the sole present beneficiary or beneficiaries shall furnish proof within 30 days that the sole present beneficiary or beneficiaries meet the requirements of this subparagraph. If a present beneficiary fails to comply with a request by the department of treasury or assessor under this subparagraph, that present beneficiary is subject to a fine of $200.00.

(f) A conveyance by distribution under a will or by intestate succession, except under any of the following conditions:

(*i*) If the distributee is the decedent's spouse.

(*ii*) Beginning December 31, 2014, for residential real property, if the distributee is the decedent's or the decedent's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the

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conveyance. Upon request by the department of treasury or the assessor, the sole present beneficiary or beneficiaries shall furnish proof within 30 days that the sole present beneficiary or beneficiaries meet the requirements of this subparagraph. If a present beneficiary fails to comply with a request by the department of treasury or assessor under this subparagraph, that present beneficiary is subject to a fine of $200.00.

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

(h) Except as otherwise provided in this subdivision, a conveyance of an ownership interest in a corporation, partnership, sole proprietorship, limited liability company, limited liability partnership, or other legal entity if the ownership interest conveyed is more than 50% of the corporation, partnership, sole proprietorship, limited liability company, limited liability partnership, or other legal entity. Unless notification is provided under subsection (10), the corporation, partnership, sole proprietorship, limited liability company, limited liability partnership, or other legal entity shall notify the assessing officer on a form provided by the state tax commission not more than 45 days after a conveyance of an ownership interest that constitutes a transfer of ownership under this subdivision. Both of the following apply to a corporation subject to 1897 PA 230, MCL 455.1 to 455.24:

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

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

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

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

(k) Notwithstanding the provisions of section 7ee(5), at the request of a property owner, an assessor's establishment of a separate tax parcel for a portion of a parcel that ceases to be qualified agricultural property but is not subject to a land division under the land division act, 1967 PA 288, MCL 560.101 to 560.293, or any local ordinance. For purposes of this subdivision, a transfer of ownership occurs only as to that portion of the parcel established as a separate tax parcel and only that portion shall have its taxable value adjusted under subsection (3) and shall be subject to the recapture tax provided for under the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007. The adjustment under subsection (3) shall be made as of the December 31 in the year that the portion of the parcel established as a separate tax parcel ceases to be qualified agricultural property. A portion of a parcel subject to this subdivision is considered a separate tax parcel only for those purposes described in this subdivision.

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

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

(b) A transfer from a husband, a wife, or a married couple creating or disjoining a tenancy by the entireties in the grantors or the grantor and his or her spouse.

(c) Subject to subdivision (d), a transfer of that portion of property subject to a life estate or life lease retained by the transferor, until expiration or termination of the life estate or life lease. That portion of property transferred that is not subject to a life lease shall be adjusted under subsection (3).

(d) Beginning December 31, 2014, a transfer of that portion of residential real property that had been subject to a life estate or life lease retained by the transferor resulting from expiration or termination of that life estate or life lease, if the transferee is the transferor's or transferor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the transfer. Upon request by the department of treasury or the assessor, the transferee shall furnish proof within 30 days that the transferee meets the requirements of this subdivision. If a transferee fails to comply with a request by the department of treasury or assessor under this subdivision, that transferee is subject to a fine of $200.00.

(e) A transfer through foreclosure or forfeiture of a recorded instrument under chapter 31, 32, or 57 of the revised judicature act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701 to 600.5759, or through deed or conveyance in lieu of a foreclosure or forfeiture, until the mortgagee or land contract vendor

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subsequently transfers the property. If a mortgagee does not transfer the property within 1 year of the expiration of any applicable redemption period, the property shall be adjusted under subsection (3).

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

(g) A conveyance to a trust if the settlor or the settlor's spouse, or both, conveys the property to the trust and any of the following conditions are satisfied:

(*i*) If the sole present beneficiary of the trust is the settlor or the settlor's spouse, or both.

(*ii*) Beginning December 31, 2014, for residential real property, if the sole present beneficiary of the trust is the settlor's or the settlor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the sole present beneficiary or beneficiaries shall furnish proof within 30 days that the sole present beneficiary or beneficiaries meet the requirements of this subparagraph. If a present beneficiary fails to comply with a request by the department of treasury or assessor under this subparagraph, that present beneficiary is subject to a fine of $200.00.

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

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

(j) A transfer for security or an assignment or discharge of a security interest.

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

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

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

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

(o) Except as provided in subsection (6)(k), a transfer of qualified agricultural property, if the person to whom the qualified agricultural property is transferred files an affidavit with the assessor of the local tax collecting unit in which the qualified agricultural property is located and with the register of deeds for the county in which the qualified agricultural property is located attesting that the qualified agricultural property will remain qualified agricultural property. The affidavit under this subdivision shall be in a form prescribed by the department of treasury. An owner of qualified agricultural property shall inform a prospective buyer of that qualified agricultural property that the qualified agricultural property is subject to the recapture tax provided in the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007, if the qualified agricultural property is converted by a change in use, as that term is defined in section 2 of the agricultural property recapture act, 2000 PA 261, MCL 211.1002. If property ceases to be qualified agricultural property at any time after a transfer subject to this subdivision, all of the following shall occur:

(*i*) The taxable value of that property, or, if subsection (6)(k) applies, a portion of it established as a separate tax parcel, shall be adjusted under subsection (3) as of the December 31 in the year that the property, or, if subsection (6)(k) applies, a portion of it established as a separate tax parcel, ceases to be qualified

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agricultural property.

(*ii*) The property, or, if subsection (6)(k) applies, a portion of it established as a separate tax parcel, is subject to the recapture tax provided for under the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007.

(p) A transfer of qualified forest property, if the person to whom the qualified forest property is transferred files a qualified forest taxable value affidavit with the assessor of the local tax collecting unit in which the qualified forest property is located and with the register of deeds for the county in which the qualified forest property is located attesting that the qualified forest property will remain qualified forest property. The qualified forest taxable value affidavit under this subdivision shall be in a form prescribed by the department of agriculture and rural development. The qualified forest taxable value affidavit shall include a legal description of the qualified forest property, the name of the new property owner, the year the transfer of the property occurred, a statement indicating that the property owner is attesting that the property for which the exemption is claimed is qualified forest property and will be managed according to the approved forest management plan, and any other information pertinent to the parcel and the property owner. The property owner shall provide a copy of the qualified forest taxable value affidavit to the department. The department shall provide 1 copy of the qualified forest taxable value affidavit to the local tax collecting unit, 1 copy to the conservation district, and 1 copy to the department of treasury. These copies may be sent electronically. The exception to the recognition of a transfer of ownership, as herein stated, extends to the land only of the qualified forest property. If qualified forest property is improved by buildings, structures, or land improvements, then those improvements shall be recognized as a transfer of ownership, in accordance with the provisions of section 7jj[1]. An owner of qualified forest property shall inform a prospective buyer of that qualified forest property that the qualified forest property is subject to the recapture tax provided in the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, if the qualified forest property is converted by a change in use, as that term is defined in section 2 of the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1032. If property ceases to be qualified forest property at any time after being transferred, all of the following shall occur:

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

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

(*iii*) Beginning June 1, 2013 and ending November 30, 2013, owners of property enrolled as qualified forest property before January 1, 2013 may execute a new qualified forest taxable value affidavit with the department of agriculture and rural development. If a landowner elects to execute a qualified forest taxable value affidavit, that owner is not required to pay the $50.00 fee required under section 7jj[1](2). If a landowner elects not to execute a qualified forest taxable value affidavit, the existing affidavit shall be rescinded, without subjecting the property to the recapture tax provided for under the qualified forest property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the taxable value of that property shall be adjusted under subsection (3).

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

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

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

(r) A transfer of real property or other ownership interests resulting from a consolidation or merger of a domestic nonprofit corporation that is a boy or girl scout or camp fire girls organization, a 4-H club or foundation, a young men's Christian association, or a young women's Christian association and at least 50% of the members of that organization or association are residents of this state.

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

(t) Beginning December 31, 2013 through December 30, 2014, a transfer of residential real property if the transferee is related to the transferor by blood or affinity to the first degree and the use of the residential real property does not change following the transfer.

(u) Beginning December 31, 2014, a transfer of residential real property if the transferee is the transferor's or the transferor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter,

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grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the transferee shall furnish proof within 30 days that the transferee meets the requirements of this subdivision. If a transferee fails to comply with a request by the department of treasury or assessor under this subdivision, that transferee is subject to a fine of $200.00.

(v) Beginning December 31, 2014, for residential real property, a conveyance from a trust if the person to whom the residential real property is conveyed is the settlor's or the settlor's spouse's mother, father, brother, sister, son, daughter, adopted son, adopted daughter, grandson, or granddaughter and the residential real property is not used for any commercial purpose following the conveyance. Upon request by the department of treasury or the assessor, the sole present beneficiary or beneficiaries shall furnish proof within 30 days that the sole present beneficiary or beneficiaries meet the requirements of this subdivision. If a present beneficiary fails to comply with a request by the department of treasury or assessor under this subdivision, that present beneficiary is subject to a fine of $200.00.

(w) Beginning on March 31, 2015, a conveyance of land by distribution under a will or trust or by intestate succession, but not buildings or structures located on the land, which meets 1 or more of the following requirements:

(*i*) The land is made subject to a conservation easement under subpart 11 of part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2140 to 324.2144, prior to the conveyance by distribution under a will or trust or by intestate succession. As used in this subparagraph, "conservation easement" means that term as defined in section 2140 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2140.

(*ii*) The land or an interest in the land is made eligible for a deduction as a qualified conservation contribution under section 170(h) of the internal revenue code, 26 USC 170, prior to the conveyance by distribution under a will or trust or by intestate succession.

(x) A conveyance of property under section 2120a(6) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2120a.

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

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

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

(9) If the taxable value of qualified agricultural property is adjusted under subsection (8), the owner of that qualified agricultural property is not entitled to a refund for any property taxes collected under this act on that qualified agricultural property before the adjustment under subsection (8).

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

(11) As used in this section:

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

(b) "Beneficial use" means the right to possession, use, and enjoyment of property, limited only by encumbrances, easements, and restrictions of record.

(c) "Commercial purpose" means used in connection with any business or other undertaking intended for profit, but does not include the rental of residential real property for a period of less than 15 days in a calendar year.

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

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

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

(g) "Qualified forest property" means that term as defined in section 7jj[1].

(h) "Residential real property" means real property classified as residential real property under section 34c.

History: Add. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1993, Act 145, Imd. Eff. Aug. 19, 1993;—Am. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2000, Act 260, Eff. Mar. 28, 2001;—Am. 2005, Act 23, Imd. Eff. May 23, 2005;—Am. 2006, Act 378, Imd. Eff. Sept. 27, 2006;—Am. 2006, Act 446, Imd. Eff. Dec. 8, 2006;—Am. 2008, Act 506, Imd. Eff. Jan. 13, 2009;—Am. 2012, Act 47, Imd. Eff. Mar. 13, 2012;—Am. 2012, Act 497, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 50, Imd. Eff. June 6, 2013;—Am. 2014, Act 310, Imd. Eff. Oct. 10, 2014;—Am. 2014, Act 535, Eff. Mar. 31, 2015;—Am. 2015, Act 19, Imd. Eff. Apr. 29, 2015;—Am. 2015, Act 243, Imd. Eff. Dec. 22, 2015;—Am. 2016, Act 375, Imd. Eff. Dec. 22, 2016.

Popular name: Act 206

Compiler's note: Enacting section 1 of Act 243 of 2015 provides:

"Enacting section 1. Section 27a(7)(d) of the general property tax act, 1893 PA 206, MCL 211.27a, as added by this amendatory act, is retroactive and is effective for taxes levied after December 31, 2014."

211.27b Failure to notify assessing office; adjustment.

Sec. 27b. (1) If the buyer, grantee, or other transferee in the immediately preceding transfer of ownership of property does not notify the appropriate assessing office as required by section 27a(10), the property's taxable value shall be adjusted under section 27a(3) and all of the following shall be levied:

(a) Any additional taxes that would have been levied if the transfer of ownership had been recorded as required under this act from the date of transfer.

(b) Interest and penalty from the date the tax would have been originally levied.

(c) For property classified under section 34c as either industrial real property or commercial real property, a penalty in the following amount:

(*i*) Except as otherwise provided in subparagraph (*ii*), if the sale price of the property transferred is $100,000,000.00 or less, $20.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $1,000.00.

(*ii*) If the sale price of the property transferred is more than $100,000,000.00, $20,000.00 after the 45 days have elapsed. However, if the appropriate assessing office determines that the failure to notify the assessing office within 45 days after the property's transfer of ownership was due to reasonable cause and not the willful neglect of the buyer, grantee, or other transferee, the penalty under subparagraph (*i*) shall be imposed. If the appropriate assessing office makes a determination that the failure to notify the assessing office within 45 days after the property's transfer of ownership was a result of the willful neglect of the buyer, grantee, or other transferee, that assessing office shall promptly send that buyer, grantee, or other transferee written notice, by certified mail, of that determination. A buyer, grantee, or other transferee who is assessed the penalty under this subparagraph may appeal that determination to the Michigan tax tribunal.

(d) For real property other than real property classified under section 34c as industrial real property or commercial real property, a penalty of $5.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $200.00.

(2) The appropriate assessing officer shall certify for collection to the treasurer of the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll any additional taxes due under subsection (1)(a) and any penalty due under subsection (1)(c) or (d).

(3) The treasurer of the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall collect any taxes, interest, and penalty due pursuant to this section, and shall immediately prepare and submit a corrected tax bill for any additional taxes due under subsection (1)(a) and any interest and penalty due under subsection (1)(b). A penalty due under subsection (1)(c) or (d) may be collected with the immediately succeeding regular tax bill.

(4) Any taxes, interest, and penalty collected pursuant to subsection (1)(a) and (b) shall be distributed in the same manner as other delinquent taxes, interest, and penalties are distributed under this act. Any penalty collected under subsection (1)(c) or (d) shall be distributed to the local tax collecting unit.

(5) The governing body of a local tax collecting unit may waive, by resolution, the penalty levied under subsection (1)(c) or (d).

(6) If the taxable value of property is increased under this section, the appropriate assessing officer shall immediately notify by first-class mail the owner of that property of that increase in taxable value. A buyer, grantee, or other transferee may appeal any increase in taxable value or the levy of any additional taxes, interest, and penalties under subsection (1) to the Michigan tax tribunal within 35 days of receiving the notice

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of the increase in the property's taxable value. An appeal under this subsection is limited to the issues of whether a transfer of ownership has occurred and correcting arithmetic errors. A dispute regarding the valuation of the property is not a basis for appeal under this subsection.

(7) If the taxable value of property is adjusted under subsection (1), the assessing officer making the adjustment shall file an affidavit with all officials responsible for determining assessment figures, rate of taxation, or mathematical calculations for that property within 30 days of the date the adjustment is made. The affidavit shall state the amount of the adjustment and the amount of additional taxes levied. The officials with whom the affidavit is filed shall correct all official records for which they are responsible to reflect the adjustment and levy.

(8) Notification of a transfer of ownership provided as required under section 27a(10) or a levy of additional taxes, interest, and penalty under this section shall not be considered a determination of or evidence of the classification of the property transferred as real or personal property.

History: Add. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2012, Act 382, Imd. Eff. Dec. 19, 2012.

Popular name: Act 206

211.27c Failure to notify assessing office; action to be taken by taxing unit.

Sec. 27c. If the buyer, grantee, or other transferee in any preceding transfer of ownership of property does not notify the appropriate assessing office as required by section 27a(8), a taxing unit may sue that buyer, grantee, or other transferee as provided in section 47 for all of the following:

(a) Any additional taxes that would have been levied if the transfer of ownership had been recorded as required under this act from the date of transfer.

(b) Interest and penalty from the date the tax would have been originally levied.

(c) A penalty of $5.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of $200.00.

History: Add. 1996, Act 476, Imd. Eff. Dec. 26, 1996.

Popular name: Act 206

211.27d Report by county equalization director.

Sec. 27d. Not later than the fourth Monday in June in each year, the county equalization director for each county shall report all of the following to the state tax commission on a form prepared by the state tax commission:

(a) Total taxable value of all property in the county as of the fourth Monday in May in that year.

(b) Taxable value for each separately equalized class of property.

(c) Total taxable value of all property in the county for which a principal residence exemption is granted under section 7cc or a qualified agricultural property exemption is granted under section 7ee.

(d) Total taxable value of all property in the county for which a principal residence exemption has not been granted under section 7cc and a qualified agricultural property exemption has not been granted under section 7ee.

History: Add. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2003, Act 140, Eff. Jan. 1, 2004.

Popular name: Act 206

211.27e Reports; transmission of information from affidavits; definitions.

Sec. 27e. (1) Not later than June 5, 2014, the assessor for each city and township shall report to the county equalization director all of the following:

(a) The 2013 taxable value of commercial personal property and industrial personal property for each municipality in the city or township.

(b) The 2014 taxable value of commercial personal property and industrial personal property for each municipality in the city or township.

(c) The small taxpayer exemption loss for each municipality in the city or township.

(2) Not later than June 20, 2014, the equalization director for each county shall report to the department the information described in subsection (1) for each municipality in the county. For each municipality levying a millage in more than 1 county, the county equalization director responsible for compiling the municipality's taxable value under section 34d shall compile the municipality's information described in subsection (1).

(3) Not later than August 15, 2014, each municipality shall report to the department the millage rate levied or to be levied that year for a millage described in the definition of debt loss or school debt loss. For 2014, the rate of that millage shall be calculated using the sum of the municipality's taxable value and the municipality's small taxpayer exemption loss. For 2014, the department shall calculate each municipality's debt loss or

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school debt loss by multiplying the municipality's millage rate reported under this subsection by the municipality's small taxpayer exemption loss.

(4) The assessor for each city and township shall transmit to the department as prescribed by the department information from the affidavits filed under sections 9m and 9n.

(5) As used in this section, "commercial personal property", "debt loss", "industrial personal property", "municipality", "school debt loss", "small taxpayer exemption loss", and "taxable value" mean those terms as defined in the local community stabilization authority act.

History: Add. 2014, Act 87, Imd. Eff. Apr. 1, 2014.

Compiler's note: Enacting section 1 of Act 87 of 2014 provides:

"Enacting section 1. The exclusion of generation, transmission, or distribution of electricity for sale from the definition of "industrial processing" under this amendatory act is not intended to affect any other provision of Michigan law or impact the decision in Detroit Edison Company v Department of Treasury, court of appeals docket no. 309732."

Popular name: Act 206

BOARD OF REVIEW.

211.28 Board of review for township or city; appointment, qualifications, and terms of members; vacancy; eligibility; quorum; adjournment; deciding questions; board of review committees; meetings; size, composition, and manner of appointment of board of review; alternate members; indorsement of assessment roll; duties and responsibilities contained in MCL 211.29; single board of review.

Sec. 28. (1) The township board shall appoint those electors of the township who will constitute a board of review for the township. At least 2/3 of the members must be property taxpayers of the township. Members appointed to the board of review shall serve for terms of 2 years beginning at noon on January 1 of each odd-numbered year. Each member of the board of review shall qualify by taking the constitutional oath of office within 10 days after appointment. The township board may fill any vacancy that occurs in the membership of the board of review. A member of the township board is not eligible to serve on the board or to fill any vacancy. A spouse, mother, father, sister, brother, son, or daughter, including an adopted child, of the assessor is not eligible to serve on the board or to fill any vacancy. A majority of the board of review constitutes a quorum for the transaction of business, but a lesser number may adjourn and a majority vote of those present will decide all questions. At least 2 members of a 3-member board of review shall be present to conduct any business or hearings of the board of review.

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

(3) A township board may appoint not more than 2 alternate members for the same term as regular members of the board of review. Each alternate member must be a property taxpayer of the township. Alternate members shall qualify by taking the constitutional oath of office within 10 days after appointment. The township board may fill any vacancy that occurs in the alternate membership of the board of review. A member of the township board is not eligible to serve as an alternate member or to fill any vacancy. A spouse, mother, father, sister, brother, son, or daughter, including an adopted child, of the assessor is not eligible to serve as an alternate member or to fill any vacancy. An alternate member may be called to perform the duties of a regular member of the board of review in the absence of a regular member. An alternate member may also be called to perform the duties of a regular member of the board of review for the purpose of reaching a decision in issues protested in which a regular member has abstained for reasons of conflict of interest.

(4) The size, composition, and manner of appointment of the board of review of a city may be prescribed by the charter of a city. In the absence of or in place of a charter provision, the governing body of the city, by ordinance, may establish the city board of review in the same manner and for the same purposes as provided by this section for townships.

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

(6) The governing bodies of 2 or more contiguous cities or townships may, by agreement, appoint a single

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board of review to serve as the board of review for each of those cities or townships for purposes of this act. The provisions in subsections (1) to (5) should serve as a guide in determining the size, composition, and manner of appointment of a board of review appointed under this subsection.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3851;—Am. 1901, Act 129, Eff. Sept. 5, 1901;—CL 1915, 4022;—CL 1929, 3416;—Am. 1944, 1st Ex. Sess., Act 18, Imd. Eff. Feb. 19, 1944;—CL 1948, 211.28;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1968, Act 84, Imd. Eff. June 4, 1968;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1984, Act 149, Imd. Eff. June 25, 1984;—Am. 1993, Act 292, Imd. Eff. Dec. 28, 1993;—Am. 2006, Act 143, Imd. Eff. May 22, 2006;—Am. 2018, Act 660, Imd. Eff. Dec. 28, 2018.

Compiler's note: Enacting section 1 of Act 660 of 2018 provides:

"Enacting section 1. It is the intent of the legislature to appropriate sufficient money to address start-up and training costs associated with this amendatory act, including, but not limited to, necessary costs incurred to train board of review members, increase the number of assessors qualified to serve as assessors of record, facilitate initial designated assessor designations, respond to assessor requests for technical assistance, enhance staff and programming within the state tax commission to improve technical support for assessors of record, and transition some assessment services to designated assessors."

Popular name: Act 206

211.29 Board of review of township; meeting; submission, examination, and review of assessment roll; additions to roll; correction of errors; compliance with act; review of roll on tax day; prohibitions; entering valuations in separate columns; approval and adoption of roll; conducting business at public meeting; notice of meeting; notice of change in roll.

Sec. 29. (1) On the Tuesday immediately following the first Monday in March, the board of review of each township shall meet at the office of the supervisor, at which time the supervisor shall submit to the board the assessment roll for the current year, as prepared by the supervisor, and the board shall proceed to examine and review the assessment roll.

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

(3) The roll shall be reviewed according to the facts existing on the tax day. The board shall not add to the roll property not subject to taxation on the tax day, and the board shall not remove from the roll property subject to taxation on that day regardless of a change in the taxable status of the property since that day.

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

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

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

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

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3852;—Am. 1907, Act 326, Eff. Sept. 28, 1907;—CL 1915, 4023;—CL 1929, 3417;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.29;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978.

Popular name: Act 206

211.30 Board of review; meetings; alternative dates; sessions; request, protest, or application for correction of assessment; hearing; examination of persons under oath; filing by nonresident taxpayer; notice; filing, hearing, and determination of objection; right of appeal; approval or disapproval of personal property exemption; indorsement and signed statement; delivery of assessment roll; ordinance or resolution authorizing filing of

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protest by letter; notice of option.

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

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

(3) The first meeting of the board of review shall start not earlier than 9 a.m. and not later than 3 p.m. and last for not less than 6 hours. The board of review shall also meet for not less than 6 hours during the remainder of that week. Persons or their agents who have appeared to file a protest before the board of review at a scheduled meeting or at a scheduled appointment shall be afforded an opportunity to be heard by the board of review. The board of review shall schedule a final meeting after the board of review makes a change in the assessed value or tentative taxable value of property, adds property to the assessment roll, or exempts personal property under section 9m, 9n, or 9o and removes it from the assessment roll. The board of review shall hold at least 3 hours of its required sessions for review of assessment rolls during the week of the second Monday in March after 6 p.m.

(4) A board of review shall meet a total of at least 12 hours during the week beginning the second Monday in March to hear protests. At the request of a person whose property is assessed on the assessment roll or of his or her agent, and if sufficient cause is shown, the board of review shall correct the assessed value or tentative taxable value of the property in a manner that will make the valuation of the property relatively just and proper under this act. For the appeal of a denial of a claim of exemption for personal property under section 9m, 9n, or 9o, or for an appeal under section 9o(7), if an exemption is approved, the board of review shall remove the personal property from the assessment roll. The board of review may examine under oath the person making the application, or any other person concerning the matter. A member of the board of review may administer the oath. A nonresident taxpayer may file his or her appearance, protest, and papers in support of the protest by letter, and his or her personal appearance is not required. The board of review, on its own motion, may change assessed values or tentative taxable values or add to the roll property omitted from the roll that is liable to assessment if the person who is assessed for the altered valuation or for the omitted property is promptly notified and granted an opportunity to file objections to the change at the meeting or at a subsequent meeting. An objection to a change in assessed value or tentative taxable value or to the addition of property to the tax roll shall be promptly heard and determined. Each person who makes a request, protest, or application to the board of review for the correction of the assessed value or tentative taxable value of the person's property or for the exemption of that person's personal property under section 9m, 9n, or 9o shall be notified in writing, not later than the first Monday in June, of the board of review's action on the request, protest, or application, of the state equalized valuation or tentative taxable value of the property, and of information regarding the right of further appeal to the tax tribunal. Information regarding the right of further appeal to the tax tribunal shall include, but is not limited to, a statement of the right to appeal to the tax tribunal, the address of the tax tribunal, and the final date for filing an appeal with the tax tribunal.

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

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

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

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

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3853;—Am. 1907, Act 326, Eff. Sept. 28, 1907;—CL 1915, 4024;—CL

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1929, 3418;—CL 1948, 211.30;—Am. 1949, Act 285, Eff. Sept. 23, 1949;—Am. 1951, Act 48, Eff. Sept. 28, 1951;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1994, Act 9, Imd. Eff. Feb. 24, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 2000, Act 210, Imd. Eff. June 27, 2000;—Am. 2003, Act 194, Imd. Eff. Nov. 10, 2003;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013.

Popular name: Act 206

211.30a Township board of review; completion of review, date.

Sec. 30a. In the year 1950 and thereafter the review of assessments by boards of review in all cities and townships shall be completed on or before the first Monday in April, any provisions of the charter of any city or township to the contrary notwithstanding: Provided, That the legislative body of any city or township, in order to comply with the provisions hereof, may, by ordinance, fix the period or periods for preparing the budget and for making, completing and reviewing the assessment roll, any provisions of the charter of such city or township or any law to the contrary notwithstanding.

History: Add. 1949, Act 285, Eff. Sept. 23, 1949.

Popular name: Act 206

211.30b Revision of personal property assessments in 1965.

Sec. 30b. In 1965 only, regardless of the provisions of section 30a, personal property assessments in any city, township or village shall be subject to revision, upon authorization of the state tax commission, after the final meeting of the board of review and, where any assessment is so revised, the board of review shall reconvene and, after written notice to each affected taxpayer of said meeting and of the proposed change in his assessments, review the personal property assessment roll on or before April 15, 1965, and thereafter such roll shall be treated as though the review thereof had been completed at the usual time.

History: Add. 1965, Act 20, Imd. Eff. Apr. 22, 1965.

Popular name: Act 206

211.30c Reduced amount as basis for calculating assessed value or taxable value in succeeding year; applicability of section.

Sec. 30c. (1) If a taxpayer has the assessed value or taxable value reduced on his or her property as a result of a protest to the board of review under section 30, the assessor shall use that reduced amount as the basis for calculating the assessment in the immediately succeeding year. However, the taxable value of that property in a tax year immediately succeeding a transfer of ownership of that property is that property's state equalized valuation in the year following the transfer as calculated under this section.

(2) If a taxpayer appears before the tax tribunal during the same tax year for which the state equalized valuation, assessed value, or taxable value is appealed and has the state equalized valuation, assessed value, or taxable value of his or her property reduced pursuant to a final order of the tax tribunal, the assessor shall use the reduced state equalized valuation, assessed value, or taxable value as the basis for calculating the assessment in the immediately succeeding year. However, the taxable value of that property in a tax year immediately succeeding a transfer of ownership of that property is that property's state equalized valuation in the year following the transfer as calculated under this section.

(3) This section applies to an assessment established for taxes levied after January 1, 1994. This section does not apply to a change in assessment due to a protest regarding a claim of exemption.

History: Add. 1994, Act 297, Imd. Eff. July 14, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996.

Popular name: Act 206

211.31 Township board of review; completed roll valid; conclusive presumption.

Sec. 31. Upon the completion of said roll and its endorsement in manner aforesaid, the same shall be conclusively presumed by all courts and tribunals to be valid, and shall not be set aside except for causes hereinafter mentioned. The omission of such indorsement shall not affect the validity of such roll.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3854;—CL 1915, 4025;—CL 1929, 3419;—CL 1948, 211.31.

Popular name: Act 206

211.32 Township board of review; quorum; conscription of absent members; second meeting alternative.

Sec. 32. If from any cause a quorum shall not be present at any meeting of the board of review, it shall be the duty of the supervisor, or, in his absence, any other member of the board present, to notify each absent member to attend at once, and it shall be the duty of the member so notified to attend without delay. If from

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any cause the second meeting of such board of review herein provided for is not held at the time fixed therefor, then and in that case it shall meet on the next Monday thereafter, and proceed in the same manner and with like powers as if such meeting had been held as hereinbefore provided.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3855;—CL 1915, 4026;—CL 1929, 3420;—CL 1948, 211.32.

Popular name: Act 206

211.33 Secretary of board of review; record; filing; form.

Sec. 33. The supervisor shall be the secretary of said board of review and shall keep a record of the proceedings of the board and of all the changes made in such assessment roll, and shall file the same with the township or city clerk with the statements made by persons assessed. In the absence of the supervisor, the board shall appoint 1 of its members to serve as secretary. The state tax commission may prescribe the form of the record whenever deemed necessary.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3856;—CL 1915, 4027;—CL 1929, 3421;—CL 1948, 211.33;—Am. 1964, Act 275, Eff. Aug. 28, 1964.

Popular name: Act 206

211.33a Collection and levy of taxes for 2020 tax year; modifications.

Sec. 33a. (1) Notwithstanding any provision of this act or any local charter provision or ordinance to the contrary, beginning April 6, 2020 and continuing through December 31, 2020, all of the following apply to the collection of taxes under this act for property taxes levied in 2020:

(a) The requirements of sections 30 and 30a are subject to all of the following modifications:

(*i*) Any review of assessments by a city or township board of review that has been completed by the effective date of the amendatory act that added this section must be considered to have been timely completed.

(*ii*) A completed assessment roll for 2020 that has been delivered to the director of a county tax or equalization department by the effective date of the amendatory act that added this section must be considered to have been timely delivered.

(*iii*) If the director of a county tax or equalization department does not receive a certified assessment roll from a board of review, the county must equalize based on the assessment roll prepared by the assessor.

(b) The requirements of section 34 are subject to both of the following modifications:

(*i*) The county board of commissioners in each county must meet by not later than May 15, 2020 to determine county equalized value. These meetings must be conducted in a manner consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, including, for any meeting held electronically, sections 3 and 3a of the open meetings act, 1976 PA 267, MCL 15.263 and 15.263a.

(*ii*) The director of the tax or equalization department in each county must transmit a certified copy of the tabular statement described in section 5(2) of 1911 PA 44, MCL 209.5, in the manner required under section 5(2) of 1911 PA 44, MCL 209.5, to the state tax commission on or before May 18, 2020.

(c) The protest and dispute provisions set forth in sections 28, 29, 30, 30a, 34c, and 53b are subject to all of the following modifications:

(*i*) Boards of review that were not able to complete the duties set forth in section 28, 29, or 30 must meet on the Tuesday following the third Monday in July to hear protests.

(*ii*) In addition to purposes set forth in section 53b, boards of review meeting in July must also meet to hear any matters, including protests, provided for under section 30 that are properly before a March board of review under section 30. Boards of review must issue decisions on these matters by not later than September 1, 2020.

(*iii*) Boards of review meeting in July pursuant to this subdivision must do both of the following:

(A) Provide notice of their meetings in the manner required under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, including, for any meeting held electronically, all notices required by sections 3 and 3a of the open meetings act, 1976 PA 267, MCL 15.263 and 15.263a. The provision of such notice satisfies the minimum requirements of due process.

(B) Allow a resident taxpayer to file a protest before the board of review by letter without a personal appearance by the taxpayer or the taxpayer's agent.

(*iv*) An owner of any assessable property that disputes the classification of a particular parcel must notify the assessor and may protest the assigned classification to the board of review acting in July.

(*v*) An owner or assessor that did not file an appeal at the March 2020 board of review may appeal a classification decision of the board of review acting in July by filing a written petition with the state tax commission by not later than September 1, 2020.

(2) This section does not provide for a rehearing or reconsideration by a July board of review of a protest,

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request, or other property tax matter that was previously denied by a March board of review.

(3) The time extensions provided for in this section are automatic, and taxpayers and local officials are entitled to them without filing any additional forms with, or otherwise contacting, the department of treasury, state tax commission, or state tax tribunal.

History: Add. 2020, Act 297, Imd. Eff. Dec. 29, 2020.

Compiler's note: Enacting section 1 of Act 297 of 2020 provides:
"Enacting section 1. This amendatory act is intended to apply retroactively effective beginning April 6, 2020."

EQUALIZATION BY COUNTIES.

211.34 Determination of county equalized value; conducting business at public meeting; notice of meeting; advising local taxing units of increased equalized value; reduction of maximum authorized millage rate; examination of assessment rolls to ascertain equal and uniform assessment of real and personal property; equalization procedure; establishment of department to survey assessments and assist board of commissioners; appeal to state tax tribunal; authority of agent to file and sign petition for appeal.

Sec. 34. (1) The county board of commissioners in each county shall meet in April each year to determine county equalized value which equalization shall be completed and submitted along with the tabular statement required by section 5 of Act No. 44 of the Public Acts of 1911, being section 209.5 of the Michigan Compiled Laws, to the state tax commission before the first Monday in May. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended. Each year the county board of commissioners shall advise the local taxing units when the state tax commission increases the equalized value of the county as established by the board of county commissioners and each taxing unit other than a city, township, school district, intermediate school district, or community college district, shall immediately reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that subsequent to the increase ordered by the state tax commission pursuant to Act No. 44 of the Public Acts of 1911, as amended, being sections 209.1 to 209.8 of the Michigan Compiled Laws, total property taxes levied for that unit shall not exceed that which would have been levied for that unit at its maximum authorized millage rate, as determined after any reduction caused by section 34d, if there had not been an increase in valuation by the state. If its state equalized valuation exceeds its assessed valuation by 5.0% or more in 1982 or by any amount in 1983 or any year thereafter, a city or township shall reduce its maximum authorized millage rate, as determined after any reduction caused by section 34d, so that total property taxes levied for that unit do not exceed that which would have been levied based on its assessed valuation.

(2) The county board of commissioners shall examine the assessment rolls of the townships or cities and ascertain whether the real and personal property in the respective townships or cities has been equally and uniformly assessed at true cash value. If, on the examination, the county board of commissioners considers the assessments to be relatively unequal, it shall equalize the assessments by adding to or deducting from the valuation of the taxable property in a township or city an amount which in the judgment of the county board of commissioners will produce a sum which represents the true cash value of that property, and the amount added to or deducted from the valuations in a township or city shall be entered upon the records. The county board of commissioners and the state tax commission shall equalize real and personal property separately by adding to or deducting from the valuation of taxable real property, and by adding to or deducting from the valuation of taxable personal property in a township, city, or county, an amount which will produce a sum which represents the proportion of true cash value established by the legislature. Beginning December 31, 1980, the county board of commissioners and the state tax commission shall equalize separately the following classes of real property by adding to or deducting from the valuation of agricultural, developmental, residential, commercial, industrial, and timber cutover taxable real property, and by adding to or deducting from the valuation of taxable personal property in a township, city, or county, an amount as will produce a sum which represents the proportion of true cash value established by the legislature. The tax roll and the tax statement shall clearly set forth the latest state equalized valuation for each item or property which shall be determined by using a separate factor for personal property and a separate factor for real property as equalized. Beginning December 31, 1980, the tax roll and the tax statement shall clearly set forth the latest state equalized valuation for each item or property which shall be determined by using a separate factor for personal property and a separate factor for each classification for real property as equalized. Factors used in determining the state equalized valuation for real and personal property on the tax roll shall be rounded up to

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not less than 4 decimal places. Equalized values for both real and personal property shall be equalized uniformly at the same proportion of true cash value in the county. The county board of commissioners shall also cause to be entered upon its records the aggregate valuation of the taxable real and personal property of each township or city in its county as determined by the county board. The county board of commissioners shall also make alterations in the description of any land on the rolls as is necessary to render the descriptions conformable to the requirements of this act. After the rolls are equalized, each shall be certified to by the chairperson and the clerk of the board and be delivered to the supervisor of the proper township or city, who shall file and keep the roll in his or her office.

(3) The county board of commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments, and may employ in that department technical and clerical personnel which in its judgment are considered necessary. The personnel of the department shall be under the direct supervision and control of a director of the tax or equalization department who may designate an employee of the department as his or her deputy. The director of the county tax or equalization department shall be appointed by the county board of commissioners. The county board of commissioners, through the department, may furnish assistance to local assessing officers in the performance of duties imposed upon those officers by this act, including the development and maintenance of accurate property descriptions, the discovery, listing, and valuation of properties for tax purposes, and the development and use of uniform valuation standards and techniques for the assessment of property.

(4) The supervisor of a township or, with the approval of the governing body, the certified assessor of a township or city, or the intermediate district board of education, or the board of education of an incorporated city or village aggrieved by the action of the county board of commissioners, in equalizing the valuations of the townships or cities of the county, may appeal from the determination to the state tax tribunal in the manner provided by law. An appeal from the determination by the county board of commissioners shall be filed with the clerk of the tribunal by a written or printed petition which shall set forth in detail the reasons for taking the appeal. The petition shall be signed and sworn to by the supervisor, the certified assessor, or a majority of the members of the board of education taking the appeal, shall show that a certain township, city, or school district has been discriminated against in the equalization, and shall pray that the state tax tribunal proceed at its earliest convenience to review the action from which the appeal is taken. The state tax tribunal shall, upon hearing, determine if in its judgment there is a showing that the equalization complained of is unfair, unjust, inequitable, or discriminatory. The state tax tribunal shall have the same authority to consider and pass upon the action and determination of the county board of commissioners in equalizing valuations as it has to consider complaints relative to the assessment and taxation of property. The state tax tribunal may order the county board of commissioners to reconvene and to cause the assessment rolls of the county to be brought before it, may summon the commissioners of the county to give evidence in relation to the equalization, and may take further action and may make further investigation in the premises as it considers necessary. The state tax tribunal shall fix a valuation on all property of the county. If the state tax tribunal decides that the determination and equalization made by the county board of commissioners is correct, further action shall not be taken. If the state tax tribunal, after the hearing, decides that the valuations of the county were improperly equalized, it shall proceed to make deductions from, or additions to, the valuations of the respective townships, cities, or school districts as may be considered proper, and in so doing the tribunal shall have the same powers as the county board of commissioners had in the first instance. The deductions or additions shall decrease or increase the state equalized valuation of the local unit affected but shall not increase or decrease the total state equalized valuation of the county in the case of an appeal under this section to the state tax tribunal. If the tax tribunal finds that the valuations of a class of property in a county were improperly equalized by that county and determines that the total value of that class of property in the county may not be at the level required by law, prior to entry of a final order, the tax tribunal shall forward its findings and determination to the state tax commission. Within 90 days after receiving the findings and determination of the tax tribunal, the state tax commission shall determine whether the state equalized valuation of that class of property in the county was set at the level prescribed by law or should be revised to provide uniformity among the counties and shall enter an order consistent with the state tax commission's findings. The tax tribunal shall enter a final order based upon the revised state equalized valuation, if any, which is adopted by the state tax commission. The state tax tribunal immediately after completing its revision of the equalization of the valuation of the several assessment districts shall report its action to the county board of commissioners and board of education if the board has instituted the appeal by filing its report with the clerk of the county board of commissioners. The action of the state tax tribunal in the premises shall constitute the equalization of the county for the tax year.

(5) For purposes of appeals pursuant to subsection (4) in 1981 only, an agent of a supervisor, including an

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assessor, shall be considered to have the authority to file and sign a petition for an appeal, and any otherwise timely submitted petition in 1981 by an agent of a supervisor shall be reviewed by the tribunal as if submitted by the supervisor.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3857;—Am. 1909, Act 292, Eff. Sept. 1, 1909;—Am. 1913, Act 201, Eff. Aug. 14, 1913;—CL 1915, 4028;—Am. 1921, Act 380, Eff. Aug. 18, 1921;—Am. 1925, Act 85, Eff. Aug. 27, 1925;—CL 1929, 3422;—CL 1948, 211.34;—Am. 1952, Act 264, Eff. Sept. 18, 1952;—Am. 1954, Act 200, Eff. Aug. 13, 1954;—Am. 1956, Act 30, Imd. Eff. Mar. 28, 1956;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1968, Act 206, Eff. Nov. 15, 1968;—Am. 1970, Act 152, Imd. Eff. Aug. 1, 1970;—Am. 1971, Act 189, Imd. Eff. Dec. 20, 1971;—Am. 1975, Act 243, Imd. Eff. Sept. 4, 1975;—Am. 1976, Act 233, Imd. Eff. Aug. 4, 1976;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978;—Am. 1979, Act 114, Eff. Mar. 27, 1980;—Am. 1980, Act 152, Imd. Eff. June 11, 1980;—Am. 1981, Act 6, Imd. Eff. Apr. 16, 1981;—Am. 1981, Act 213, Imd. Eff. Dec. 30, 1981;—Am. 1986, Act 105, Imd. Eff. May 19, 1986.

Popular name: Act 206

211.34a Tabular statement of tentative equalization ratios and estimated multipliers; preparation; publication; copies, notices; effect on equalization procedures; appeal.

Sec. 34a. (1) The equalization director of each county shall prepare a tabular statement each year, by the several cities and townships of the county, showing the tentative recommended equalization ratios and estimated multipliers necessary to compute individual state equalized valuation of real property and of personal property. The county shall publish the tabulation in a newspaper of general circulation within the county on or before the third Monday in February each year and furnish a copy to each assessor and to each of the boards of review in the county and to the state tax commission. All notices of meetings of the boards of review shall give the tentative ratios and estimated multipliers pertaining to their jurisdiction. The tentative recommended equalization ratios and multiplying figures shall not prejudice the equalization procedures of the county board of commissioners or the state tax commission.

(2) If the final equalization multiplier for only the 1986 tax year exceeds the tentative multiplier used in preparing the assessment notice and as a result of action of the state board of equalization or county board of commissioners a taxpayer's assessment as equalized is in excess of 50% of true cash value, that person may appeal directly to the tax tribunal. The appeal shall be filed under this subsection during 1986 on or before the third Monday in August and shall be heard in the same manner as other appeals of the tribunal. An appeal pursuant to this subsection shall not result in an equalized value less than the assesed value multiplied by the tentative equalization multiplier used in preparing the assessment notice.

History: Add. 1971, Act 165, Imd. Eff. Nov. 24, 1971;—Am. 1975, Act 188, Imd. Eff. Aug. 2, 1975;—Am. 1986, Act 138, Imd. Eff. June 30, 1986.

Compiler's note: In the last sentence of subsection (2), the word “assesed” evidently should read “assessed”.

Popular name: Act 206

211.34b Joint equalization department; establishment; duties.

Sec. 34b. Two or more counties may jointly establish an equalization department as provided by section 34. The joint equalization department shall assist the boards of commissioners in each participating county in surveying and equalizing assessments and meeting the requirements of section 34.

History: Add. 1972, Act 356, Eff. Mar. 30, 1973.

Popular name: Act 206

211.34c Classification of assessable property; tabulation of assessed valuations; transmittal of tabulation and other statistical information; description; buildings on leased land as improvements; total usage of parcel which includes more than 1 classification; notice to assessor and protest of assigned classification; decision; petition; arbitration; determination final and binding; appeal by department; construction of section; separate assessment roll for certain property.

Sec. 34c. (1) Not later than the first Monday in March in each year, the assessor shall classify every item of assessable property according to the definitions contained in this section. Following the March board of review, the assessor shall tabulate the total number of items and the valuations as approved by the board of review for each classification and for the totals of real and personal property in the local tax collecting unit. The assessor shall transmit to the county equalization department and to the state tax commission the tabulation of assessed valuations and other statistical information the state tax commission considers necessary to meet the requirements of this act and 1911 PA 44, MCL 209.1 to 209.8.

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

(a) Agricultural real property includes parcels used partially or wholly for agricultural operations, with or

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without buildings. For taxes levied after December 31, 2002, agricultural real property includes buildings on leased land used for agricultural operations. If a parcel of real property is classified as agricultural real property and is engaged in agricultural operations, any contiguous parcel owned by the same taxpayer, that is a vacant parcel, a wooded parcel, or a parcel on which is located 1 or more agricultural outbuildings that comprise more than 50% of the taxable value of all buildings on that parcel as indicated by the assessment records for the local tax collecting unit in which that parcel is located, shall be classified as agricultural real property. Contiguity is not broken by a boundary between local tax collecting units, a section boundary, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. For purposes of this subsection, contiguity requires that the parcel classified as agricultural real property by reason of its agriculture use and the vacant parcel, wooded parcel, or parcel on which is located 1 or more agricultural outbuildings must be immediately adjacent to each other, without intervening parcels that do not qualify for classification as agricultural real property based on their actual agricultural use. It is the intent of the legislature that if a parcel of real property is classified as agricultural real property and is engaged in agricultural operations, any contiguous parcel owned by the same taxpayer, that is a vacant parcel, a wooded parcel, or a parcel on which is located 1 or more agricultural outbuildings that comprise more than 50% of the taxable value of all buildings on that parcel as indicated by the assessment records for the local tax collecting unit in which that parcel is located, shall be classified as agricultural real property even if the contiguous parcels are located in different local tax collecting units. Property shall not lose its classification as agricultural real property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan. As used in this subdivision:

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

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

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

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

(C) Dairying.

(D) Raising livestock, bees, fish, fur-bearing animals, or poultry, including operating a game bird hunting preserve licensed under part 417 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.41701 to 324.41712, and also including farming operations that harvest cervidae on site where not less than 60% of the cervidae were born as part of the farming operation. As used in this subparagraph, "livestock" includes, but is not limited to, cattle, sheep, new world camelids, goats, bison, privately owned cervids, ratites, swine, equine, poultry, aquaculture, and rabbits. Livestock does not include dogs and cats.

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

(F) Turf and tree farming.

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

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

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

(B) Minimizing wildlife access to livestock feed and water by feeding livestock in an enclosed area, feeding in open areas near buildings and human activity, removing extra or waste feed when livestock are moved, using hay feeders to reduce waste, using artificial water systems to help keep livestock from sharing water sources with wildlife, fencing off stagnant ponds, wetlands, or areas of wildlife habitats that pose a disease risk, and keeping mineral feeders near buildings and human activity or using devices that restrict wildlife usage.

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

(b) Commercial real property includes the following:

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

(*ii*) Parcels used by fraternal societies.

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

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

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

(d) Industrial real property includes the following:

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

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

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

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

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

(e) Residential real property includes the following:

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

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

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

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

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

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

(b) Commercial personal property includes the following:

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

(*ii*) All outdoor advertising signs and billboards.

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

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

(c) Industrial personal property includes the following:

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

(*ii*) Personal property of mining companies.

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

(e) Utility personal property includes the following:

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

(*ii*) Oil wells and allied equipment such as tanks, gathering lines, field pump units, and buildings.

(*iii*) Inventories not exempt by law.

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

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

(*vi*) Gas storage equipment.

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

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

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

(6) An owner of any assessable property who disputes the classification of that parcel shall notify the

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assessor and may protest the assigned classification to the March board of review. An owner or assessor may appeal the decision of the March board of review by filing a petition with the state tax commission not later than June 30 in that tax year. The state tax commission shall arbitrate the petition based on the written petition and the written recommendations of the assessor and the state tax commission staff. An appeal may not be taken from the decision of the state tax commission regarding classification complaint petitions and the state tax commission's determination is final and binding for the year of the petition.

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

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

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

History: Add. 1978, Act 381, Imd. Eff. July 27, 1978;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2000, Act 415, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2006, Act 214, Imd. Eff. June 21, 2006;—Am. 2006, Act 278, Imd. Eff. July 7, 2006;—Am. 2006, Act 376, Imd. Eff. Sept. 22, 2006;—Am. 2006, Act 646, Imd. Eff. Jan. 5, 2007;—Am. 2011, Act 320, Imd. Eff. Dec. 27, 2011;—Am. 2012, Act 368, Imd. Eff. Dec. 14, 2012;—Am. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Compiler's note: Enacting section 1 of Act 646 of 2006 provides:

"Enacting section 1. It is the intent of the legislature that this amendatory act shall not change the status of property subject to payment in lieu of taxes under subpart 14 of part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2152 to 324.2154, in regard to school operating mills levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211."

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Popular name: Act 206

211.34d Definitions; tabulation of tentative taxable value; computation of amounts; calculation of millage reduction fraction; transmittal of computations; delivery of signed statement; certification; tax levy; limitation on number of mills; application of millage reduction fraction or limitation; voter approval of tax levy; incorrect millage reduction fraction; recalculation and rounding of fractions; publication of inflation rate; permanent reduction in maximum rates.

Sec. 34d. (1) As used in this section or section 27a, or section 3 or 31 of article IX of the state constitution of 1963:

(a) For taxes levied before 1995, "additions" means all increases in value caused by new construction or a physical addition of equipment or furnishings, and the value of property that was exempt from taxes or not included on the assessment unit's immediately preceding year's assessment roll.

(b) For taxes levied after 1994, "additions" means, except as provided in subdivision (c), all of the following:

(*i*) Omitted real property. As used in this subparagraph, "omitted real property" means previously existing tangible real property not included in the assessment. Omitted real property shall not increase taxable value as an addition unless the assessing jurisdiction has a property record card or other documentation showing that the omitted real property was not previously included in the assessment. The assessing jurisdiction has the burden of proof in establishing whether the omitted real property is included in the assessment. Omitted real property for the current and the 2 immediately preceding years, discovered after the assessment roll has been completed, shall be added to the tax roll pursuant to the procedures established in section 154. For purposes of determining the taxable value of real property under section 27a, the value of omitted real property is based on the value and the ratio of taxable value to true cash value the omitted real property would have had if the property had not been omitted.

(*ii*) Omitted personal property. As used in this subparagraph, "omitted personal property" means previously existing tangible personal property not included in the assessment. Omitted personal property shall be added to the tax roll pursuant to section 154.

(*iii*) New construction. As used in this subparagraph, "new construction" means property not in existence

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on the immediately preceding tax day and not replacement construction. New construction includes the physical addition of equipment or furnishings, subject to the provisions set forth in section 27(2)(a) to (p). For purposes of determining the taxable value of property under section 27a, the value of new construction is the true cash value of the new construction multiplied by 0.50.

(*iv*) Previously exempt property. As used in this subparagraph, "previously exempt property" means property that was exempt from ad valorem taxation under this act on the immediately preceding tax day but is subject to ad valorem taxation on the current tax day under this act. For purposes of determining the taxable value of real property under section 27a:

(A) The value of property previously exempt under section 7u is the taxable value the entire parcel of property would have had if that property had not been exempt, minus the product of the entire parcel's taxable value in the immediately preceding year and the lesser of 1.05 or the inflation rate.

(B) The taxable value of property that is a facility as that term is defined in section 2 of 1974 PA 198, MCL 207.552, that was previously exempt under section 7k is the taxable value that property would have had under this act if it had not been exempt.

(C) The value of property previously exempt under any other section of law is the true cash value of the previously exempt property multiplied by 0.50.

(*v*) Replacement construction. As used in this subparagraph, "replacement construction" means construction that replaced property damaged or destroyed by accident or act of God and that occurred after the immediately preceding tax day to the extent the construction's true cash value does not exceed the true cash value of property that was damaged or destroyed by accident or act of God in the immediately preceding 3 years. Except as otherwise provided in this subparagraph, for purposes of determining the taxable value of property under section 27a, the value of the replacement construction is the true cash value of the replacement construction multiplied by a fraction, the numerator of which is the taxable value of the property to which the construction was added in the immediately preceding year and the denominator of which is the true cash value of the property to which the construction was added in the immediately preceding year, and then multiplied by the lesser of 1.05 or the inflation rate. However, after December 31, 2011, for purposes of determining the taxable value of property under section 27a, if the property's replacement construction is of substantially the same materials as determined by the state tax commission, if the square footage is not more than 5% greater than the property that was damaged or destroyed, and if the replacement construction is completed not later than December 31 in the year 3 years after the accident or act of God occurred, the replacement construction's taxable value shall be equal to the taxable value of the property in the year immediately preceding the year in which the property was damaged or destroyed, adjusted annually as provided in section 27a(2). Any construction materials required to bring the property into compliance with any applicable health, sanitary, zoning, safety, fire, or construction codes or ordinances shall be considered to be substantially the same materials by the state tax commission for the sake of replacement construction under this section.

(*vi*) An increase in taxable value attributable to the complete or partial remediation of environmental contamination existing on the immediately preceding tax day. The department of environmental quality shall determine the degree of remediation based on information available in existing department of environmental quality records or information made available to the department of environmental quality if the appropriate assessing officer for a local tax collecting unit requests that determination. The increase in taxable value attributable to the remediation is the increase in true cash value attributable to the remediation multiplied by a fraction, the numerator of which is the taxable value of the property had it not been contaminated and the denominator of which is the true cash value of the property had it not been contaminated.

(*vii*) Public services. As used in this subparagraph, "public services" means water service, sewer service, a primary access road, natural gas service, electrical service, telephone service, sidewalks, or street lighting. For purposes of determining the taxable value of real property under section 27a, the value of public services is the amount of increase in true cash value of the property attributable to the available public services multiplied by 0.50, and shall be added in the calendar year following the calendar year when those public services are initially available.

(c) For taxes levied after 1994, additions do not include increased value attributable to any of the following:

(*i*) Platting, splits, or combinations of property.

(*ii*) A change in the zoning of property.

(*iii*) For the purposes of the calculation of the millage reduction fraction under subsection (7) only, increased taxable value under section 27a(3) after a transfer of ownership of property.

(d) "Assessed valuation of property as finally equalized" means taxable value under section 27a.

(e) "Financial officer" means the officer responsible for preparing the budget of a unit of local government.

(f) "General price level" means the annual average of the 12 monthly values for the United States

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Consumer Price Index for all urban consumers as defined and officially reported by the United States Department of Labor, Bureau of Labor Statistics.

(g) For taxes levied before 1995, "losses" means a decrease in value caused by the removal or destruction of real or personal property and the value of property taxed in the immediately preceding year that has been exempted or removed from the assessment unit's assessment roll.

(h) For taxes levied after 1994, "losses" means, except as provided in subdivision (i), all of the following:

(*i*) Property that has been destroyed or removed. For purposes of determining the taxable value of property under section 27a, the value of property destroyed or removed is the product of the true cash value of that property multiplied by a fraction, the numerator of which is the taxable value of that property in the immediately preceding year and the denominator of which is the true cash value of that property in the immediately preceding year.

(*ii*) Property that was subject to ad valorem taxation under this act in the immediately preceding year that is now exempt from ad valorem taxation under this act. For purposes of determining the taxable value of property under section 27a, the value of property exempted from ad valorem taxation under this act is the amount exempted.

(*iii*) Prior to December 31, 2013, an adjustment in value, if any, because of a decrease in the property's occupancy rate, to the extent provided by law. For purposes of determining the taxable value of real property under section 27a, the value of a loss for a decrease in the property's occupancy rate is the product of the decrease in the true cash value of the property attributable to the decreased occupancy rate multiplied by a fraction, the numerator of which is the taxable value of the property in the immediately preceding year and the denominator of which is the true cash value of the property in the immediately preceding year.

(*iv*) A decrease in taxable value attributable to environmental contamination existing on the immediately preceding tax day. The department of environmental quality shall determine the degree to which environmental contamination limits the use of property based on information available in existing department of environmental quality records or information made available to the department of environmental quality if the appropriate assessing officer for a local tax collecting unit requests that determination. The department of environmental quality's determination of the degree to which environmental contamination limits the use of property shall be based on the criteria established for the categories set forth in section 20120a(1) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20120a. The decrease in taxable value attributable to the contamination is the decrease in true cash value attributable to the contamination multiplied by a fraction, the numerator of which is the taxable value of the property had it not been contaminated and the denominator of which is the true cash value of the property had it not been contaminated.

(i) For taxes levied after 1994, losses do not include decreased value attributable to either of the following:

(*i*) Platting, splits, or combinations of property.

(*ii*) A change in the zoning of property.

(j) "New construction and improvements" means additions less losses.

(k) "Current year" means the year for which the millage limitation is being calculated.

(*l*) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.

(2) On or before the first Monday in May of each year, the assessing officer of each township or city shall tabulate the tentative taxable value as approved by the local board of review and as modified by county equalization for each classification of property that is separately equalized for each unit of local government and provide the tabulated tentative taxable values to the county equalization director. The tabulation by the assessing officer shall contain additions and losses for each classification of property that is separately equalized for each unit of local government or part of a unit of local government in the township or city. If as a result of state equalization the taxable value of property changes, the assessing officer of each township or city shall revise the calculations required by this subsection on or before the Friday following the fourth Monday in May. The county equalization director shall compute these amounts and the current and immediately preceding year's taxable values for each classification of property that is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county. The county equalization director shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the millage reduction fraction for each unit of local government in the county for the current year. The financial officer for each taxing jurisdiction shall calculate the compounded millage reduction fractions beginning in 1980 resulting from the multiplication of successive millage reduction fractions and shall recognize a local voter action to increase the compounded millage reduction fraction to a

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maximum of 1 as a new beginning fraction. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the taxable values to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the taxable values to the presidents of community colleges within the county.

(3) On or before the first Monday in June of each year, the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.

(4) On or before the second Monday in June of each year, the treasurer of each county shall certify the immediately preceding year's taxable values, the current year's taxable values, the amount of additions and losses for the current year, and the current year's millage reduction fraction for each unit of local government that levies a property tax in the county.

(5) The financial officer of each unit of local government shall make the computation of the tax rate using the data certified by the county treasurer and the state tax commission. At the annual session in October, or, for a county or local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, before a special meeting held before the annual levy on July 1, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested millage has been reduced, if necessary, in compliance with section 31 of article IX of the state constitution of 1963.

(6) The number of mills permitted to be levied in a tax year is limited as provided in this section pursuant to section 31 of article IX of the state constitution of 1963. A unit of local government shall not levy a tax rate greater than the rate determined by reducing its maximum rate or rates authorized by law or charter by a millage reduction fraction as provided in this section without voter approval.

(7) A millage reduction fraction shall be determined for each year for each local unit of government. For ad valorem property taxes that became a lien before January 1, 1983, the numerator of the fraction shall be the total state equalized valuation for the immediately preceding year multiplied by the inflation rate and the denominator of the fraction shall be the total state equalized valuation for the current year minus new construction and improvements. For ad valorem property taxes that become a lien after December 31, 1982 and through December 31, 1994, the numerator of the fraction shall be the product of the difference between the total state equalized valuation for the immediately preceding year minus losses multiplied by the inflation rate and the denominator of the fraction shall be the total state equalized valuation for the current year minus additions. For ad valorem property taxes that are levied after December 31, 1994, the numerator of the fraction shall be the product of the difference between the total taxable value for the immediately preceding year minus losses multiplied by the inflation rate and the denominator of the fraction shall be the total taxable value for the current year minus additions. For each year after 1993, a millage reduction fraction shall not exceed 1.

(8) The compounded millage reduction fraction shall be calculated by multiplying the local unit's previous year's compounded millage reduction fraction by the current year's millage reduction fraction. The compounded millage reduction fraction for the year shall be multiplied by the maximum millage rate authorized by law or charter for the unit of local government for the year, except as provided by subsection (9). A compounded millage reduction fraction shall not exceed 1.

(9) The millage reduction shall be determined separately for authorized millage approved by the voters. The limitation on millage authorized by the voters on or before April 30 of a year shall be calculated beginning with the millage reduction fraction for that year. Millage authorized by the voters after April 30 shall not be subject to a millage reduction until the year following the voter authorization which shall be calculated beginning with the millage reduction fraction for the year following the authorization. The first millage reduction fraction used in calculating the limitation on millage approved by the voters after January 1, 1979 shall not exceed 1.

(10) A millage reduction fraction shall be applied separately to the aggregate maximum millage rate authorized by a charter and to each maximum millage rate authorized by state law for a specific purpose.

(11) A unit of local government may submit to the voters for their approval the levy in that year of a tax rate in excess of the limit set by this section. The ballot question shall ask the voters to approve the levy of a specific number of mills in excess of the limit. The provisions of this section do not allow the levy of a millage rate in excess of the maximum rate authorized by law or charter. If the authorization to levy millage expires after 1993 and a local governmental unit is asking voters to renew the authorization to levy the millage, the ballot question shall ask for renewed authorization for the number of expiring mills as reduced by the millage reduction required by this section. If the election occurs before June 1 of a year, the millage reduction is based on the immediately preceding year's millage reduction applicable to that millage. If the

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election occurs after May 31 of a year, the millage reduction shall be based on that year's millage reduction applicable to that millage had it not expired.

(12) A reduction or limitation under this section shall not be applied to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued that were authorized before December 23, 1978, as provided by section 4 of chapter I of former 1943 PA 202, or to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued that are approved by the voters after December 22, 1978.

(13) If it is determined subsequent to the levy of a tax that an incorrect millage reduction fraction has been applied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the authorized rate pursuant to this section.

(14) If as a result of an appeal of county equalization or state equalization the taxable value of a unit of local government changes, the millage reduction fraction for the year shall be recalculated. The financial officer shall effectuate an addition or reduction of tax revenue in the same manner as prescribed in subsection (13).

(15) The fractions calculated pursuant to this section shall be rounded to 4 decimal places, except that the inflation rate shall be computed by the state tax commission and shall be rounded to 3 decimal places. The state tax commission shall publish the inflation rate before March 1 of each year.

(16) Beginning with taxes levied in 1994, the millage reduction required by section 31 of article IX of the state constitution of 1963 shall permanently reduce the maximum rate or rates authorized by law or charter. The reduced maximum authorized rate or rates for 1994 shall equal the product of the maximum rate or rates authorized by law or charter before application of this section multiplied by the compounded millage reduction applicable to that millage in 1994 pursuant to subsections (8) to (12). The reduced maximum authorized rate or rates for 1995 and each year after 1995 shall equal the product of the immediately preceding year's reduced maximum authorized rate or rates multiplied by the current year's millage reduction fraction and shall be adjusted for millage for which authorization has expired and new authorized millage approved by the voters pursuant to subsections (8) to (12).

History: Add. 1978, Act 532, Imd. Eff. Dec. 21, 1978;—Am. 1979, Act 35, Imd. Eff. June 20, 1979;—Am. 1981, Act 6, Imd. Eff. Apr. 16, 1981;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1991, Act 38, Imd. Eff. June 10, 1991;—Am. 1993, Act 145, Imd. Eff. Aug. 19, 1993;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2005, Act 12, Imd. Eff. Apr. 28, 2005;—Am. 2007, Act 31, Imd. Eff. June 29, 2007;—Am. 2012, Act 185, Imd. Eff. June 20, 2012;—Am. 2014, Act 18, Imd. Eff. Feb. 25, 2014;—Am. 2014, Act 164, Imd. Eff. June 12, 2014;—Am. 2019, Act 117, Imd. Eff. Nov. 15, 2019.

Constitutionality: MCL 211.34d(i)(b)(*vii*) is unconstitutional because it purports to define the term "additions" for purposes of Const 1963, art IX, § 3 in a way that violates the proper meaning of that term, WPW Acquisition Co v City of Troy, 466 Mich 117; 643 NW2d 564 (2002).

Compiler's note: Sec. 34d, as amended by Act 6 of 1981, was amended by Act 41 of 1981 to read as follows:

"Sec. 34d. (1) As used in this section or section 31 of article 9 of the state constitution of 1963, or both:

"(a) "Additions" means all increases in value caused by new construction in the classification, a physical addition of equipment or furnishings in the classification, and the value of property which was exempt from taxes or not included on the assessment unit's previous year's assessment roll for the classification, and, for property in a classification which was classified as part of a different class in the previous year, the value assigned to that property in the previous year.

"(b) "Financial officer" means the officer responsible for preparing the budget of a unit of local government.

"(c) "Losses" means a decrease in value caused by the removal or destruction of property in the classification, and the value of property taxed in the prior year which has been exempted or removed from the assessment unit's assessment roll for the classification, and the value of property which has been reclassified out of the class of property.

"(d) "New construction and improvements" means additions less losses.

"(e) "Current year" means the year for which the tax limitation is being calculated.

"(2) On or before the first Monday in May of each year the assessing officer of each township or city shall tabulate the assessed valuation as approved by the local board of review for each classification of property which is separately equalized for each unit of local government and provide the tabulated assessed valuations to the county equalization director. The tabulation by the assessing officer shall contain additions and losses for each classification of property which is separately equalized for each unit of local government or part of a unit of local government in the township or city. The county equalization director shall compute these amounts and the current and prior year's state equalized valuation for each classification of property which is separately equalized for each unit of local government that levies taxes under this act within the boundary of the county and shall cooperate with equalization directors of neighboring counties, as necessary, to make the computation for units of local government located in more than 1 county. The county equalization director shall calculate the tax reduction fractions for each unit of local government in the county for the current year. The financial officer for each taxing jurisdiction shall calculate the compounded tax reduction fractions beginning in 1982 resulting from the multiplication of successive tax reduction fractions and shall recognize a local voter action which may increase the compounded tax reduction fractions to a maximum of 1 as the new beginning fractions. Upon request of the superintendent of the intermediate school district, the county equalization director shall transmit the complete computations of the assessed valuations to the superintendent of the intermediate school district within that county. At the request of the presidents of community colleges, the county equalization director shall transmit the complete computations of the assessed valuation to the presidents of community colleges within the county.

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"(3) On or before the fourth Tuesday in May of each year the county equalization director shall deliver the statement of the computations signed by the county equalization director to the county treasurer.

"(4) On or before June 1 of each year the treasurer of each county shall certify the prior year's state equalized valuation of property, the current year's state equalized valuation of property, the amount of additions and losses for the current year, and the current year's tax reduction fractions for each classification of property which is separately equalized for each unit of local government which levies a property tax in the county.

"(5) The financial officer of each unit of local government shall make the computation of the tax collection using the data certified by the county treasurer and the state tax commission. At the annual session in October, the county board of commissioners shall not authorize the levy of a tax unless the governing body of the taxing jurisdiction has certified that the requested levy's collection has been reduced, if necessary, in compliance with section 31 of article 9 of the state constitution of 1963 and has attached a completed tax reduction calculation form prescribed by the state tax commission.

"(6) The amount of taxes permitted to be collected from tax levies after December 31, 1980, is limited as provided in this section pursuant to section 31 of article 9 of the state constitution of 1963. Without voter approval, a unit of local government shall not collect an amount of taxes on each property classification which is separately equalized greater than the amount determined by multiplying the tax levy on each class by a tax reduction fraction for that classification of property as provided in this section.

"(7) Beginning in 1981, a tax reduction fraction shall be determined for each year for each classification of property which is separately equalized for each local unit of government. For ad valorem property taxes levied after December 31, 1980, the numerator of the fractions shall be the product of the difference of total state equalized valuation of the class of property for the preceding year less losses, multiplied by 1.06 and the denominator of the fraction shall be the total state equalized valuation of the class of property for the current year minus additions. The annual tax reduction fractions for ad valorem property tax levies shall not exceed 1. For 1981 ad valorem property tax levies, the 1981 annual tax reduction fractions shall be multiplied by the ad valorem property tax levy for operating purposes from the respective property classification by the unit of local government for 1981, except as provided by subsection (9).

"(8) The tax reduction fractions for the 1981 tax year shall be the first fractions in the series of annual reduction fractions which shall be multiplied together to produce the compounded tax reduction fractions for the year. The compounded tax reduction fractions for 1982 shall be calculated by multiplying the 1981 tax reduction fractions for a class by the 1982 tax reduction fraction for the class. The compounded tax reduction fraction for 1983 and each year thereafter for a class shall be calculated by multiplying the local unit's previous year's compounded tax reduction fraction for the class by the current year's tax reduction fraction for the class. Beginning with 1982 ad valorem property tax levies, the compounded tax reduction fractions for the year shall be multiplied by the ad valorem property tax levy for operating purposes from the respective property classification by the unit of local government for the year, except as provided by subsection (9). A compounded tax reduction fraction shall not exceed 1.

"(9) After January 1, 1981 and upon voter approval of the increased number of mills as required by subsection (11), the tax reduction shall be determined separately for taxes levied from a number of mills in excess of the number of mills levied in 1980. An increase in the number of mills over the number of mills levied in the previous year that is approved by the voters after January 1, 1981 shall not be subject to a tax reduction until the year following the first levy of these mills which shall be calculated beginning with the tax reduction fractions for the year following the first levy of these mills. The annual tax reduction fractions used in calculating the limitation on taxes from these increased number of mills approved by the voters after January 1, 1981 shall not exceed 1.

"(10) A unit of local government may submit to the voters for their approval a ballot question to allow the collection of taxes in excess of the limit set by this section or to reimpose the limit set by this section that had previously been increased or waived. The ballot question to allow the collection of taxes in excess of the limit set by this section may ask the voters to increase the 6% limit on increased tax collections in each class to a higher specified percentage in 1 or more specified years, to waive the application of the annual tax reduction fractions in that year by utilizing annual tax reduction fractions of 1 in determining the compound tax reduction fractions for the year, or to approve the collection in 1 or more specified years of its tax levy without regard to the tax reduction required by section 31 of article 9 of the state constitution of 1963 by approving an increase in that year's compounded tax reduction fractions to 1. If a collection of a tax levy with a limitation of over 6% or without regard to the tax reduction required by subsection (6) and section 31 of article 9 of the state constitution of 1963 is approved for more than 1 year, the voters in the unit of local government may require not more than 1 time in each 12-month period, upon filing a petition signed by not less than 10% of the qualified electors in the unit of local government which signatures have been collected within not more than 90 days after the petition was first circulated, that the question of reinstitution of the 6% limit be submitted to the electors of the unit of local government at either the next regularly scheduled election of the unit of local government or a special election called by the governing board of the unit of local government if the next regularly scheduled election is more than 180 days after the date the petitions are submitted. If, at an election held before the date certification is required of the unit of local government under section 36, the electors approve a question submitted pursuant to this subsection either by the unit of local government or by referendum, the approval shall be effective with ad valorem property tax levies for the year the question was approved. If necessary, any consequential adjustment required of the annual and compound tax reduction fractions and of the summer or winter tax levies of any unit of local government in the year the election is held shall be made by adding or deducting the appropriate amounts to or from the next ad valorem property tax levy of the unit of local government. If the question submitted pursuant to this subsection either by the unit of local government or by referendum is approved by the electors at an election held after the date certification is required of the unit of local government under section 36, approval shall be effective with ad valorem property tax levies for the year immediately following the year in which the question was approved. If a limit in excess of 6% is approved before the date certification is required of the unit of local government under section 36, the year's annual tax reduction fractions shall be recalculated for determining the current year's and all following year's compounded tax reduction fractions. Upon reinstitution of the 6% limit after 1 or more years in which taxes were levied without regard to the required reduction, the compound tax reduction fraction calculation shall utilize 1 as the annual tax reduction fraction for each classification of property for each year in which the limitation was not effective. The provisions of this section shall not allow the levy of a millage rate in excess of the maximum rate authorized by law or charter or for the increase or waiver of the 6% limitation for less than all classifications of property. A vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved, without approving an increase or establishment of an authorized millage rate, either the levy of a specified number of mills for operating purposes in excess of the limit imposed for 1981 tax levies pursuant to this section as effective January 1, 1981 or the levy of a certain number of mills for operating purposes after application of this section as effective January 1, 1981, shall be considered sufficient to increase the 6% limitation in 1981 to a percentage which would allow the unit of local government to collect full revenues from the levy of these mills in 1981. A vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved, pursuant to this section as effective January 1, 1981, either a compound millage reduction fraction of 1 for 1981 tax levies or the levy of its authorized millage without regard to this section as then effective, shall be considered sufficient

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to waive the 6% limitation in 1981 for ad valorem property tax levies for that unit of local government.

"(11) A millage rate shall not be levied in excess of the rate levied in the previous year without approval of a majority of the qualified electors of the unit of local government voting thereon. A unit of local government, which submits a question seeking the approval of a majority of the qualified electors voting thereon for increasing or establishing an authorized millage rate for operating purposes, shall identify in the question the number of mills for operating purposes that the local unit could levy upon approval of the question in excess of the number of mills levied for operating purposes by the local unit in the previous year. If none of the mills authorized to be levied for operating purposes in 1980 have expired, a vote at an election held between January 1, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved an increase in the maximum authorized millage rate for operating purposes effective in 1980, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government over the millage rate levied for operating purposes by the unit of local government in 1980 by the number of mills by which the maximum authorized millage rate for operating purposes in 1980 is increased. A vote at an election held between January 1, 1981 and May 19, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved the establishment of a maximum authorized millage rate for operating purposes after a certain number of mills authorized to be levied for operating purposes in 1980 have expired, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government in 1980 by the difference, if any, between the total number of mills this vote would actually allow to be levied for operating purposes under this section as effective January 1, 1981, based on the actual 1980 compounded millage reduction fraction and a 1981 annual millage reduction fraction of 1.0, less the millage rate for operating purposes levied for operating purposes under this section as effective January 1, 1981, based on the actual 1980 compounded millage reduction fraction and 1981 annual millage reduction fraction of 1.0, less the millage rate for operating purposes levied by the unit of local government in 1980. A vote at an election held between May 20, 1981 and July 4, 1981 at which a majority of the qualified electors of a unit of local government voting thereon approved the establishment of a maximum authorized millage rate for operating purposes after a certain number of mills authorized to be levied for operating purposes in 1980 have expired, shall be considered to increase the number of mills which may be levied for operating purposes by the unit of local government in 1980 by the difference, if any, between subdivision (a) less subdivision (b):

"(a) The sum of the difference between the maximum authorized millage rate for operating purposes in 1980 less the number of authorized mills in 1980 for operating purposes which have expired, plus the number of mills for operating purposes voted upon or renewed over the 1981 maximum authorized millage rate for operating purposes before this approval.

"(b) The millage rate for operating purposes levied by the unit of local government in 1980.

"(12) A reduction or limitation under this section shall be applied only to taxes imposed for operating purposes, as defined by section 7a.

"(13) Notwithstanding any charter provision or law to the contrary, a city, village, township, or county that prepares and mails summer tax bills shall delay the preparation and mailing of the 1981 summer tax bills, and a taxing unit shall not levy ad valorem property taxes in 1981, until between July 6, 1981 and a later date determined by the city, village, township, or county that prepares and mails summer tax bills in 1981. In addition, the final date on which the summer taxes are payable without penalty or interest shall be delayed by the same number of days that the mailing of the tax bills is delayed and the date on which a unit of local government must adopt its budget for a local fiscal year commencing in 1981 may be delayed until after May 19, 1981.

"(14) If it is determined subsequent to the levy of a tax that an incorrect tax reduction fraction has been applied, the amount of additional tax revenue or the shortage of tax revenue shall be deducted from or added to the next regular tax levy for that unit of local government after the determination of the reduction of tax collections pursuant to this section.

"(15) If, as a result of an appeal of county equalization or state equalization, the state equalized valuation of a separately equalized class of property of a unit of local government changes, the tax reduction fractions for the year shall be recalculated. The financial officer shall effectuate an addition or reduction of tax revenue in the same manner as prescribed in subsection (14).

"(16) The fractions calculated pursuant to this section shall be rounded to 4 decimal places.

"(17) Beginning in 1981, the determination, tabulation, calculation, and certification of assessed values, state equalized values, additions, and losses required by this section shall be done separately for each class of property which is separately equalized.

"(18) A question authorized to be submitted by subsection (10) shall not be submitted as part of a question seeking to increase or establish a millage rate for the unit of local government, but may be submitted as a separate question on the same ballot."

Section 2 of Act 41 of 1981 provides: "(1) Except as provided by subsections (2) and (3), this amendatory act shall not take effect unless House Joint Resolution G of the 81st Legislature becomes a part of the constitution as provided in section 1 of article 12 of the state constitution of 1963.

"(2) Section 7a(8), (9), (12), and (14) of this amendatory act shall take immediate effect, but shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters.

"(3) Sections 7a(11) and 34d(3), (4), (7), (9), (10), (11), (17), and (18) of this amendatory act shall take effect on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been approved by the voters."

Section 3 of Act 41 of 1981 provides: "Section 34d(13) of this amendatory act shall expire on the date the state board of canvassers certifies to the secretary of state that Proposal A on the statewide May 19, 1981 special election ballot has been rejected by the voters."

Proposal A, referred to in Sections 2 and 3 of Act 41 of 1981, was submitted to and disapproved by the people at the special election held on May 19, 1981. The state board of canvassers, also referred to in Sections 2 and 3, certified to the secretary of state on May 27, 1981, that Proposal A had been rejected by the voters.

Enacting section 1 of Act 164 of 2014 provides:

"Enacting section 1. This amendatory act, which removes an increase in value attributable to an increase in a parcel of property's occupancy rate from the definition of "additions" by striking section 34d(1)(b)(*vii*) of the general property tax act, 1893 PA 206, MCL 211.34d, reflects the decision of the Michigan supreme court in WPW Acquisition Company v City of Troy, 466 Mich 117 (2002) (Docket No. 118750)."

Popular name: Act 206

211.34e Millage reduction fraction; calculation; application to local school district millage.

Sec. 34e. (1) Notwithstanding section 34d, the limitation under section 34d on millage authorized by voters after March 30, 1994 for local school district operating purposes shall be calculated beginning with the millage reduction fraction for 1995.

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(2) In 1994, the millage reduction fraction shall be applied to the local school district's millage authorized by the voters before April 1, 1994. In 1995, the millage reduction fraction shall be applied to the local school district's millage authorized by voters before June 1, 1995. In 1994, the reduction fraction shall be calculated using the local school district's state equalized valuation without regard to the exemption provided under section 1211 of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws, and the state equalized valuation of property exempt under section 1211 of Act No. 451 of the Public Acts of 1976 is not considered a loss. In 1995, the reduction fraction shall be calculated using the local school district's taxable value without regard to the exemption provided under section 1211 of Act No. 451 of the Public Acts of 1976, and the taxable value of property exempt under section 1211 of Act No. 451 of the Public Acts of 1976 is not considered a loss.

History: Add. 1994, Act 253, Imd. Eff. July 5, 1994;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1995, Act 74, Eff. Dec. 31, 1994.

Compiler's note: Section 2 of Act 74 of 1995 provides:
"This amendatory act is retroactive and shall take effect December 31, 1994."

Popular name: Act 206

TAXES, HOW AND BY WHOM CERTIFIED.

211.35 State tax statement; duties of state treasurer; apportionment.

Sec. 35. The state treasurer shall make and record in his or her office a statement showing the taxes to be raised for state purposes that year, referring to the law on which each tax is based, and the total amount of the taxes. The state tax he or she shall apportion among the several counties in proportion to the valuation of the taxable property in each county as determined by the last preceding state board of equalization. Before the October session of the board of supervisors or, for a county or local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, before a special meeting held before the annual levy on July 1, the state treasurer shall in each year make out and transmit to the clerk of each county a statement of the amount of the taxes apportioned to that county. The state treasurer shall also, in a separate item of the statement, set forth the amount of indebtedness of the county to the state remaining unpaid at the time the statement is made, as shown by the statement of the account between the county and this state. A county's remaining indebtedness to this state shall be apportioned by the board of supervisors of the proper county at the same time as state taxes contained in the apportionment of the state treasurer, and shall be levied in the same manner as and become a portion of the county taxes for the same year, unless the indebtedness is paid to the state before October 1, or for a county or local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, before the annual levy on July 1. The portion of the taxes, if any, that should be assessed to a particular township, shall be apportioned to and assessed upon the township, ward, or city.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3858;—Am. 1915, Act 5, Eff. Aug. 24, 1915;—CL 1915, 4029;—CL 1929, 3423;—CL 1948, 211.35;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2012, Act 185, Imd. Eff. June 20, 2012.

Popular name: Act 206

211.36 Duties of township clerk; tax levy by county board of commissioners; certification of school millage elections; certification of taxes levied for certain purposes; direction for spread of millages; county in which library is located; expenses.

Sec. 36. (1) The township clerk of each township, on or before September 30 of each year, shall make and deliver to the supervisor of the clerk's township and to the county clerk, a certified copy of all statements and certificates on file and of all records of any vote or resolution in the clerk's office authorizing or directing money to be raised in the township by taxation for township, school, highway, drain, and all other purposes, together with a statement of the aggregate amount to be raised. However, if the issuance of bonds or notes or the levy of taxes for school purposes has been approved by the electors before September 30, this subsection does not preclude delivery by the clerk after September 30 of a resolution authorizing additional millage to be levied in the year voted. The clerk shall present the copies to the county board of commissioners at its annual meeting and file the copies in the clerk's office. The county board of commissioners shall not levy in the year voted a tax levy voted on or after September 30. This subsection does not apply if 1 of subsections (2) through (4) applies.

(2) The amount of taxes that are to be levied for school purposes in a school district, an intermediate school district, or community or junior college district that holds an election on or after September 30 and on or

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before November 15, or that holds a second millage election under this subsection allowable pursuant to subsection (3) on or before December 7, and that are approved, shall be certified for the calendar year in which the election is held, only if 1 of the following applies:

(a) For a school district, a school millage in that district has been defeated in a prior election in the same calendar year.

(b) For a school district, the school millage election is held in November on the date that school district elects its board members.

(c) For a community or junior college district, a community or junior college millage in that district has been defeated in a prior election in the same calendar year.

(d) For an intermediate school district, the district has a population greater than 1,400,000.

(e) For an intermediate school district with a population of less than 1,400,000, the millage election is held on or before October 15.

(3) Except as otherwise provided in this subsection, a school district, an intermediate school district, or a community or junior college district shall not conduct more than 1 millage election pursuant to subsection (2). If a district's operating revenue is less than the total operating revenue for the previous school year, the district may hold a second school millage election pursuant to subsection (2) on or before December 7.

(4) Notwithstanding subsections (2) and (3), and except as otherwise provided in this subsection, the amount of taxes that are to be levied for any purpose by a taxing unit that holds an election in any year on or before the first Tuesday after the first Monday in November and that are approved by the electors of that taxing unit shall be certified for that calendar year. In 1997 only, the amount of taxes that are to be levied for any purpose by a taxing unit that holds an election in any year on or before November 30 and that are approved by the electors of that taxing unit shall be certified for that calendar year.

(5) After a millage is certified pursuant to subsections (2) through (4), the appropriate county board of commissioners shall meet and direct or amend its direction for the spread of millages by local units in the county pursuant to the certification or amended certification. If a millage is certified pursuant to subsection (4) for library purposes, if a taxing unit requests by resolution, the county board of commissioners for the county in which the library is located also may reduce or eliminate the millage previously authorized or dedicated for library purposes to be levied by that taxing unit for that year and direct the reduction or removal of the levy to be spread by the local units in the county.

(6) The reasonable and actual expenses incurred by a township, county, or city in assessing and collecting the school district, intermediate school district, or community or junior college district taxes levied and spread pursuant to an election under subsection (2) or (3) that is held after September 30, to the extent these expenses are in addition to the expense of collection and assessing any other taxes at the same time and exceed the amount of any fees imposed for the collection of these taxes, shall be billed to and paid by the school district, intermediate school district, or community or junior college district.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3859;—CL 1915, 4030;—CL 1929, 3424;—CL 1948, 211.36;—Am. 1960, Act 57, Eff. Aug. 17, 1960;—Am. 1973, Act 135, Imd. Eff. Nov. 2, 1973;—Am. 1974, Act 257, Imd. Eff. Aug. 1, 1974;—Am. 1975, Act 202, Imd. Eff. Aug. 20, 1975;—Am. 1976, Act 221, Imd. Eff. July 29, 1976;—Am. 1977, Act 80, Imd. Eff. Aug. 2, 1977;—Am. 1977, Act 166, Imd. Eff. Nov. 16, 1977;—Am. 1978, Act 408, Imd. Eff. Sept. 26, 1978;—Am. 1978, Act 532, Imd. Eff. Dec. 21, 1978;—Am. 1979, Act 116, Imd. Eff. Oct. 9, 1979;—Am. 1980, Act 226, Imd. Eff. July 18, 1980;—Am. 1981, Act 128, Imd. Eff. Sept. 29, 1981;—Am. 1981, Act 158, Imd. Eff. Nov. 25, 1981;—Am. 1982, Act 225, Imd. Eff. Sept. 15, 1982;—Am. 1983, Act 179, Imd. Eff. Oct. 14, 1983;—Am. 1984, Act 251, Imd. Eff. Nov. 14, 1984;—Am. 1985, Act 132, Imd. Eff. Sept. 30, 1985;—Am. 1986, Act 141, Imd. Eff. July 2, 1986;—Am. 1986, Act 223, Imd. Eff. Sept. 25, 1986;—Am. 1986, Act 240, Imd. Eff. Dec. 2, 1986;—Am. 1987, Act 165, Imd. Eff. Nov. 5, 1987;—Am. 1987, Act 181, Imd. Eff. Nov. 30, 1987;—Am. 1987, Act 265, Imd. Eff. Dec. 28, 1987;—Am. 1988, Act 352, Imd. Eff. Dec. 5, 1988;—Am. 1989, Act 205, Imd. Eff. Nov. 1, 1989;—Am. 1989, Act 290, Imd. Eff. Dec. 26, 1989;—Am. 1990, Act 236, Imd. Eff. Oct. 10, 1990;—Am. 1991, Act 136, Imd. Eff. Nov. 22, 1991;—Am. 1992, Act 268, Imd. Eff. Dec. 15, 1992;—Am. 1993, Act 240, Imd. Eff. Nov. 15, 1993;—Am. 1994, Act 343, Imd. Eff. Dec. 6, 1994;—Am. 1997, Act 138, Imd. Eff. Nov. 18, 1997.

Compiler's note: Section 2 of Act 251 of 1984 provides: "This amendatory act shall validate and permit millage elections held pursuant to section 36(2) of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.36 of the Michigan Compiled Laws, after September 14, 1984, and on or before December 14, 1984, and shall be retroactively applied to validate and permit such elections, for all purposes for which section 36(2) of the general property tax act is applicable."

Section 2 of Act 132 of 1985 provides: "This amendatory act shall validate and permit millage elections held pursuant to section 36(2) of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.36 of the Michigan Compiled Laws, after September 14, 1985, and on or before December 13, 1985, and shall be retroactively applied to validate and permit such elections, for all purposes for which section 36(2) of the general property tax act is applicable."

Popular name: Act 206

211.36a, 211.36b Repealed. 1973, Act 135, Imd. Eff. Nov. 2, 1973.

Compiler's note: The repealed sections pertained to taxes for school purposes.

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Popular name: Act 206

211.37 County board of commissioners; determination of money for county purposes; apportionment of money, state tax, and indebtedness of county; correction of certificates, statements, papers, records, or proceedings; spread of money on assessment rolls; applicability of section.

Sec. 37. The county board of commissioners, either at a session held not later than October 31 in each year or at a special meeting held for a local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, shall ascertain and determine the amount of money to be raised for county purposes, and shall apportion the amount and also the amount of the state tax and indebtedness of the county to the state among the several townships in the county in proportion to the valuation of the taxable real and personal property as determined by the board, or as determined by the state tax commission upon appeal in the manner provided by law for that year, which determination and apportionment shall be entered at large on county records. The board, at a session held not later than October 31 in each year, shall also examine all certificates, statements, papers, and records submitted to it, showing the money to be raised in the several townships for school, highway, drain, township, and other purposes. It shall hear and consider all objections made to raising that money by any taxpayer affected. If it appears to the board that any certificate, statement, paper, or record is not properly certified or is in any way defective, or that any proceeding to authorize the raising of the money has not been had or is in any way imperfect, the board shall verify the same, and if the certificate, statement, paper, record, or proceeding can then be corrected, supplied, or had, the board shall authorize and require the defects or omissions of proceedings to be corrected, supplied, or had. The board may refer any or all the certificates, statements, papers, records, and proceedings to the prosecuting attorney, who shall investigate and without delay report in writing his or her opinion to the board. The board shall direct that the money proposed to be raised for township, school, highway, drain, and all other purposes authorized by law shall be spread upon the assessment roll of the proper townships, wards, and cities. This action and direction shall be entered in full upon the records of the proceedings of the board and shall be final as to the levy and assessment of all the taxes, except if there is a change made in the equalization of any county by the state tax commission upon appeal in the manner provided by law. The direction for spread of taxes shall be expressed in terms of millages to be spread against the taxable values of properties and shall not direct the raising of any specific amount of money. This section does not apply when section 36(2) applies and shall not prevent the township clerk from providing a certification to the county clerk pursuant to section 36(1). If a certification is provided pursuant to section 36(1), the county board of commissioners shall meet and direct or amend its direction for the spread of millages by local units in the county pursuant to the certification.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3860;—Am. 1909, Act 292, Eff. Sept. 1, 1909;—Am. 1913, Act 201, Eff. Aug. 14, 1913;—CL 1915, 4031;—CL 1929, 3425;—CL 1948, 211.37;—Am. 1968, Act 347, Eff. Nov. 15, 1968;—Am. 1973, Act 135, Imd. Eff. Nov. 2, 1973;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 2009, Act 49, Imd. Eff. June 18, 2009;—Am. 2012, Act 185, Imd. Eff. June 20, 2012.

Popular name: Act 206

211.37a Appeal to state tax board; assessment of costs; method of reimbursement.

Sec. 37a. If upon such appeal to the board of state tax commissioners it is determined by said board that the appeal is groundless and not well founded, then the costs made and incurred by the county in defending the same and in the proceedings thereof, shall be paid by the township whose supervisor made such appeal. If the allegations set forth by the said supervisor making such appeal are determined to be well founded, then the said county shall pay the costs of the said township by it expended in making and prosecuting said appeal, but in no case shall more than 75 dollars costs be taxed by either side. The costs shall be taxed by affidavit before the county clerk in accordance with the rules of practice now governing circuit courts as to taxation of costs. Copies of the said bill of costs shall be served upon the county treasurer by the township and upon the supervisor of the township by the county. If costs be taxed in favor of the county and against the township, the county treasurer is hereby authorized to take the amount of said costs out of any funds due or that may become due said township, and transfer the same to the general fund of said county. If costs shall be taxed in favor of the township, the said county treasurer shall immediately pay over to the treasurer of said township from the general fund of said county, the amount of said taxed costs, and the township treasurer shall deposit the same to the credit of the contingent fund of said township.

History: Add. 1913, Act 201, Eff. Aug. 14, 1913;—CL 1915, 4032;—CL 1929, 3426;—CL 1948, 211.37a.

Compiler's note: For abolition of board of state tax commissioner and transfer of its powers and duties to state tax department, see

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MCL 209.152. For abolition of state tax department and transfer of its powers and duties to state tax commission, see MCL 209.103.

Popular name: Act 206

211.38 Duplicate apportionment certificates; failure to certify, official notice.

Sec. 38. The clerk of the board of supervisors shall, immediately after the said apportionment, make out 2 certificates showing the millages apportioned to each township for state, county and the various township purposes, each tax being kept distinct, 1 of which he shall deliver to the county treasurer, and the other to the supervisor of the proper township: Provided, That if said clerk fail to make such certificate, the supervisor shall take official notice of all certificates, statements, papers and records in the office of the township and county clerk relating to the levy of taxes in his township, and of the action of the board of supervisors thereon.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3861;—CL 1915, 4033;—CL 1929, 3427;—CL 1948, 211.38;—Am. 1968, Act 347, Eff. Nov. 15, 1968.

Popular name: Act 206

TAXES—HOW TO BE ASSESSED.

211.39 Assessment of taxes; avoiding fractions in computation; separate assessments and entries; designation of columns; imprinting tax receipt; printed statement.

Sec. 39. (1) The appropriate assessing officer in each local tax collecting unit shall assess the taxes apportioned to that local tax collecting unit according to the taxable values entered in the assessment roll of that local tax collecting unit for the year.

(2) To avoid fractions in computation, the assessor shall round down the tax rate to 4 decimal places.

(3) The taxes for each taxing unit shall be rounded down to the nearest 1 cent. The taxes shall be separately assessed and shall be entered in separate columns, or if authorized by a resolution of the county board of commissioners adopted by a majority of the members elected and serving, the taxes in the county shall be entered either as 1 total sum or in separate columns for each taxing unit. The columns shall be designated as combined county taxes, combined township taxes, combined city taxes, and combined school taxes. If the taxes are entered as 1 total sum or as combined unit taxes, the local tax collecting unit shall print upon each tax receipt the percentage or tax rate that each tax is of the total sum or is of each taxing unit sum, or shall attach a printed statement showing the tax rate of each separate tax to the tax receipt at the time of payment.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3862;—CL 1915, 4034;—CL 1929, 3428;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—Am. 1943, Act 230, Eff. July 30, 1943;—CL 1948, 211.39;—Am. 1961, Act 82, Eff. Sept. 8, 1961;—Am. 1964, Act 69, Eff. Aug. 28, 1964;—Am. 1973, Act 109, Eff. Dec. 31, 1973;—Am. 1999, Act 38, Eff. Aug. 1, 1999.

Popular name: Act 206

211.39a Tentative levy; final levy; additional taxes; credits; technical assistance.

Sec. 39a. (1) If the determination of the county equalized value is delayed as a result of an appeal taken under this act and pending before the tax tribunal, the assessing officer shall levy taxes upon the taxable value of property as determined by the state tax commission sitting as the state board of equalization and apportioned by the county board of commissioners. The payment of taxes levied in this manner, known as the "tentative levy", does not constitute a final and ultimate discharge of the taxpayer's obligation.

(2) After the final determination of equalized value by the tax tribunal, the assessing officer shall determine the difference in tax, if any, between the tentative levy and a levy made upon the taxable value as finally determined by the tax tribunal known as the "final levy".

(3) If the final determination shows that additional taxes are due, the county board of commissioners shall spread the additional levy upon the next succeeding annual tax roll and collect them together with the next succeeding annual taxes upon the property.

(4) If the tax liability is decreased as a result of the tax tribunal's final determination of taxable value, the taxes collected under the tentative levy in excess of the tax liability under the final levy shall be credited against the taxes upon the property for the next succeeding year, together with a proportionate share of any collection fee applicable to the difference.

(5) Additional taxes collected or credits against tax liability made under this section shall inure to the benefit or detriment of the taxing units in the respective proportions in which they share the proceeds of the final levy.

(6) The state tax commission shall provide technical assistance as necessary to implement this section.

History: Add. 1972, Act 296, Imd. Eff. Dec. 7, 1972;—Am. 1974, Act 384, Imd. Eff. Dec. 23, 1974;—Am. 1981, Act 68, Imd. Eff. June 23, 1981;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994.

Popular name: Act 206

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211.40 Lien for taxes; priority; statement and receipts for taxes to show taxing unit's fiscal year.

Sec. 40. Notwithstanding any provisions in the charter of any city or village to the contrary, all taxes become a debt due to the township, city, village, or county from the owner or person otherwise assessed on the tax day provided for in sections 2 and 13. The amounts assessed for state, county, village, or township taxes on any interest in real property shall become a lien on the real property on December 1, on a day provided for by the charter of a city or village, or on the day provided for in section 40a. The lein for those amounts, and for all interest and charges on those amounts, shall continue until paid. Each tax statement and receipt for taxes on real property sent or given by any county, township, city, or village treasurer shall contain a printed, stamped, or written statement setting forth the date of the commencement and ending of the fiscal year of each taxing unit of government during which general taxes included on the tax statement or receipt will defray the costs of governmental services rendered by that local governmental unit. All personal taxes levied or assessed for state, county, village, or township taxes are also a first lien, prior, superior, and paramount, on all personal property of the persons assessed on December 1, on a day provided for by the charter of a city or village, or on the day provided for in section 40a. The lien for those amounts, and for all interest and charges on those amounts, shall continue until paid. The tax liens take precedence over all other claims, encumbrances, and liens on that personal property, whether created by chattel mortgage, title retaining contract, execution, any final process of a court, attachment, replevin, judgment, or otherwise. A transfer of personal property assessed for taxes does not divest or destroy the lien, except where the personal property is actually sold in the regular course of retail trade. The personal property taxes levied or assessed by any city or village are a first lien, prior, superior, and paramount to any other claims, liens, or encumbrances of any kind upon the personal property assessed as provided in this act, any provisions in the charter of cities or villages to the contrary notwithstanding.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3863;—CL 1915, 4035;—Am. 1929, Act 107, Eff. Aug. 28, 1929;—CL 1929, 3429;—Am. 1934, 1st Ex. Sess., Act 38, Imd. Eff. Mar. 28, 1934;—Am. 1941, Act 44, Eff. Jan. 10, 1942;—CL 1948, 211.40;—Am. 1949, Act 110, Eff. Sept. 23, 1949;—Am. 1958, Act 209, Eff. Sept. 13, 1958;—Am. 1994, Act 80, Imd. Eff. Apr. 11, 1994;—Am. 1994, Act 279, Imd. Eff. July 11, 1994;—Am. 1995, Act 143, Eff. Oct. 9, 1995.

Compiler's note: Section 2 of Act 279 of 1994 provides:

"This amendatory act is curative and intended to express the original intent of the legislature concerning the application of Act No. 80 of the Public Acts of 1994 to taxes levied before 1995."

Popular name: Act 206

211.40a Date on which taxes become lien; designation; affidavit.

Sec. 40a. (1) The treasurer of a county, township, city, or village may designate the tax day provided in section 2 as the date on which real or personal property taxes become a lien on the real or personal property assessed by filing an affidavit in the office of the register of deeds for the county in which the real or personal property is located attesting that 1 or more of the following events have occurred:

(a) The owner or person otherwise assessed has filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 U.S.C. 101 to 1330.

(b) A secured lender has brought an action to foreclose on or to enforce an interest secured by the real or personal property assessed.

(c) For personal property only, the owner, the person otherwise assessed, or other person has liquidated or is attempting to liquidate the personal property assessed.

(d) The real or personal property assessed is subject to receivership under state or federal law.

(e) The owner or person otherwise assessed has assigned the real or personal property assessed for the benefit of his or her creditors.

(f) The real or personal property assessed has been seized or purchased by federal, state, or local authorities.

(g) A judicial action has been commenced that may impair the ability of the taxing authority to collect any tax due in the absence of a lien on the real or personal property assessed.

(2) The affidavit provided for in subsection (1) shall include all of the following:

(a) The year for which the taxes due were levied.

(b) The date on which the taxes due were assessed.

(c) The name of the owner or person otherwise assessed who is identified in the tax roll.

(d) The tax identification number of the real or personal property assessed.

History: Add. 1995, Act 143, Eff. Oct. 9, 1995.

Popular name: Act 206

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211.41 Assessor; local clerk; duties; county clerk; statement to state treasurer; contents.

Sec. 41. Before the supervisor or assessing officer delivers the roll to the township treasurer or city collector, he or she shall carefully foot the several columns of valuation and taxes, and make a detailed statement, which he or she shall give the clerk of his or her township or city, and the clerk shall immediately charge the amount of taxes to the township treasurer or city collector. The clerk of each city and incorporated village shall report to the clerk of their respective counties all taxes levied in their respective cities or villages, and not included in the general tax levy, on or before the first day of October in each year. The county clerk shall, within 30 days after the close of the annual session of the board of supervisors in October in each year, forward to the state treasurer, to be filed in his or her office, a statement showing the aggregate valuation of all property as assessed in each assessing precinct within the county during the current year. The state treasurer shall include in the statement a detail of all taxes to be raised in the county for that year and the amount of taxes not included in the general tax levy, reported to him or her by the several city and village clerks as provided in this section.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3864;—Am. 1899, Act 262, Eff. Sept. 23, 1899;—CL 1915, 4036;—CL 1929, 3430;—CL 1948, 211.41;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.41a Statement of land conveyance furnished to township supervisors.

Sec. 41a. In such counties of this state in which the board of supervisors by a majority vote of the members shall vote in favor thereof, the register of deeds of any such county, within 30 days of the recording of any instrument conveying an interest in land, shall furnish the supervisor or supervisors of the township or townships in which the parcel or parcels of land are situated, a statement giving the names of the parties to the instrument recorded, a description of the parcel or parcels of land covered by the instrument recorded, and the interest in land conveyed.

History: Add. 1951, Act 86, Eff. Sept. 28, 1951.

Popular name: Act 206

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TAX ROLL.

211.42 Tax roll; preparation; annexation and contents of warrant; loss of roll; copy of roll with warrant as “tax roll”.

Sec. 42. The supervisor shall prepare a tax roll, with the taxes levied as provided in this act, and annex to the roll a warrant signed by him or her, commanding the township or city treasurer to collect the several sums mentioned in the last column of the roll but the warrant shall not refer to the total or aggregate of the several sums mentioned in the last column, and to retain the amount receivable by law into the township treasury for the purpose therein specified, and to pay over as provided in section 43 to the county treasurer the amounts which are collected for state and county purposes, and to the treasurer of each school district the amounts which are collected for that school district as provided in section 43, and notify the secretary or director of each school district of the amount paid to the school district treasurer, and the remainder of the amounts specified in the roll for the purposes specified in the roll, and account in full for all money received on or before March 1 next following. The warrant shall authorize and command the treasurer, in case any person named in the tax roll neglects or refuses to pay the tax, to levy the tax by distress and sale of the goods and chattels of the person. The supervisor may make a new roll and warrant in case of the loss of the roll originally given to the township treasurer. The copy of the roll with the warrant annexed shall be known as "the tax roll."

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3865;—Am. 1897, Act 261, Eff. Aug. 30, 1897;—CL 1915, 4037;—CL 1929, 3431;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—CL 1948, 211.42;—Am. 1965, Act 72, Imd. Eff. June 22, 1965;—Am. 1968, Act 347, Eff. Nov. 15, 1968;—Am. 1979, Act 211, Eff. July 1, 1980.

Compiler's note: Section 3 of Act 211 of 1979 provides: "The legislature shall annually appropriate an amount sufficient to make disbursements to local units of government for the necessary cost of any increased level of activity or service, beyond that required of a local unit of government by existing law, which is required by this amendatory act, pursuant to Act No. 101 of the Public Acts of 1979, being sections 21.231 to 21.244 of the Michigan Compiled Laws, which implements section 29 of article 9 of the state constitution of 1963."

Popular name: Act 206

211.42a Use of computerized data base as tax roll; authorization; requirements; certification; computer terminal for public viewing; noncompliance; notice; failure to correct condition of noncompliance; withdrawal of approval; proceedings; rules.

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Sec. 42a. (1) Subject to this section, a local tax collecting unit may use a computerized data base system as the tax roll if any of the following apply:

(a) The local tax collecting unit obtains written authorization from the state tax commission.

(b) The treasurer of the county in which the local tax collecting unit is located obtains written authorization from the state tax commission for the use by the county treasurer or local tax collecting units within the county of an approved computerized data base system as the tax roll. This subdivision shall not be construed to prohibit a local tax collecting unit from seeking authorization from the state tax commission to use a computerized data base system developed by the local tax collecting unit.

(c) The state tax commission fails to authorize or deny within 120 days a written request from a county treasurer or a local tax collecting unit under this subsection to use a computerized data base system as the tax roll.

(2) The state tax commission shall authorize the use of a computerized data base system as the tax roll if the local tax collecting unit or the county treasurer demonstrates that the proposed system has the capacity to enable a local tax collecting unit to comply and the local tax collecting unit complies with all of the following requirements:

(a) The treasurer of the local tax collecting unit and the assessor produce a final settlement tax roll to certify taxes collected to the county treasurer under section 55. The assessor shall certify that taxable values, state equalized valuations, adjusted valuations, and the spread of taxes and adjusted taxes are correctly recorded in the settlement tax roll. The treasurer of the local tax collecting unit shall certify delinquent taxes and certify that all tax collections are posted on the settlement tax roll. Those certifications and the settlement tax roll shall be transmitted to the county treasurer. The settlement tax roll transmitted to the county treasurer may be in either a computer printed format or a disk, external drive, or other electronic data processing format compatible with the computer system used by the county treasurer. The affidavit attached to or included with the settlement tax roll shall include documentation that authorizes and reports all changes in the precollection tax roll.

(b) The treasurer of the local tax collecting unit prepares and maintains a journal of the collections totaled and reconciled to the amount of actual collections daily.

(c) A payment of the tax is posted to the computerized data base system using a transaction or receipt number with the date of payment. A posting on the computerized data base system is considered the entry of the fact and date of payment in an indelible manner on the tax roll as required by section 46(2).

(d) The computerized data base system has internal and external security procedures sufficient to assure the integrity of the system.

(e) The computerized data base system is compatible with the system used by the county treasurer for the collection of delinquent taxes.

(3) Not later than May 1 of the third year following the year in which a local tax collecting unit begins using a computerized data base system as the tax roll after approval under subsection (1) and every 3 years thereafter, the local tax collecting unit shall certify to the state tax commission that the requirements of this section are being met.

(4) A county treasurer or local tax collecting unit that provides a computer terminal for public viewing of the tax roll is considered as having the tax roll available for public inspection.

(5) If at any time the state treasurer or the state tax commission believes that a local tax collecting unit is no longer in compliance with subsection (2), the state treasurer or the state tax commission shall provide written notice to that local tax collecting unit. The notice shall specify the reasons that use of the computerized data base system as the original tax roll is no longer in compliance with subsection (2). The local tax collecting unit has not less than 60 days to provide evidence that the local tax collecting unit is in compliance with subsection (2) or that action to correct noncompliance has been implemented. If, after the expiration of 60 days, the state tax commission or the state treasurer believes that the local tax collecting unit is not taking satisfactory steps to correct a condition of noncompliance, the state tax commission upon its own motion may, and upon the request of the state treasurer shall, withdraw approval of the use of the computerized data base system as the original tax roll. Proceedings of the state tax commission under this subsection shall be in accordance with rules for other proceedings of the commission promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and shall not be considered a contested case.

History: Add. 1990, Act 112, Imd. Eff. June 21, 1990;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 505, Imd. Eff. July 19, 2002;—Am. 2012, Act 461, Imd. Eff. Dec. 27, 2012;—Am. 2015, Act 140, Eff. Jan. 11, 2016.

Popular name: Act 206

211.43 Notice of taxes apportioned to township; bond; schedule for delivering tax

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collections; alternative schedule; accounting for and delivering tax collections; resolution; willfully neglecting or refusing to perform duty; penalty; interest earned; alternative agreement; definitions.

Sec. 43. (1) The supervisor of each township, immediately upon authorization to raise money by taxation pursuant to an election held under section 36 or on or before the November 5 in each year, shall notify the township treasurer of the amount of the state, county, school, and public transportation authority taxes as apportioned to his or her township.

(2) The treasurer, immediately upon authorization to raise money by taxation pursuant to an election held under section 36 or on or before the third day immediately preceding the day the taxes to be collected become a lien, shall give to the county treasurer a bond running to the county in the actual amount of state, county, and school taxes, except school taxes collected through a city treasurer, with sufficient sureties to be approved by the supervisor of the township and the county treasurer, conditioned that he or she will pay over to the county treasurer as required by law all state and county taxes, pay over to the respective school treasurers all school taxes that he or she collects during each year of his or her term of office, and duly and faithfully perform all the other duties of the office of treasurer. If a corporate surety bond is provided, the bond shall be approved only by the county treasurer. If the bond is furnished by a surety company authorized to transact business under the laws of this state, it is sufficient that the bond is equal to 40% of the amount of state, county, and school taxes. If the bond is furnished by a surety company, the premium and cost of the bond given to the county shall be paid by the county treasurer from the general fund of the county against which the premium and cost is made a charge. However, the county treasurer having paid the premium may bill each district school board afforded protection by the bond that portion of the premium charge as is allocated to the school taxes and the school district treasurers shall pay that allocated premium charge as determined by the county treasurer for the protection of school taxes from available school district funds. If the county treasurer and township supervisor determine that the bond of the township treasurer recorded with the township clerk and on file with the township supervisor is adequate and sufficient to safeguard the proper accounting of state, county, and school taxes as required by law, the township treasurer shall not be required to file with the county treasurer the bond provided for in this section. The county treasurer shall deliver to the supervisor on or before the day the taxes to be collected become a lien a signed statement of approval of the bond. Upon the receipt of the signed statement and on or before the day the taxes to be collected become a lien, the supervisor shall deliver to the township treasurer the tax roll of this township. The county treasurer shall file and safely keep the bond in his or her office and shall give to the township treasurer a receipt stating that the required bond was received, which receipt the township treasurer shall deliver to the supervisor on or before the day the taxes to be collected become a lien. After the delivery of the receipt and on or before the day the taxes to be collected become a lien, the supervisor shall deliver to the township treasurer the tax roll of the township.

(3) Except as provided in subsections (4) and (5), tax collections shall be delivered pursuant to the following schedule:

(a) Within 10 business days after the first and fifteenth day of each month, the township or city treasurer shall account for and deliver to the county treasurer the total amount of state and county tax collections on hand on the first and fifteenth day of each month; to the school district treasurers the total amount of school tax collections on hand on the first and fifteenth day of each month; and to the public transportation authorities the total amount of public transportation authority tax collections on hand the first and fifteenth day of each month. If the intermediate school district and community college district provide for direct payment pursuant to subsection (9), the township or city treasurer shall also account for and deliver to the intermediate school district and the community college district the total respective amounts of school tax collections on hand the first and fifteenth day of each month. This subdivision shall not apply to the month of March.

(b) Within 10 business days after the last day of February, the township or city treasurer shall account for and deliver to the county treasurer at least 90% of the total amount of state and county tax collections on hand on the last day of February; to the school district treasurers at least 90% of the total amount of school tax collections on hand on the last day of February; and to the public transportation authorities at least 90% of the total amount of public transportation authority tax collections on hand on the last day of February. If the intermediate school district and community college district provide for direct payment pursuant to subsection (9), the township or city treasurer shall also account for and deliver to the intermediate school district and community college district at least 90% of the total respective amounts of school tax collections on hand on the last day of February.

(c) A final adjustment and delivery of the total amount of tax collections on hand for the county, community college districts, intermediate school districts, school districts, and public transportation

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authorities shall be made not later than April 1 of each year.

(4) Instead of following the schedule prescribed in subsection (3), the township or city serving as the tax collecting unit and the local governmental unit for which the tax collections are made may enter into an agreement to establish an alternative schedule for delivering tax collections.

(5) A township that has a state equalized valuation of $15,000,000.00 or less shall account for and deliver to the county treasurer, the school district treasurers, and the public transportation authorities and, if the intermediate school district and community college district provide for direct payment pursuant to subsection (9), the intermediate school district treasurers and community college treasurers the taxes collected up to and including January 10, within 10 business days after January 10. However, a township treasurer subject to this subsection shall at no time have on hand collections of state, county, community college, intermediate school district if applicable pursuant to subsection (9), school district, and public transportation authority taxes in excess of 25% of the amount of the taxes apportioned to the township and, when collections on hand reach this percentage, the township treasurer shall immediately account for and turn over the total amount of state and county tax collections on hand to the county treasurer, the total respective amounts of school tax collections on hand to the respective treasurers, and the total respective amounts of public transportation authority tax collections on hand to the respective public transportation authorities. The township treasurer shall notify the secretary or superintendent of each community college district, intermediate school district, and school district applicable and each of the applicable public transportation authorities of the total amount of taxes paid to the respective treasurer or authority, which notification shall show the different funds for which the taxes were collected.

(6) Except as may be provided under section 1613 of Act No. 451 of the Public Acts of 1976, being section 380.1613 of the Michigan Compiled Laws, when a county treasurer is collecting the school district or intermediate school district levy, the county treasurer shall account for and deliver to the appropriate local governmental unit treasurer the tax collections received by the county treasurer within 10 business days after the county treasurer receives the funds.

(7) The county treasurer shall account for and deposit in the county library fund for the use of the county library board, county tax collections received pursuant to a tax levied under section 1 of Act No. 138 of the Public Acts of 1917, being section 397.301 of the Michigan Compiled Laws, within 10 business days after the county treasurer receives the funds.

(8) The county treasurer shall account for and deliver to the boards of each metropolitan transportation authority the county tax collections for transportation authority purposes received by the county treasurer within 10 business days after the county treasurer receives the funds.

(9) For taxes that become a lien in December 1984 or after 1984, an intermediate school district board or the board of trustees of a community college may provide that a local tax collecting treasurer shall account for and deliver tax collections directly to the respective intermediate school district or community college treasurer pursuant to the schedule contained in subsections (3), (4), and (5) for delivery of the respective taxes to the county treasurer. A resolution shall be adopted at least 60 days before the day taxes to be collected become a lien and shall specify the period for which the resolution is effective. Copies of the resolution shall be transmitted to each local tax collecting treasurer and county treasurer within the intermediate school district or community college district.

(10) By the fifteenth day of each month, the county treasurer shall account for and deliver to the state the collections under the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, on hand on the last day of the preceding month. By the first day of each month, the county treasurer shall account for and deliver to the state the collections under the state education tax act, Act No. 331 of the Public Acts of 1993, on hand on or before the fifteenth day of the immediately preceding month. The county treasurer may retain the interest earned on the money collected under Act No. 331 of the Public Acts of 1993 while held by the county treasurer, as reimbursement for the cost incurred by the county in collecting and transmitting the tax imposed by that act. The money retained by the county treasurer under this section shall be deposited in the treasury of the county in which the tax is collected to the credit of the general fund.

(11) A treasurer who willfully neglects or refuses to perform a duty required by subsections (3) to (8) is subject to the penalty prescribed in section 119(1).

(12) Except as otherwise provided by subsection (10), interest earned by a city, township, or county on collections of taxes levied on or after November 5, 1985 before the tax collections are accounted for and delivered to the respective taxing units pursuant to this section shall also be accounted for and delivered to the respective taxing units on a pro rata basis. Interest earned by a city, township, or county on collections of taxes levied before November 5, 1985 before those collections were accounted for and delivered to the respective taxing units in compliance with the requirements of this section is not subject to claim and

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retroactive collection by those taxing units. However, interest earned on collections of taxes levied on or after November 5, 1985 and before December 1, 1987 are not subject to claim and retroactive collection unless a claim has been filed in a court of competent jurisdiction before March 1, 1988. This subsection does not apply to interest or penalties imposed by law or charter and does not nullify or prohibit any agreements made between a collecting unit and a taxing unit regarding the earned interest.

(13) If there is an agreement for an alternative schedule for delivering tax collections or for interest earned under subsections (4) and (12), the collection of the state education tax is subject to those provisions of that agreement.

(14) As used in this section:

(a) "Metropolitan transportation authority" means an authority created under the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, being sections 124.401 to 124.425 of the Michigan Compiled Laws.

(b) "Public transportation authority" means an authority created under Act No. 55 of the Public Acts of 1963, being sections 124.351 to 124.359 of the Michigan Compiled Laws.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3866;—Am. 1903, Act 28, Eff. Sept. 17, 1903;—Am. 1911, Act 156, Eff. Aug. 1, 1911;—CL 1915, 4038;—CL 1929, 3432;—Am. 1933, Act 242, Eff. Oct. 17, 1933;—Am. 1934, 1st Ex. Sess., Act 26, Imd. Eff. Mar. 28, 1934;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—CL 1948, 211.43;—Am. 1949, Act 267, Eff. Sept. 23, 1949;—Am. 1951, Act 103, Imd. Eff. May 31, 1951;—Am. 1977, Act 166, Imd. Eff. Nov. 16, 1977;—Am. 1979, Act 211, Eff. July 1, 1980;—Am. 1984, Act 77, Imd. Eff. Apr. 18, 1984;—Am. 1984, Act 146, Imd. Eff. June 25, 1984;—Am. 1988, Act 169, Imd. Eff. June 17, 1988;—Am. 1994, Act 253, Imd. Eff. July 5, 1994.

Compiler's note: Section 3 of Act 211 of 1979 provides: "The legislature shall annually appropriate an amount sufficient to make disbursements to local units of government for the necessary cost of any increased level of activity or service, beyond that required of a local unit of government by existing law, which is required by this amendatory act, pursuant to Act No. 101 of the Public Acts of 1979, being sections 21.231 to 21.244 of the Michigan Compiled Laws, which implements section 29 of article 9 of the state constitution of 1963."

Popular name: Act 206

211.43a Delay in receipt of tax roll; fees for unpaid taxes; delinquent tax return.

Sec. 43a. That whenever any township, city or county treasurer does not receive the tax roll within the time specified under the provisions of section 43 of this act by reason of any delay caused by an appeal to the board of state tax commissioners as provided by Act No. 201, Public Acts of 1913, such treasurer shall receive taxes appearing on such roll with the additional charge of 1 per cent for a collection fee for the period of 30 days after the receipt of the tax roll, except in counties, cities or townships where some special provision is made by law for a collection fee the treasurer shall comply with such special provisions during said 30-day period. On all taxes unpaid at the expiration of said 30-day period he shall add 4 per cent, and on or before the expiration of 60 days from the receipt of said tax roll by said township or city treasurer he shall make a return to the county treasurer of the uncollected taxes assessed on real and personal property as provided by section 55 of this act.

History: Add. 1917, Act 1, Imd. Eff. Feb. 27, 1917;—CL 1929, 3433;—CL 1948, 211.43a.

Compiler's note: For provisions of Act 201 of 1913, referred to in this section, see MCL 211.34, 211.37, and 211.37a.

The board of state tax commissioners, referred to in this section, was abolished and its powers and duties transferred to the state tax department by MCL 209.152. The state tax department was in turn abolished and its powers and duties transferred to the state tax commission by MCL 209.103.

Popular name: Act 206

211.43b Public moneys; depository; liability.

Sec. 43b. The governing board or legislative body, as the case may be, of every county, township, school district, highway district, city or village or any other municipal corporation within this state shall provide by resolution for the deposit of all public moneys which shall come into the hands of the treasurer or tax collector of their respective units of government, including all moneys held by such treasurer or tax collector for the state, county and/or other political units of the state, and such resolution shall specify the bank or banks where such public money shall be deposited and may limit the amount to be deposited in any one depository. Such designation shall continue until revoked by a resolution redesignating such depository, but nothing herein shall authorize the deposit of moneys in any such bank or banks in excess of the amount that any such bank may otherwise lawfully receive. Whenever any treasurer or tax collector shall have deposited all public moneys coming into his hands in accordance with such resolution, neither such treasurer or tax collector nor the surety or sureties on his official bond shall be liable for any loss occasioned by the failure or default of any such designated depository or depositories, regardless of whether any such deposit was secured or not. Failure on the part of any such treasurer or tax collector to deposit public moneys coming into his hands in

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accordance with the terms of such resolution shall render him and his surety or sureties liable for any loss occasioned by such failure, but in no case shall the surety or sureties be liable in an amount in excess of the penalty of their respective bonds.

History: Add. 1934, 1st Ex. Sess., Act 26, Imd. Eff. Mar. 28, 1934;—Am. 1935, Act 93, Imd. Eff. May 28, 1935;—CL 1948, 211.43b.

Popular name: Act 206

211.43c Retention of earned interest.

Sec. 43c. Notwithstanding section 43, if there is not an agreement for alternative schedules for delivering interest earned, the local tax collecting unit shall retain interest earned on the collections of the state education tax levied under the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, while in the possession of the local tax collecting unit.

History: Add. 1994, Act 237, Imd. Eff. June 30, 1994.

Popular name: Act 206

COLLECTING OF TAXES.

211.44 Collection of taxes; mailing and contents of tax statement; failure to send or receive notice; time and place for receiving taxes; property tax administration fees; return of excess; cost of appeals; waiver of interest, penalty charge, or property tax administration fee; use of fee; cost of treasurer's bond; enforcement of collection; seizing property or bringing action; amounts includable in return of delinquent taxes; distributions by county treasurer; local governing body authorization for imposition of fees or late penalty charges; annual statement; taxes levied after December 31, 2001 on qualified real property; definitions.

Sec. 44. (1) Upon receipt of the tax roll, the township treasurer or other collector shall proceed to collect the taxes. The township treasurer or other collector shall mail to each taxpayer at the taxpayer's last known address on the tax roll or to the taxpayer's designated agent a statement showing the description of the property against which the tax is levied, the taxable value of the property, the amount of the tax on the property, and, for property returned to the county treasurer for delinquent taxes, in the year in which the property is returned to the county treasurer for delinquent taxes only, notice of the fact that as of March 1 there were delinquent taxes on the property, that those delinquent taxes were returned to the county treasurer for collection, and contact information for the county treasurer. However, if not later than 2 weeks before the tax bill is finalized, a local tax collecting unit receives from the county notice that previously delinquent taxes on a parcel of property are no longer delinquent, the statement for that property under this subsection is not required to include notice of the fact that as of March 1 there were delinquent taxes on the property, that those delinquent taxes were returned to the county treasurer for collection, and contact information for the county treasurer. If a tax statement is mailed to the taxpayer, a tax statement sent to a taxpayer's designated agent may be in a summary form or may be in an electronic data processing format. If the tax statement information is provided to both a taxpayer and the taxpayer's designated agent, the tax statement mailed to the taxpayer may be identified as an informational copy. A township treasurer or other collector electing to send a tax statement to a taxpayer's designated agent or electing not to include an itemization in the manner described in subsection (10)(d) in a tax statement mailed to the taxpayer shall, upon request, mail a detailed copy of the tax statement, including an itemization of the amount of tax in the manner described by subsection (10)(d), to the taxpayer without charge.

(2) The expense of preparing and mailing the statement shall be paid from the county, township, city, or village funds. Failure to send or receive the notice does not prejudice the right to collect or enforce the payment of the tax. The township treasurer or his or her designee shall remain in the office of the township treasurer at some convenient place in the township from 9 a.m. to 5 p.m. to receive taxes on the following days:

(a) At least 1 business day between December 25 and December 31 unless the township has an arrangement with a local financial institution to receive taxes on behalf of the township treasurer and to forward that payment to the township on the next business day. The township shall provide timely notification of which financial institutions will receive taxes for the township and which days the treasurer or his or her designee will be in the office to receive taxes. As used in this subsection, "designee" means a deputy treasurer or other individual acting on behalf of the township treasurer in compliance with section 43(2) who serves the township as an employee or elected official and is approved by the township board to serve as the designee.

(b) The last day that taxes are due and payable before being returned as delinquent under section 78a(2).

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(c) For the collection of a summer tax levy, the last day taxes are due and payable before interest is added under section 44a(6).

(3) Except as provided by subsection (7), on a sum voluntarily paid before February 15 of the succeeding year, the local property tax collecting unit shall add a property tax administration fee of not more than 1% of the total tax bill per parcel. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, if a local property tax collecting unit other than a village does not also serve as the local assessing unit, the excess of the amount of property tax administration fees over the expense to the local property tax collecting unit in collecting the taxes, but not less than 80% of the fee imposed, shall be returned to the local assessing unit. A property tax administration fee is defined as a fee to offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal processes. The costs of any appeals, in excess of funds available from the property tax administration fee, may be shared by any taxing unit only if approved by the governing body of the taxing unit. Except as provided by subsection (7), on all taxes paid after February 14 and before taxes are returned as delinquent under section 78a(2) the governing body of a city or township may authorize the treasurer to add to the tax a property tax administration fee to the extent imposed on taxes paid before February 15 and the day that taxes are returned as delinquent under section 78a(2) a late penalty charge equal to 3% of the tax. The governing body of a city or township may waive interest from February 15 to the last day of February on a summer property tax that has been deferred under section 51 or any late penalty charge for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, totally and permanently disabled person, or blind person, as those persons are defined in chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the person makes a claim before February 15 for a credit for that property provided by chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if the person presents a copy of the form filed for that credit to the local treasurer, and if the person has not received the credit before February 15. The governing body of a city or township may waive interest from February 15 to the day taxes are returned as delinquent under section 78a(2) on a summer property tax deferred under section 51 or any late penalty charge for a person's property that is subject to a farmland development rights agreement recorded with the register of deeds of the county in which the property is situated as provided in section 36104 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36104, if the person presents a copy of the development rights agreement or verification that the property is subject to a development rights agreement before February 15. A 4% county property tax administration fee, a property tax administration fee to the extent imposed on and if authorized under subsection (7) for taxes paid before taxes are returned as delinquent under section 78a(2), and interest on the tax at the rate of 1% per month shall be added to taxes collected by the township or city treasurer after the last day taxes are payable before being returned as delinquent under section 78a(2) and before settlement with the county treasurer, and the payment shall be treated as though collected by the county treasurer. If the statements required to be mailed by this section are not mailed before December 31, the treasurer shall not impose a late penalty charge on taxes collected after February 14.

(4) The governing body of a local property tax collecting unit may waive all or part of the property tax administration fee or the late penalty charge, or both. A property tax administration fee collected by the township treasurer shall be used only for the purposes for which it may be collected as specified by subsection (3) and this subsection. If the bond of the treasurer, as provided in section 43, is furnished by a surety company, the cost of the bond may be paid by the township from the property tax administration fee.

(5) If apprehensive of the loss of personal tax assessed upon the roll, the township treasurer may enforce collection of the tax at any time, and if compelled to seize property or bring an action in December may add, if authorized under subsection (7), a property tax administration fee of not more than 1% of the total tax bill per parcel and 3% for a late penalty charge.

(6) Along with taxes returned delinquent to a county treasurer, the amount of the property tax administration fee prescribed by subsection (3) that is imposed and not paid shall be included in the return of delinquent taxes and, when delinquent taxes are distributed by the county treasurer under this act, the delinquent property tax administration fee shall be distributed to the treasurer of the local unit who transmitted the statement of taxes returned as delinquent. Interest imposed upon delinquent property taxes under this act shall also be imposed upon the property tax administration fee and, for purposes of this act other than for the purpose of determining to which local unit the county treasurer shall distribute a delinquent property tax administration fee, any reference to delinquent taxes shall be considered to include the property tax administration fee returned as delinquent for the same property.

(7) The local property tax collecting treasurer shall not impose a property tax administration fee, collection fee, or any type of late penalty charge authorized by law or charter unless the governing body of the local property tax collecting unit approves, by resolution or ordinance adopted after December 31, 1982, an

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authorization for the imposition of a property tax administration fee, collection fee, or any type of late penalty charge provided for by this section or by charter, which authorization is valid for all levies that become a lien after the resolution or ordinance is adopted. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, a local property tax collecting unit that does not also serve as the assessing unit shall impose a property tax administration fee on each parcel at a rate equal to the rate of the fee imposed for city or township taxes on that parcel.

(8) The annual statement required by 1966 PA 125, MCL 565.161 to 565.164, or a monthly billing form or mortgagor passbook provided instead of that annual statement must include a statement to the effect that a taxpayer who was not mailed the tax statement or a copy of the tax statement by the township treasurer or other collector will receive, upon request and without charge, a copy of the tax statement from the township treasurer or other collector or, if the tax statement has been mailed to the taxpayer's designated agent, from either the taxpayer's designated agent or the township treasurer or other collector. A designated agent who is subject to 1966 PA 125, MCL 565.161 to 565.164, and who has been mailed the tax statement for taxes that became a lien in the calendar year immediately preceding the year in which the annual statement may be required to be furnished shall mail, upon request and without charge to a taxpayer who was not mailed that tax statement or a copy of that tax statement, a copy of that tax statement.

(9) For taxes levied after December 31, 2001, if taxes levied on qualified real property remain unpaid on February 15, all of the following apply:

(a) The unpaid taxes on that qualified real property shall be collected in the same manner as unpaid taxes levied on personal property are collected under this act.

(b) Unpaid taxes on qualified real property shall not be returned as delinquent to the county treasurer for forfeiture, foreclosure, and sale under sections 78 to 79a.

(c) If a county treasurer discovers that unpaid taxes on qualified real property have been returned as delinquent for forfeiture, foreclosure, and sale under sections 78 to 79a, the county treasurer shall return those unpaid taxes to the appropriate local tax collection unit for collection as provided in subdivision (a).

(10) As used in this section:

(a) "Designated agent" means an individual, partnership, association, corporation, receiver, estate, trust, or other legal entity that has entered into an escrow account agreement or other agreement with the taxpayer that obligates that individual or legal entity to pay the property taxes for the taxpayer or, if an agreement has not been entered into, that was designated by the taxpayer on a form made available to the taxpayer by the township treasurer and filed with that treasurer. The designation by the taxpayer remains in effect until revoked by the taxpayer in a writing filed with the township treasurer. The form made available by the township treasurer must include a statement that submission of the form allows the treasurer to mail the tax statement to the designated agent instead of to the taxpayer and a statement notifying the taxpayer of his or her right to revoke the designation by a writing filed with the township treasurer.

(b) "Qualified real property" means buildings and improvements located upon leased real property that are assessed as real property under section 2(1)(c), except buildings and improvements exempt under section 9f, if the value of the buildings or improvements is not otherwise included in the assessment of the real property.

(c) "Taxpayer" means the owner of the property on which the tax is imposed.

(d) When describing in subsection (1) that the amount of tax on the property must be shown in the tax statement, "amount of tax" means an itemization by dollar amount of each of the several ad valorem property taxes and special assessments that a person may pay under section 53 and an itemization by millage rate, on either the tax statement or a separate form accompanying the tax statement, of each of the several ad valorem property taxes that a person may pay under section 53. The township treasurer or other collector may replace the itemization described in this subdivision with a statement informing the taxpayer that the itemization of the dollar amount and millage rate of the taxes is available without charge from the local property tax collecting unit.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3867;—Am. 1915, Act 187, Eff. Aug. 24, 1915;—CL 1915, 4039;—Am. 1929, Act 217, Eff. Aug. 28, 1929;—CL 1929, 3434;—Am. 1931, Act 88, Eff. Sept. 18, 1931;—Am. 1932, 1st Ex. Sess., Act 21, Imd. Eff. May 6, 1932;—Am. 1945, Act 8, Imd. Eff. Feb. 15, 1945;—CL 1948, 211.44;—Am. 1951, Act 85, Eff. Sept. 28, 1951;—Am. 1952, Act 251, Eff. Sept. 18, 1952;—Am. 1959, Act 216, Eff. Mar. 19, 1960;—Am. 1961, Act 144, Eff. Sept. 8, 1961;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1965, Act 411, Imd. Eff. Nov. 3, 1965;—Am. 1968, Act 277, Imd. Eff. July 1, 1968;—Am. 1977, Act 166, Imd. Eff. Nov. 16, 1977;—Am. 1980, Act 427, Imd. Eff. Jan. 13, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 1983, Act 88, Imd. Eff. June 16, 1983;—Am. 1984, Act 399, Imd. Eff. Dec. 28, 1984;—Am. 1988, Act 388, Imd. Eff. Dec. 21, 1988;—Am. 1989, Act 124, Imd. Eff. June 28, 1989;—Am. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 57, Imd. Eff. Feb. 26, 1996;—Am. 2000, Act 364, Imd. Eff. Jan. 2, 2001;—Am. 2002, Act 479, Imd. Eff. June 27, 2002;—Am. 2002, Act 641, Eff. Mar. 31, 2003;—Am. 2008, Act 352, Imd. Eff. Dec. 23, 2008;—Am. 2011, Act 126, Imd. Eff. July 21, 2011;—Am. 2012, Act 482, Imd. Eff. Dec. 28, 2012;—Am. 2019, Act 129, Imd. Eff. Nov. 21, 2019.

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Constitutionality: The Prison Reimbursement Act was intended to apply to all inmates of the state penal system and was not limited to the inmates of the three penal institutions named in the act and in existence at the time of its passage; nor is the act violative of the constitutional guarantee of equal protection. State Treasurer v Wilson; 423 Mich 138; 347 NW2d 770 (1985).

The collection fee imposed by the General Property Tax Act upon property taxes voluntarily paid before February 15 of the year following the issuance of a tax bill does not, on its face, create separate classifications that invoke an equal protection challenge under the Michigan Constitution. Rouge Parkway Associates v Wayne, 423 Mich 411; 364 NW2d 849 (1985).

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

211.44a Summer property tax levy; imposition; tax previously billed and collected as part of winter property tax; collection; procedures; lien; interest; applicability of act to proceedings; establishment of revenue sharing reserve fund; expenditures by counties; limitations; "inflation rate" defined; deposit into other levies reserve fund; issuance of supplemental winter tax bill; collection of summer property tax levy by treasurer collecting state education tax.

Sec. 44a. (1) Notwithstanding any other statutory or charter provision to the contrary, beginning in 2005 and each year after 2005, a county shall impose as a summer property tax levy that portion of the number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote as provided in this section. The portion of the total number of mills allocated to a county by a county tax allocation board or authorized for a county through a separate tax limitation vote that shall be imposed in each year as a summer property tax levy under this section is as follows:

(a) In 2005, 1/3 of the total number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote.

(b) In 2006, 2/3 of the total number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote.

(c) In 2007 and each year after 2007, the total number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote.

(2) Notwithstanding any other statutory or charter provision to the contrary, beginning in 2013 and each year after 2013, a millage that is levied by any taxing authority within a local tax collecting unit that had been previously billed and collected as part of the winter property tax levy in a preceding tax year may be accelerated and collected earlier in that tax year as a summer property tax levy if all of the following conditions are satisfied:

(a) The aggregate amount of the revenue from the levy and collection of all individual millages that would be levied and collected in the winter tax bill totals $100.00 or less per individual tax bill, excluding any property tax administration fee. A millage may be accelerated and collected earlier for only those tax bills that total $100.00 or less for all individual millages and that millage may be levied and collected as a winter property tax levy for all other tax bills that total more than $100.00 for all individual millages. Any additional millage approved to be levied by any taxing authority after collection of the summer property tax levy shall be collected as part of a winter property tax levy as provided in this act.

(b) A resolution authorizing the summer collection is approved by all of the following:

(*i*) The county board of commissioners.

(*ii*) The legislative body of the local tax collecting unit.

(*iii*) The county tax allocation board, if any.

(c) Within 60 days of approval of the resolutions required under subdivision (b), the local tax collecting unit notifies all owners of property on the tax roll that if the aggregate amount of the revenue from the levy and collection of all individual millages that would be levied and collected in the winter tax bill totals $100.00 or less, excluding any property tax administration fee, those millages will be accelerated and collected as a summer property tax levy.

(3) Before June 30 and in conformance with the procedures prescribed by this act, the taxes being collected as a summer property tax levy shall be spread in terms of millages on the assessment roll, the amount of tax levied shall be assessed in proportion to the taxable value, and a tax roll shall be prepared that commands the appropriate treasurer to collect on July 1 the taxes indicated as due on the tax roll.

(4) Taxes authorized to be collected shall become a lien against the property on which assessed, and due from the owner of that property on July 1.

(5) All taxes and interest imposed pursuant to this section that are unpaid before March 1 shall be returned as delinquent on March 1 and collected pursuant to this act.

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(6) Interest shall be added to taxes collected after September 14 at that rate imposed by section 78a on delinquent property tax levies that became a lien in the same year. However, if September 14 is on a Saturday, Sunday, or legal holiday, the last day taxes are due and payable before interest is added is on the next business day and interest shall be added to taxes that remain unpaid on the immediately succeeding business day. The tax levied under this act that is collected with the city taxes shall be subject to the same penalties, interest, and collection charges as city taxes and shall be returned as delinquent to the county treasurer in the same manner and with the same interest, penalties, and fees as city taxes.

(7) All or a portion of the fees or charges, or both, authorized under section 44 may be imposed on taxes paid before March 1 and shall be retained by the treasurer actually performing the collection of the summer property tax levy pursuant to this section, regardless of whether all or part of these fees or charges, or both, have been waived by the township or city.

(8) Collections shall be remitted to the county for which the taxes were collected pursuant to section 43.

(9) To the extent applicable and consistent with the requirements of this section, this act shall apply to proceedings in relation to the assessment, spreading, and collection of taxes pursuant to this section.

(10) Each county shall establish a restricted fund known as the revenue sharing reserve fund. The total amount required to be placed in the revenue sharing reserve fund for each county shall equal the amount of that county's December 2004 property tax levy of the total number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote, less any amount of tax levy captured and used under a tax increment financing plan under 1975 PA 197, MCL 125.1651 to 125.1681; the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174; or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, and shall be deposited in the revenue sharing reserve fund as provided in this section. Revenues credited to the revenue sharing reserve fund from the December tax levy of a county with a fiscal year ending December 31 shall be accrued to the fiscal year ending in the year of that December property tax levy. Revenue shall be credited to the fund by each county as follows:

(a) From the county's December 2004 property tax levy, 1/3 of the total December levy of the total number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote, less any amount of tax levy captured and used under a tax increment financing plan under 1975 PA 197, MCL 125.1651 to 125.1681; the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174; or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

(b) From the county's December 2005 property tax levy, 1/2 of the remaining balance required to be deposited in the fund.

(c) From the county's December 2006 property tax levy, the balance required to be deposited in the fund.

(11) All of the following apply to a revenue sharing reserve fund established under subsection (10):

(a) Funds in the revenue sharing reserve fund may not be expended in any fiscal year except as provided in this section.

(b) Funds in the revenue sharing reserve fund may be used within a county fiscal year for cash flow purposes at the discretion of the county.

(c) Interest earnings on funds deposited in the revenue sharing reserve fund shall be credited to the revenue sharing reserve fund. However, the county is not required to reimburse the revenue sharing reserve fund for a reduction of interest earnings that occurs because funds in the revenue sharing reserve fund were used for cash flow purposes.

(d) The revenue sharing reserve fund shall be separately reported in the annual financial report required under section 4 of 1919 PA 71, MCL 21.44.

(12) For a county fiscal year that ends on December 31, 2004, a county may expend in that fiscal year an amount not to exceed the payments made to that county under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, in October and December 2003 and, if the payment is accrued back to the county's 2003 fiscal year, February 2004.

(13) Not later than March 1, 2005, a county that receives a payment in October 2004 as provided in a bill making appropriations to the department of treasury for the 2004-05 fiscal year shall pay the amount of that payment to the state treasurer from the revenue sharing reserve fund. A county that does not make the payment required under this subsection shall not make any expenditures from the fund provided under subsection (13).

(14) For each fiscal year of a county that begins after September 30, 2004, a county may expend from the revenue sharing reserve fund an amount not to exceed the total payments made to that county under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal year ending

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September 30, 2004, adjusted annually by the inflation rate, without regard to any executive orders issued after May 17, 2004. As used in this subsection, "inflation rate" means that term as defined in section 34d.

(15) A county's required 2012 revenue sharing reserve fund balance shall be reduced by an amount equal to the amount of county allocated property tax the county had to refund for the 2004 tax year due to a single court judgment, if the refund of 2004 county allocated tax due to that judgment was at least 70% of the county's 2011 allowable withdrawal from its revenue sharing reserve fund. The refund amount shall include the interest the county paid on the 2004 property tax refund.

(16) If a resolution authorizing a summer property tax levy for a tax previously billed as part of the winter property tax levy is approved under subsection (2), the treasurer that collects the summer property tax levy shall establish a restricted fund to be known as the other levies reserve fund for any millage collected that was previously billed as part of the winter property tax levy. Any millage that had been previously billed and collected as part of the winter property tax levy in a preceding tax year that is accelerated and collected earlier as a summer property tax levy shall be deposited into the other levies reserve fund. The treasurer that collects the summer property tax levy shall distribute to the local taxing authorities the revenues credited to the other levies reserve fund from the summer property tax collection of a millage that had been previously billed and collected as part of a winter property tax levy on December 1 of the tax year that the December property tax levy would otherwise have been due and payable. If a millage previously billed and collected as part of the winter property tax levy is accelerated and collected earlier as a summer property tax levy, and if the millage collected in that summer property tax levy is less than that millage would have been if levied as part of the immediately succeeding winter property tax levy, the treasurer that collected the summer property tax levy may issue a supplemental winter tax bill for the deficiency or, if approved by a resolution of the legislative body of the local unit that collected the summer property tax levy, pay any deficiency from that local unit's general fund. The treasurer collecting the summer property tax levy shall account for interest earned on the other levies reserve fund and interest shall be transmitted to the various local tax collecting units in proportion to the revenue collected from a millage previously billed and collected as part of the winter property tax levy in a preceding tax year that is accelerated and collected earlier as a summer property tax levy, after a deduction of reasonable expenses incurred by the treasurer in administering the accounting and disbursement of funds, to the extent that those expenses are in addition to the expenses of accounting and disbursing other taxes.

(17) The treasurer that collects the state education tax shall collect the summer property tax levy under this section.

History: Add. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 2004, Act 357, Imd. Eff. Sept. 30, 2004;—Am. 2008, Act 498, Imd. Eff. Jan. 13, 2009;—Am. 2011, Act 126, Imd. Eff. July 21, 2011;—Am. 2012, Act 184, Imd. Eff. June 20, 2012.

Compiler's note: Enacting section 1 of Act 498 of 2008 provides:

"Enacting section 1. This amendatory act is curative and intended to clarify the requirements concerning the amount of money that a county was required to deposit in the revenue sharing reserve fund under section 44a(9) of the general property tax act, 1893 PA 206, MCL 211.44a."

In subsection (13), the reference to "subsection (13)" evidently should be to "subsection (14)."

Popular name: Act 206

211.44b Determining date payment received; applicability of section.

Sec. 44b. For purposes of determining the date payment of the tax is received under this act, the date of a United States postal service postmark may be considered the date of receipt. However, a tax payment shall not be considered received prior to 7 calendar days before the date of actual receipt. This section does not apply to the payment of the tax prior to the sale provided under section 60.

History: Add. 1994, Act 297, Imd. Eff. July 14, 1994.

Popular name: Act 206

211.44c Special assessment levied after December 31, 1998.

Sec. 44c. An ad valorem special assessment levied on property after December 31, 1998 shall be levied on the property's taxable value as determined under section 27a.

History: Add. 1998, Act 543, Imd. Eff. Jan. 20, 1999.

Popular name: Act 206

211.44d Summer property tax levy; retention of administration fees.

Sec. 44d. (1) A local taxing unit that levied part or all of its 2002 property taxes in December in a city or township shall not increase the proportion of its mills levied in the summer in that city or township in 2003.

(2) Notwithstanding section 44, if a county treasurer or the state treasurer collects a summer property tax levy under section 5b of the state education tax act, 1993 PA 331, MCL 211.905b, the county treasurer or the

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state treasurer may retain all administration fees collected in that summer property tax levy.

History: Add. 2002, Act 243, Imd. Eff. Apr. 30, 2002.

Popular name: Act 206

211.45 Collection; time limit.

Sec. 45. All taxes shall be collected by the several township and city treasurers or collectors, before the first day of March, in each year.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3868;—CL 1915, 4041;—CL 1929, 3436;—CL 1948, 211.45.

Popular name: Act 206

211.46 Collecting personal property taxes remaining unpaid on February 15; demand; receipt for payment; entering fact and date of payment on tax roll.

Sec. 46. (1) For the purpose of collecting personal property taxes remaining unpaid on February 15, the treasurer shall, thereafter during that month, make demand for the payment of taxes either personally or by mail. In cases of companies or corporations demand may be made at the principal or other office of the company or corporation, or by mail directed to the corporation or company, or its principal officer at its usual place of business. In cities where some special provision is made for demand or collection of taxes, the collector or treasurer shall comply with the special provision, or otherwise be bound by this act.

(2) If demand is sent by mail, the amount of the tax shall be stated along with the place and time where and when the taxes may be paid. The treasurer shall give a receipt for every tax paid, and shall cause to be entered in an indelible manner the fact of payment, and the date of payment upon his or her tax roll.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3869;—CL 1915, 4042;—CL 1929, 3437;—CL 1948, 211.46;—Am. 1982, Act 539, Eff. Mar. 30, 1983.

Popular name: Act 206

211.47 Seizure of personal property for nonpayment of taxes; sale at public auction; notice; adjournment of sale; return of balance; returning tax as unpaid; garnisheeing debtors; tax roll as prima facie evidence; property owned by person on tax day for year in which unpaid tax levied; recovery of money paid in civil action; personal liability of person owning real property on tax day for year unpaid tax levied; "person" defined.

Sec. 47. (1) If a person neglects or refuses to pay a tax on property assessed to that person, the township or city treasurer, as appropriate, shall, or for the state education tax levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, the state treasurer may also, subject to subsection (4), collect the tax by seizing the personal property of that person, in an amount sufficient to pay the tax, the fees, and the charges, for subsequent sale of the property, and no property is exempt. The treasurer may sell the property seized, in an amount sufficient to pay the taxes and all charges, at public auction in the place where seized or in the township or city of which he or she is treasurer or for the state treasurer, anywhere in the state. The treasurer shall give public notice of the auction at least 5 days before the sale by posting written or printed notices in 3 public places in the township, village, or city where the sale is to be made. The sale may be adjourned from time to time if the treasurer considers it necessary. If the property is seized and advertised, the sale may take place at any time within 6 days after the expiration of the warrant of sale. If it is necessary to sell personal property that brings more than the amount of taxes and charges, the balance shall be returned to the person from whose possession the property was taken. However, if the state seizes and sells property and the sale brings more than the amount of the state education tax and charges due, the state shall distribute the balance on a pro rata basis to any other local taxing units to which delinquent personal property taxes on that property remain unpaid. If property seized under this section cannot be sold for want of bidders, and in that case only, the treasurer shall return a statement of that fact and the tax shall be returned as unpaid.

(2) Notwithstanding or in lieu of subsection (1), and subject to subsection (4), the township or city treasurer, in the name of the township, village, or city, or the state treasurer, in the name of the state, may sue the person to whom the tax is assessed and garnishee any debtor or debtors of that person. The tax roll is prima facie evidence of the debt sought to be recovered. If the person to whom the tax is assessed did not own the property on the tax day for the year in which the unpaid tax was levied, the township or city treasurer, in the name of the township, village, or city, or the state treasurer, in the name of the state, may sue any person that did own the property on the tax day for the year in which the unpaid tax was levied and garnishee any debtor or debtors of that person.

(3) If a person that possesses the personal property of another person is assessed for that property and pays the taxes on the property, the person paying the taxes may recover in a civil action from the person for whose benefit the taxes were paid the money paid with the applicable interest.

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(4) Notwithstanding any other provision in this act or charter to the contrary, a person is not subject to personal liability for any unpaid property tax levied on real property unless that person owned the real property on the tax day for the year in which the unpaid tax was levied. A person contesting personal liability under this subsection may raise the issue in an enforcement action in the trial court regardless of whether the person previously raised the issue with the local board of review. As used in this subsection, "trial court" means any district court, probate court, municipal court, small claims court, appellate court, or other tribunal in which the issue of personal liability is litigated.

(5) As used in this section, "person" means an individual, partnership, corporation, association, limited liability company, or any other legal entity.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 229, Imd. Eff. May 31, 1895;—CL 1897, 3870;—Am. 1899, Act 215, Eff. Sept. 23, 1899;—CL 1915, 4043;—CL 1929, 3438;—CL 1948, 211.47;—Am. 1987, Act 177, Imd. Eff. Nov. 19, 1987;—Am. 1988, Act 202, Imd. Eff. June 29, 1988;—Am. 1994, Act 253, Imd. Eff. July 5, 1994;—Am. 2017, Act 189, Imd. Eff. Nov. 21, 2017.

Compiler's note: Enacting section 1 of Act 189 of 2017 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for any unpaid property taxes or special assessments subject to collection under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, on and after the date this amendatory act is enacted into law. However, this amendatory act is not intended to affect any final determination, not subject to further appeal, of personal liability in a proceeding or case decided by the tax tribunal or a court of this state issued before the date this amendatory act is enacted into law."

Popular name: Act 206

211.47a Treasurer's bill of sale of property sold for unpaid taxes; contents.

Sec. 47a. The township or city treasurer when requested shall execute, acknowledge and deliver to the purchaser a bill of sale describing the property and setting forth the particulars of the sale.

History: Add. 1958, Act 191, Eff. Sept. 13, 1958.

Popular name: Act 206

211.48 Collecting officer's fee in case of distress and sale of goods and chattels; certified statement of property removed from township; contents; statement as evidence; authorization to levy and collect; transmittal of statement; double collection fees and additional sum; transmittal and receipt of taxes and collection fees; marking taxes paid on tax roll; levy and collection of executions issued upon judgments.

Sec. 48. (1) In case of a distress and sale of goods and chattels for the payment of any tax, the treasurer or other collecting officer may also collect on such sale $1.50 over and above the tax, as the collecting officer's fees for making the sale, which fees and percentage hereinbefore provided shall be in full for his or her services in collecting taxes. If payment of the tax is made after the distress and before the sale, the treasurer or collecting officer may require the payment of $1.50 as his or her fee for making such distress, and to enforce payment of the same, if necessary, by making sale notwithstanding the payment of the tax.

(2) If personal property which is assessed to any person in any township in this state is removed from the township before the taxes assessed on the property are collected, and there is not other personal property sufficient in that township upon which the treasurer or other collecting officer can levy and collect the taxes, or any portion of them, the treasurer shall make a statement, duly certified by him or her as correct and true, showing that personal property has been assessed to such person, naming that person, the valuation of the property, the various taxes thereon, and the total amount of taxes, as appears from the roll in the hands of the treasurer. The statement shall also show that such property has been removed from the township or city since the assessment thereof and that the taxes or some portion of the taxes have not been paid. The statement shall be witnessed and acknowledged in the same manner as deeds of real estate are acknowledged, and shall be received in all courts and other places as evidence of the facts therein contained, without proof of its execution, and shall be prima facie evidence of the validity of the tax therein named against the person therein named, and shall be full and ample authority to the treasurer or other tax collector to whom it shall be sent to levy and collect the same in the same manner as other personal taxes are collected by him or her when spread upon his or her own roll.

(3) This statement may be sent to the township or city treasurer or other collecting officer of any township or city in this state, where the person against whom the assessment was made may have property, and the treasurer, or other collecting officer to whom the statement is transmitted, shall, upon the receipt of the same, proceed to collect the taxes out of any property belonging to the owner of the property so taxed within his or her jurisdiction which is liable to be seized for taxes, together with double collection fees therefor, and the further sum of 25 cents to defray the expense of transmitting the taxes so collected as hereinafter provided, and shall give his or her receipt therefor. The treasurer or other collecting officer shall thereupon transmit the taxes, and 1/2 of the collection fees collected, to the township treasurer or other collecting officer from whom

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he or she received the statement, and the latter shall, upon the receipt of the taxes and collection fees, cause to be marked the taxes in an indelible manner as paid upon his or her tax roll, and the date of the receipt of the same, retaining the collection fees so received as his or her fees in the matter of the collection of the taxes.

(4) Executions issued upon judgments rendered for any tax may be levied upon any property, without exemption, the same as though seized for sale under warrants issued for the collection of taxes by township supervisors, and collected in the same manner, in all other respects, as provided by law for the collection of judgments.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3871;—CL 1915, 4044;—CL 1929, 3439;—CL 1948, 211.48;—Am. 1982, Act 539, Eff. Mar. 30, 1983.

Popular name: Act 206

211.49 Surplus from sale; contested claim; remedy; treasurer's liability; rule in action.

Sec. 49. Whenever a surplus arising from the sale of any property distrained for taxes, shall be claimed by any other than the person for whose tax such property was sold, and such claim shall be contested, either of the contestants may prosecute an action against the other, as for money had and received, and in such action the rights of the parties to such surplus shall be determined. For the purpose of such action the defendant shall be deemed to be in possession of the surplus in the hands of the treasurer, and upon the presentation to said treasurer of a certified copy of the final judgment rendered in such action he shall pay over the same to the party recovering such judgment, and no such treasurer shall be liable to any claimant of such surplus, the right to which is contested as provided in this act, until he shall have refused to pay over such surplus upon the production of a certified copy of the judgment as aforesaid. In any action brought pursuant to this section no other case shall be joined, nor shall any set-off be allowed, and if an execution issue on a judgment so rendered, it shall direct the costs only of such action to be levied by virtue thereof.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3872;—CL 1915, 4045;—CL 1929, 3440;—CL 1948, 211.49.

Popular name: Act 206

211.50 Repealed. 1976, Act 76, Imd. Eff. Apr. 11, 1976.

Compiler's note: The repealed section pertained to filling vacancy in office of township treasurer.

Popular name: Act 206

211.51 Failure of township treasurer to file bond with county treasurer; failure to appoint treasurer to give bond and deliver receipt; delivery of tax roll and warrant; collection and return of taxes; adding property tax administration fee, late penalty charge, and interest; return of excess amount; powers of county treasurer; persons eligible for deferment of summer property taxes; deferred taxes not subject to penalties or interest; filing and form of intent to defer; duties of treasurer; statement of taxes deferred; levy and collection of summer property taxes by local taxing unit; definitions.

Sec. 51. (1) If a township treasurer does not file his or her bond with the county treasurer as prescribed by law and the township board fails to appoint a treasurer to give the bond and deliver a receipt for the bond to the supervisor by December 10, the supervisor shall deliver the tax roll with the necessary warrant directed to the county treasurer, who shall make the collection and return of taxes. The county treasurer, pursuant to the adoption of a resolution by the county board of commissioners, has the same powers and duties to add a property tax administration fee, a late penalty charge, and interest to all taxes collected as conferred upon a township treasurer under section 44. The excess of the amount of property tax administration fees over the expense to the county in collecting the taxes shall be returned to the township, and the remainder of the property tax administration fees and any late penalty charges imposed shall be credited to the county general fund. For the purpose of collecting the taxes, the county treasurer is vested with all the powers conferred upon the township treasurer and an action may be brought on the county treasurer's bond under the same circumstances as on those of a township treasurer.

(2) A local tax collecting unit that collects a summer property tax shall defer the collection of summer property taxes against the following property for which a deferment is claimed until the following February 15:

(a) The principal residence of a taxpayer who meets both of the following conditions:

(*i*) Meets 1 or more of the following conditions:

(A) Is a totally and permanently disabled person, blind person, paraplegic, quadriplegic, eligible serviceperson, eligible veteran, or eligible widow or widower, as these persons are defined in chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532.

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(B) Is 62 years of age or older, including the unremarried surviving spouse of a person who was 62 years of age or older at the time of death.

(*ii*) For the prior taxable year had a total household income of the following:

(A) For taxes levied before January 1, 2005, $25,000.00, or less.

(B) For taxes levied after December 31, 2004 and before January 1, 2006, $35,000.00, or less.

(C) For taxes levied after December 31, 2005 and before January 1, 2007, $37,500.00, or less.

(D) For taxes levied after December 31, 2006, $40,000.00, or less.

(b) Property classified or used as agricultural real property if the gross receipts of the agricultural or horticultural operations in the previous year or the average gross receipts of the operations in the previous 3 years are not less than the household income of the owner in the previous year or the combined household incomes in the previous year of the individual members of a limited liability company or partners of a partnership that owns the agricultural real property. A limited liability company or partnership may claim the deferment under this section only if the individual members of the limited liability company or partners of the partnership qualified for the deferment under this section before the individual members or partners formed the limited liability company or partnership.

(3) A taxpayer may claim a deferment provided by subsection (2) by filing with the treasurer of the local property tax collecting unit an intent to defer the summer property taxes that are due and payable in that year without penalty or interest. Taxes deferred under subsection (2) that are not paid by the following February 15 are not subject to penalties or interest for the period of deferment.

(4) The intent statement required by subsection (3) shall be on a form prescribed and provided by the department of treasury to the treasurer of the local property tax collecting unit.

(5) The treasurer of the local property tax collecting unit that collects a summer property tax shall do the following:

(a) Cause a notice of the availability of the deferment to be published in a newspaper of general circulation within the local property tax collecting unit or to be included as an insertion with the tax bill.

(b) Assist persons in completing the deferment form.

(6) If a local property tax collecting unit that collects a summer property tax also collects a winter property tax in the same year, a statement of the amount of taxes deferred pursuant to subsection (2) shall be in the December tax statement mailed by the local property tax collecting unit for each summer property tax payment that was deferred from collection. If a local property tax collecting unit that collects a summer property tax does not collect a winter property tax in the same year, it shall mail a statement of the amount of taxes deferred under subsection (2) at the same time December tax statements are required to be mailed under section 44.

(7) Persons eligible for deferment of summer property taxes under subsection (2) may file their intent to defer until September 15 or the time the tax would otherwise become subject to interest or a late penalty charge for late payment, whichever is later.

(8) To the extent permitted by the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or the charter of a local property tax collecting unit, a local property tax collecting unit may provide for the levy and collection of summer property taxes. The terms and conditions of collection established by or under an agreement executed pursuant to the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or the charter of a local tax collecting unit govern a summer property tax levy.

(9) As used in this section:

(a) "Principal residence" means property exempt under section 7cc.

(b) "Summer property tax" means a levy of ad valorem property taxes that first becomes a lien before December 1 of any calendar year.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3874;—CL 1915, 4047;—CL 1929, 3442;—CL 1948, 211.51;—Am. 1975, Act 294, Imd. Eff. Dec. 10, 1975;—Am. 1978, Act 274, Imd. Eff. June 29, 1978;—Am. 1982, Act 386, Imd. Eff. Dec. 28, 1982;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 1983, Act 191, Imd. Eff. Nov. 1, 1983;—Am. 1984, Act 31, Imd. Eff. Mar. 12, 1984;—Am. 1984, Act 205, Eff. Mar. 29, 1985;—Am. 1992, Act 97, Imd. Eff. June 19, 1992;—Am. 2005, Act 24, Imd. Eff. May 23, 2005;—Am. 2005, Act 114, Imd. Eff. Sept. 22, 2005;—Am. 2009, Act 189, Imd. Eff. Dec. 22, 2009;—Am. 2012, Act 57, Imd. Eff. Mar. 22, 2012.

Popular name: Act 206

211.52 Incomplete collection; disbursement of collection funds.

Sec. 52. In case the township treasurer or other collecting officer shall not collect the full amount of taxes required by his warrant to be paid into the township treasury, such portion thereof as he shall collect shall be retained by him to be paid out for the following purposes: The amount of school taxes collected to be paid to the treasurer of each school district and the secretary or director of each school district notified of such

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amount paid, the state and county taxes to the county treasurer as in this act provided, the amount collected for general township purposes to be paid on the order of the township board, the amount collected for highway purposes to be paid on the order of the commissioner of highways countersigned by the township clerk or supervisor, and the amount collected for any special fund to be paid on the order of the proper officer, but in no case shall the amounts collected for any 1 fund be paid on the orders drawn on any other fund.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3875;—CL 1915, 4048;—CL 1929, 3443;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—CL 1948, 211.52.

Popular name: Act 206

211.52a Returning erroneously collected taxes or taxes ordered returned by court order.

Sec. 52a. If a local tax collecting unit has distributed taxes collected under this act to a local taxing unit or to the state treasurer, upon request by the local tax collecting unit, that local taxing unit or the state treasurer shall return to the local tax collecting unit an amount erroneously collected or an amount required to be returned by court order in a bankruptcy proceeding filed after December 31, 1999.

History: Add. 2004, Act 441, Imd. Eff. Dec. 21, 2004.

211.53 Payment of taxes or special assessments; certificate; payment by owner of part or parcel of real property assessed in 1 description; suspected violation of or potential nonconformity with land division act; nonrecognition of division; payment by lienholder or tenant; payment by owner of mineral rights or surface rights; property acquired for highway purposes; excluding payment made by means of property tax credit; accepting less than total taxes or special assessments due.

Sec. 53. (1) A person may pay the taxes or special assessments, any 1 of the several taxes or special assessments, a portion of the taxes or special assessments that is specified by the charter of a local collecting unit or by an ordinance or resolution adopted by the governing body of the local collecting unit, or if a specification is not made by an ordinance, resolution, or the charter of a local collecting unit a portion of the taxes or special assessments that is approved by the treasurer of the local collecting unit, on any parcel or description of land, or on any undivided share thereof, and the treasurer shall cause to be noted across the face of the receipt in an indelible manner any portion of the taxes or special assessments remaining unpaid. When payment of the taxes or special assessments on any parcel or description of land, or on any undivided share thereof, is made to any local collecting treasurer, the treasurer shall place or cause to be placed upon the face of the receipt the following certificate: "I hereby certify that application was made to pay all taxes and special assessments due and payable at this office on the description shown in this receipt except.....

(Signed)..... Treas."

(2) Except as provided in subsection (3), a person owning an undivided share or other part or parcel of real property assessed in 1 description may pay on the part thus owned, by paying in any manner provided by subsection (1) an amount having the same relation to the whole tax or special assessment as the value of the part on which payment is made has to the value of the whole parcel. The application to pay the taxes or special assessments on any part of any parcel or description of land shall be accompanied by a statement from the assessing officer of the township or city in which the lands are situated showing the valuation of the part and of the several parts of the parcel or description of land, and the assessing officer shall make the valuations and furnish a statement at the request of any person who presents to the assessing officer a correct description and division of the parcel or description of land to be divided. The person making the payment shall accurately describe the part or share on which he or she makes payment, and the receipt given, and the record of the receiving officer shall show the description, and by whom paid; and in case of the sale of the remaining part or share for nonpayment of taxes or special assessments, he or she may purchase the same in like manner as any disinterested person could.

(3) If an assessing officer has reason to believe that a violation of the land division act, 1967 PA 288, MCL 560.101 to 560.293, has occurred with respect to property for which a division is being requested pursuant to subsection (2) or section 24, or that such a division does not conform with the requirements of the land division act, 1967 PA 288, MCL 560.101 to 560.293, the assessing officer shall not recognize a division of that property requested pursuant to subsection (2) or section 24 on the tax roll or assessment roll until he or she refers the suspected violation or potential nonconformity to the county prosecuting attorney and gives written notice to the plat section of the department of commerce, the person requesting the division, and the person suspected of the violation or potential nonconformity, of such referral to the prosecuting attorney.

(4) A person having a lien on property may, after 30 days from the time the tax is payable, pay the taxes thereon, and the same may be added to his or her lien and recovered with the rate of interest borne by the lien.

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A tenant of real estate may pay the taxes thereon and deduct the taxes from his or her rent, unless there is an agreement to the contrary. Such payment may be made to the local collecting treasurer while the tax roll is in his or her hands, or afterwards to the county treasurer. The receipt given shall be evidence of payment. Every such receipt shall be considered to include the certificate prescribed by subsection (1), and unless otherwise noted thereon, shall be construed as an application to pay all taxes and special assessments assessed against the property described therein and then due and payable at the office of the treasurer issuing the receipt.

(5) A person owning either mineral rights not otherwise exempt under this act or surface rights in property, but not both, which rights are authorized under this act to be separately assessed, may pay on the rights owned as authorized in this section for the payment upon an undivided share in the property.

(6) If a part of any parcel of real property is acquired for highway purposes, it shall be separately assessed and the assessing officer shall make the allocation of the taxes or special assessments between the part so acquired and the remainder as may be considered by the assessing officer to be in conformity with standard assessment practices. Upon the payment of the taxes or assessments attributable thereto, the part or parcel of real property so acquired shall be removed from the tax rolls. The acceptance by the city, village, township, or county treasurer of the payment shall not affect, prejudice, or destroy any tax lien on the remainder of the parcel of real property from which the part is taken.

(7) For purposes of determining the taxes which are required to be paid, payment made by means of a property tax credit which is authorized to be transferred under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.713, shall be excluded.

(8) The acceptance of payment of less than the total of the taxes or special assessments due shall not serve to waive interest imposed pursuant to law or charter on taxes or special assessments that are not paid by dates set, pursuant to subsection (1), by law or charter.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3876;—Am. 1901, Act 130, Eff. Sept. 5, 1901;—Am. 1913, Act 76, Eff. Aug. 14, 1913;—CL 1915, 4049;—CL 1929, 3444;—Am. 1931, Act 32, Eff. Sept. 18, 1931;—Am. 1935, Act 54, Imd. Eff. May 13, 1935;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—Am. 1945, Act 159, Imd. Eff. May 16, 1945;—CL 1948, 211.53;—Am. 1962, Act 133, Imd. Eff. May 4, 1962;—Am. 1972, Act 226, Imd. Eff. July 25, 1972;—Am. 1976, Act 292, Imd. Eff. Oct. 25, 1976;—Am. 1982, Act 13, Imd. Eff. Feb. 25, 1982;—Am. 1983, Act 24, Imd. Eff. Apr. 5, 1983;—Am. 2012, Act 409, Imd. Eff. Dec. 20, 2012.

Compiler's note: For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Popular name: Act 206

211.53a Recovery of excess payments not made under protest.

Sec. 53a. Any taxpayer who is assessed and pays taxes in excess of the correct and lawful amount due because of a clerical error or mutual mistake of fact made by the assessing officer and the taxpayer may recover the excess so paid, without interest, if suit is commenced within 3 years from the date of payment, notwithstanding that the payment was not made under protest.

History: Add. 1958, Act 209, Eff. Sept. 13, 1958.

Popular name: Act 206

211.53b Qualified error; verification, approval, and affidavit; correction of records; rebate; notice and payment; initiation of action; actions of board of review; exemption; appeal; approval; alternative meeting dates; "qualified error" defined.

Sec. 53b. (1) If there has been a qualified error, the qualified error must be verified by the local assessing officer and approved by the board of review. Except as otherwise provided in subsection (5), the board of review shall meet for the purposes of this section on Tuesday following the second Monday in December and on Tuesday following the third Monday in July. If approved, the board of review shall file an affidavit within 30 days relative to the qualified error with the proper officials and all affected official records must be corrected. If the qualified error results in an overpayment or underpayment, the rebate, including any interest paid, must be made to the taxpayer or the taxpayer must be notified and payment made within 30 days of the notice. A rebate must be without interest. The treasurer in possession of the appropriate tax roll may deduct the rebate from the appropriate tax collecting unit's subsequent distribution of taxes. The treasurer in possession of the appropriate tax roll shall bill to the appropriate tax collecting unit the tax collecting unit's share of taxes rebated. Except as otherwise provided in section 27a(4), a correction under this subsection may be made for the current year and the immediately preceding year only.

(2) Action pursuant to subsection (1) may be initiated by the taxpayer or the assessing officer.

(3) The board of review meeting in July and December shall meet only for the purpose described in subsection (1) and to hear appeals provided for in sections 7u, 7ee, and 7jj. If an exemption under section 7u is approved, the board of review shall file an affidavit with the proper officials involved in the assessment and

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collection of taxes and all affected official records must be corrected. If an appeal under section 7ee or 7jj results in a determination that an overpayment has been made, the board of review shall file an affidavit and a rebate must be made at the times and in the manner provided in subsection (1). Except as otherwise provided in sections 7ee and 7jj, a correction under this subsection must be made for the year in which the appeal is made only. If the board of review approves an exemption or provides a rebate for property under section 7ee or 7jj as provided in this subsection, the board of review shall require the owner to execute the affidavit provided for in section 7ee or 7jj.

(4) An owner or assessor may appeal a decision of the board of review under this section regarding an exemption under section 7ee or 7jj to the residential and small claims division of the Michigan tax tribunal. An owner is not required to pay the amount of tax in dispute in order to receive a final determination of the residential and small claims division of the Michigan tax tribunal. However, interest and penalties, if any, will accrue and be computed based on interest and penalties that would have accrued from the date the taxes were originally levied as if there had not been an exemption.

(5) The governing body of the city or township may authorize, by adoption of an ordinance or resolution, 1 or more of the following alternative meeting dates for the purposes of this section:

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

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

(6) As used in this section, "qualified error" means 1 or more of the following:

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

(b) A mutual mistake of fact.

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

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

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

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

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

(h) An error made in the denial of a claim of exemption for personal property under section 9o.

(i) An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse that causes a denial of an exemption under section 7b. An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse means an error made by the local tax collecting unit in the processing of a timely filed exemption affidavit or a delay in the determination by the United States Department of Veterans Affairs that a veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

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History: Add. 1967, Act 142, Eff. Nov. 2, 1967;—Am. 1974, Act 379, Imd. Eff. Dec. 23, 1974;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1985, Act 14, Imd. Eff. May 3, 1985;—Am. 1994, Act 237, Imd. Eff. June 30, 1994;—Am. 1995, Act 74, Eff. Dec. 31, 1994 ;—Am. 2000, Act 284, Imd. Eff. July 10, 2000;—Am. 2002, Act 624, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 105, Imd. Eff. July 24, 2003;—Am. 2006, Act 13, Imd. Eff. Feb. 3, 2006;—Am. 2006, Act 378, Imd. Eff. Sept. 27, 2006;—Am. 2008, Act 122, Imd. Eff. May 9, 2008;—Am. 2010, Act 24, Imd. Eff. Mar. 26, 2010;—Am. 2013, Act 153, Imd. Eff. Nov. 5, 2013;—Am. 2016, Act 108, Imd. Eff. May 6, 2016;—Am. 2017, Act 261, Eff. Dec. 31, 2017;—Am. 2020, Act 206, Imd. Eff. Oct. 15, 2020;—Am. 2022, Act 141, Imd. Eff. July 11, 2022.

Compiler's note: Section 2 of Act 74 of 1995 provides:
"This amendatory act is retroactive and shall take effect December 31, 1994."

Popular name: Act 206

211.53c Denial of claim for exemption; appeal.

Sec. 53c. If the July or December board of review denies a claim for exemption under section 7u, the person claiming the exemption may appeal that decision to the Michigan tax tribunal within 30 days of the denial.

History: Add. 1995, Act 74, Eff. Dec. 31, 1994.

Compiler's note: Section 2 of Act 74 of 1995 provides:
"This amendatory act is retroactive and shall take effect December 31, 1994."

Popular name: Act 206

211.53d Corrections to assessment rolls.

Sec. 53d. (1) For taxes levied after December 31, 1991 and before January 1, 1998, the assessment roll for each tax year shall be corrected to reflect that improvements to real property assessed on that tax roll as

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partially completed new construction and the land on which the improvements are located are exempt from the collection of taxes under this act if all of the following conditions are satisfied:

(a) The improvements and the land on which the improvements are located are determined to be exempt from taxes collected under this act on tax day in the year construction of the improvements was completed and the property was put to use.

(b) The property owner claimed before January 1, 1998, that the partially completed new construction and the land on which the improvements are located was exempt from the collection of taxes under this act in a formal protest to the assessor as provided under a local ordinance or charter or in a protest to the first board of review that met pursuant to section 30 after a certificate of occupancy for the completed new construction was issued and that board of review denied the property owner's protest, and the property owner subsequently filed an appeal with the Michigan tax tribunal and that appeal was denied.

(2) For taxes levied after December 31, 1997, the assessment roll for each tax year shall be corrected to reflect that improvements to real property assessed on that tax roll as partially completed new construction and the land on which the improvements are located are exempt from the collection of taxes under this act if the improvements and the land on which the improvements are located are determined to be exempt from taxes collected under this act on tax day in the year construction of the improvements was completed and the property was put to use.

(3) For each tax year in which the tax roll is corrected under subsection (1) or (2), a corrected tax bill shall be issued by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. If granting the exemption under this section results in an overpayment of the tax, a rebate, including any interest and penalties paid, shall be made to the taxpayer by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll within 30 days of the date the exemption is granted. The rebate shall be without interest.

(4) As used in this section, "new construction" means that term as defined in section 34d(1)(b)(*iii*).

History: Add. 1998, Act 280, Eff. Dec. 31, 1991.

Compiler's note: Enacting section 1 of Act 280 of 1998 provides:
"Enacting section 1. This amendatory act is retroactive and is effective December 31, 1991."

Popular name: Act 206

211.54 Collected and unpaid taxes; accounting to county treasurer; time.

Sec. 54. Within 20 calendar days after the time specified in his warrant, the township treasurer or other collecting officer shall pay to the county treasurer all state and county taxes collected, and within the same time shall make his statement of unpaid taxes upon real and personal property as required in section 55.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1897, Act 225, Imd. Eff. May 29, 1897;—CL 1897, 3877;—Am. 1901, Act 193, Eff. Sept. 5, 1901;—CL 1915, 4050;—CL 1929, 3445;—CL 1948, 211.54;—Am. 1960, Act 8, Eff. Aug. 17, 1960.

Popular name: Act 206

RETURN OF DELINQUENT TAXES.

211.55 Duplicate statement of uncollected taxes on roll; unpaid special assessment as delinquent tax; original tax roll as delinquent roll; tax roll forms; affidavit; stamp or marking to note payment of delinquent tax; certificate; rejection of tax; duplicate statement of school taxes collected and school taxes unpaid; recordation and filing of duplicate statements or copies; receipt and statements as vouchers.

Sec. 55. A township treasurer or other collecting officer who is unable to collect any of the taxes on the roll, assessed on real or personal property, shall make a duplicate statement of the same with a full and perfect description of the property, as entered on the tax roll, with the taxes assessed upon each parcel as shown on the roll and the name of the person to whom the property is assessed. A township treasurer or other collecting officer may include as a delinquent tax any unpaid special assessment which is delinquent on the last day of February in the delinquent taxes returned to the county treasurer the next day pursuant to this section. A delinquent special assessment included as a delinquent tax pursuant to this section shall, after return to the county treasurer, be a valid tax for all purposes under this act. In lieu of this delinquent tax roll, the original tax roll may be used as a delinquent roll, if the use is approved by a resolution adopted by the county board of commissioners. If the original tax roll is used as a delinquent roll the amount of the taxes which remain unpaid on a piece of property at time of settlement with the county treasurer shall be extended in total to a column provided in the tax roll for this purpose. The aggregate total of this delinquent tax column in the tax roll constitutes the total taxes returned delinquent to the county treasurer. The state treasurer may prescribe a

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tax roll form which meets the requirements of this section or approve or disapprove tax roll forms adopted by the various tax collecting local units.

The collecting officer shall attach his affidavit to the tax roll or delinquent roll stating the aggregate amount of taxes remaining unpaid and the amounts remaining unpaid for each taxing unit and the amount of all moneys collected on account of taxes. The affidavit shall state in substance that the sums mentioned in the statement as uncollected remain unpaid and that the collecting officer has not, upon diligent inquiry, been able to discover any goods or chattels belonging to the person liable to pay the sums upon which he could levy the same.

If the original tax roll is used as a delinquent tax roll the county treasurer, upon receipt of the payment of an item of delinquent tax, shall note the fact of the payment of delinquent tax in the roll using a distinctive stamp or marking which clearly indicates that the tax was paid to the county treasurer, the date of payment and the number of the delinquent tax receipt. The county treasurer shall immediately compare the affidavits of the tax collecting officer with regard to the taxes collected and taxes remaining unpaid with the tax roll. If the county treasurer finds them to be correct, a certificate shall be added to each of them showing that the county treasurer has examined and compared the statements with the tax roll and found them correct, and shall file the original of the statements in his office and forward the duplicate to the township clerk who shall file them in his office. The county treasurer at any time may reject any tax upon land which has been twice assessed, or upon any parcel which is so erroneously or defectively described upon the tax roll that it cannot be correctly and easily ascertained. The township treasurer or other collecting officer upon filing the statement with the county treasurer, or within 5 days thereafter, shall file a duplicate statement with the secretary or director of each school district showing the amount of school taxes collected for the school district and the amount of school taxes remaining unpaid which have been returned delinquent to the county treasurer. The township treasurer or other collecting officer at the time of filing the statement shall also prepare duplicate statements or copies thereof to be signed and approved by the secretary or director of each school district which shall be recorded by the township clerk and filed with the supervisor of the township. The county treasurer shall give to the township treasurer a receipt, stating the amount of moneys paid by the township treasurer, for which the township shall receive a credit on the books of the county treasurer, and shall also give the township treasurer a statement of all taxes rejected, the amount of delinquent taxes returned, and the amount of any unpaid taxes on personal property, which receipt and statements shall be the vouchers of the treasurer of the amounts specified therein.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3878;—CL 1915, 4051;—CL 1929, 3446;—Am. 1931, Act 87, Eff. Sept. 18, 1931;—Am. 1937, Act 149, Imd. Eff. July 2, 1937;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—Am. 1943, Act 230, Eff. July 30, 1943;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—Am. 1947, Act 282, Eff. Oct. 11, 1947;—CL 1948, 211.55;—Am. 1951, Act 117, Imd. Eff. May 31, 1951;—Am. 1971, Act 87, Imd. Eff. Aug. 4, 1971;—Am. 1977, Act 166, Imd. Eff. Nov. 16, 1977.

Popular name: Act 206

211.55a Repealed. 1999, Act 123, Imd. Eff. July 23, 1999.

Compiler's note: The repealed section pertained to certified special residential property tax roll.

Popular name: Act 206

211.56 Indorsing settlement of bond on statement; discharge from obligation of bond; liability on bond for incorrect returns; deposit, filing, and preservation of tax roll; tax roll as evidence; statement of uncollected personal property taxes; warrant authorizing collection; payment of sums collected; credit and receipt for collection; liability; agreement for collection of delinquent personal property taxes; condition; notice demanding payment; neglecting or refusing to pay tax; distraint and sale; legal and equitable remedies; collection, deposit, and use of fees, interest, penalties, costs, charges, or expenses; transfer of excess money; distribution of taxes collected.

Sec. 56. (1) The county treasurer shall indorse on the statement given to the township treasurer the fact of the settlement on the bond of the township or city treasurer, which indorsement shall operate as a discharge of the township or city treasurer and his or her sureties from the obligation on the bond, unless the return of the treasurer is incorrect, in which case the bond shall continue in force, and the township or city treasurer and his or her sureties shall be liable on the bond for all damages occasioned by incorrect returns. The township treasurer shall immediately deposit his or her tax roll with the county treasurer, who shall file and preserve the tax roll in his or her office. This tax roll or a certified copy of this tax roll shall, for all purposes and in all courts, actions, and proceedings, be taken, held, and used as evidence, in the same manner and with like effect as the original roll.

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(2) The county treasurer shall give the township or city treasurer a statement of all the personal property taxes which remain uncollected, taken from the return of the township or city treasurer, with a warrant authorizing the township or city treasurer, or his or her successor, to collect them pursuant to law, and after receipt of this statement the township or city treasurer, or his or her successor, shall have the same power to collect the personal property taxes as under the original warrant. A township or city shall not be required to advance to the county treasurer or school district treasurer the amount of any unpaid county and school district taxes assessed against personal property, but any sums collected by any township or city treasurer upon county personal property taxes subsequent to the settlement with the county treasurer shall be paid to the county treasurer and any sums collected by any township or city treasurer upon school district personal property taxes subsequent to the settlement with the county treasurer shall be paid to the school district treasurer within 10 days after the collection. The county treasurer and the township or city treasurer shall then credit the remitted personal property tax collections upon the returned tax roll and give receipt for them. The bond, if any, given by the township or city treasurer to the county treasurer covering the collection of county and school taxes shall not be kept in force on account of any unpaid personal property taxes but in case any treasurer should default in the payment to the county treasurer of any collected county personal property taxes or to the school district treasurer of any collected school district personal property taxes, after the termination of the bond, then the township or city of which he or she is treasurer shall be liable for these tax collections.

(3) Notwithstanding subsection (2) and upon an agreement entered into by the governing body of the local property tax collecting unit and the county board of commissioners with the concurrence of the county treasurer, the county treasurer shall be responsible for the collection of the delinquent personal property taxes of the city or township. The agreement shall specify the period during which the county treasurer shall be responsible for the collection of delinquent personal property taxes. However, a county may condition such an agreement upon the county entering into similar agreements with other local property tax collecting units in the county. After the accounting has been made and the other duties required by this section are performed, the county treasurer shall collect delinquent personal property taxes collected by the local property tax collecting unit which has entered into an agreement pursuant to this subsection. Within 120 days after March 1 of each year the county treasurer shall send notices to all known delinquent personal property taxpayers, demanding payment of the delinquent personal property taxes. Failure to send or receive the notice shall not in any way prejudice the right to collect or enforce the payment of the tax. If a delinquent personal property taxpayer neglects or refuses to pay the tax, the county treasurer shall have powers of distraint and sale identical to those given to the township or city treasurer in section 47. The county treasurer may also use whatever remedies there may be at law or equity for the collection of any indebtedness in order to enforce the payment of the tax. The county treasurer shall add to the amount of the assessed tax any collection or administration fee, distraint and sale fee, interest, penalty, or charge provided by this act and shall also collect whatever costs, fees, or expenses allowed by a court in which action was taken. For each county that has agreed to collect delinquent personal property taxes pursuant to this subsection, a county delinquent personal property tax administrative fund is established and all fees, interest, penalties, costs, charges, or expenses the county treasurer collects pursuant to this subsection shall be deposited into this fund. The money in this fund shall be used by the county treasurer to pay the costs of collecting delinquent personal property taxes. To the extent that money in this fund exceeds the cost of collecting delinquent personal property taxes, the county treasurer shall intermittently transfer the excess money to the general fund of the county. The amount of the assessed taxes collected by the county treasurer shall be distributed to the different taxing units in the same manner as the delinquent real property taxes collected by him or her are distributed.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3879;—CL 1915, 4052;—CL 1929, 3447;—Am. 1933, Act 200, Eff. Oct. 17, 1933;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—Am. 1947, Act 339, Eff. Oct. 11, 1947;—CL 1948, 211.56;—Am. 1971, Act 144, Imd. Eff. Nov. 12, 1971;—Am. 1982, Act 539, Eff. Mar. 30, 1983.

Popular name: Act 206

211.56a Personal property taxes uncollected for 5 years; petition; striking from rolls; judgment; duties of county treasurer.

Sec. 56a. (1) If a tax levied on personal property remains uncollected for more than 5 years after that tax becomes delinquent, the township or city treasurer shall prepare a statement showing all of the following:

(a) The taxes levied upon personal property that remain unpaid.

(b) The names of the persons against whom those taxes were assessed.

(c) The amount assessed against each person that remains uncollected, together with all fees, penalties, and interest due under this act or under a city charter.

(2) The original copy of the statement prepared pursuant to subsection (1) shall be filed with the circuit court of the county in which the township or city is located together with a petition. Two or more township or

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city treasurers may file a joint petition under this section.

(3) The petition shall state all of the following:

(a) That the taxes upon personal property as shown in the statement have remained unpaid for more than 5 years after they were returned to the county treasurer as delinquent.

(b) That the taxes have remained delinquent despite the fact that the township or city treasurer or his or her predecessors in office exercised due diligence in an effort to collect the taxes.

(c) The taxes are, to the township or city treasurer's best knowledge and information, uncollectible.

(4) The petition shall request that a date, not less than 30 nor more than 45 days after the date of filing the petition, be set for a hearing on the petition and that the court enter a judgment in favor of the township or city, striking those taxes from the tax rolls of the county and township or city. If a judgment is entered in favor of the township or city, the taxes in the statement shall cease to constitute an asset of the township or city, the county in which the township or city is located, and any school district or other taxing entity in which the personal property was located at the time it was assessed for taxes.

(5) The township or city treasurer shall, not less than 10 days before the date set by the circuit court for the hearing, notify the county treasurer and the clerk or secretary of any school district in which any personal property may have been located at the time it was assessed for taxes that a petition was filed with the circuit court under this section, that the statement required under this section was prepared, and the date set for the hearing on the petition.

(6) Within 15 days after the hearing on the petition, the court shall enter a judgment that as to all items or personal taxes set forth in the statement of uncollected taxes filed with the court for which the township or city treasurer and his or her predecessors in office have exercised due diligence in an effort to collect the taxes upon that personal property, those taxes shall be stricken from the tax rolls of the county and of the township or city and shall cease to constitute an asset of the township or city, the county in which the township or city is located, and any school district in which the personal property was located at the time it was assessed for taxes, and that the debt created by the provisions of this act or by any city charter of the person assessed for those taxes to the township or city shall, from the date of entry of the judgment, assume the status of a debt against which the statute of limitations has run.

(7) A copy of the judgment shall be served upon the county clerk, the clerk of the township or city, and the clerk or secretary of each school district located in the township or city.

(8) In a county in which the county treasurer collects delinquent personal property taxes as provided in section 56, the county treasurer shall undertake and carry out all of the proceedings to strike delinquent personal property taxes from the county tax rolls as provided in this section.

History: Add. 1941, Act 234, Imd. Eff. June 16, 1941;—Am. 1947, Act 339, Eff. Oct. 11, 1947;—CL 1948, 211.56a;—Am. 1998, Act 435, Imd. Eff. Dec. 30, 1998.

Popular name: Act 206

211.57 Statement of unpaid taxes; return of delinquent taxes; extension of time; rules; notices.

Sec. 57. (1) If a county treasurer receives from a township, city, or village treasurer a statement of unpaid taxes, together with a list of the property on which the unpaid taxes are delinquent, verified according to law, the county treasurer shall enter the unpaid taxes at length on the books in his or her office provided for that purpose. The county treasurer shall make a statement of all descriptions of property returned as delinquent for unpaid taxes, except those rejected by him or her, with the taxes assessed upon those descriptions respectively. The statement, as made and compared, is the return of delinquent taxes by the county treasurer to the department of treasury under this act, and shall be completed not later than the May 1 immediately following the return to the county treasurer of the statements of the township, city, or village treasurers. The state treasurer may extend for a period not to exceed 30 days the time within which the statement shall be completed. The state treasurer shall promulgate rules and regulations governing and shall supervise the preparation of the statement. The statement shall be kept on file in the office of the county treasurer as custodian for the state treasurer and shall not be forwarded to the state treasurer. The county treasurers shall perform the duties with respect to the maintenance and correction of the statement as prescribed by the state treasurer. The statement takes the place of the records of delinquent taxes in the department of treasury before sale of property for delinquent taxes, as provided in this act.

(2) For taxes levied before January 1, 1999, within 120 days after the county treasurer receives from the township, city, or village treasurers a statement of unpaid taxes, together with a list of the property on which the unpaid taxes are delinquent, verified according to law, the county treasurer shall mail to the persons to whom those unpaid taxes were levied as well as the legal owner of the property, if they are not the same party, a notice that the taxes have been returned to the county treasurer as unpaid. The notice shall state the amount

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of taxes unpaid, and penalties, interest, and charges on the taxes, and shall state that a description of the property assessed is on file in the office of the county treasurer.

(3) For taxes levied before January 1, 1999, within 120 days after March 1 of the year following the return of the delinquent taxes to the county treasurer, the county treasurer shall again mail the notice on all parcels for which the tax is still unpaid.

(4) Any person who wishes at any time to receive notice of the return of taxes on a parcel of property may pay an annual fee not to exceed $5.00 by February 1 to the county treasurer and specify the parcel identification number and address of the property. The county treasurer shall notify the person if the property is returned delinquent within that year.

(5) The notices required by this section shall be sent by first class mail, address correction requested.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1897, Act 225, Imd. Eff. May 29, 1897;—CL 1897, 3880;—CL 1915, 4053;—CL 1929, 3448;—Am. 1935, Act 243, Imd. Eff. June 8, 1935;—Am. 1937, Act 325, Imd. Eff. July 27, 1937;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—CL 1948, 211.57;—Am. 1967, Act 193, Eff. Nov. 2, 1967;—Am. 1976, Act 292, Imd. Eff. Oct. 25, 1976;—Am. 1993, Act 291, Imd. Eff. Dec. 28, 1993;—Am. 1999, Act 123, Eff. Oct. 1, 1999.

Popular name: Act 206

211.57a State treasurer to prescribe practice for county treasurers; failure of county treasurer to comply; state treasurer to complete work; expense borne by county; state treasurer to furnish to county treasurers changes in tax laws.

Sec. 57a. (1) It is the duty of the state treasurer to prescribe uniform practices, forms, and methods that shall be used by the several county treasurers of this state in carrying out this act. All proceedings under the authority of this act shall be conducted in conformity with the uniform practices prescribed by the state treasurer. On the neglect or failure on the part of any county treasurer to abide by the uniform practices and use the uniform forms prescribed, the state treasurer may give notice in writing to the county clerk and to the county board of commissioners, or in lieu of the board of commissioners, the board of county auditors in counties having a county board of auditors, which notice shall state the facts constituting the alleged neglect or failure. If the alleged neglect or failure is not corrected within 10 days after giving the notice, the state treasurer shall have complete power and authority, by himself or herself or his or her deputy or authorized agents, to enter the office of the county treasurer and complete the work in the office in conformity with the uniform practices, the expenses of that work to be charged back to the county, which expense shall be paid from the general fund of the county.

(2) The state treasurer shall, within 30 days after the final adjournment of the legislature in every year, furnish the county treasurers with instructions relative to changes made in the tax laws of this state with respect to the duties of the township treasurers and county treasurers in connection with the collection of taxes. The several county treasurers shall, within 7 days after the receipt of those instructions, forward a copy of the instructions to each township treasurer in his or her respective county. The instructions shall contain all changes made since the filing of the previous instructions. In case of the furnishing of the first instructions to county treasurers under the provisions of this section, all changes of tax collection procedure as well as instructions with respect to tax collection procedures shall be furnished.

History: Add. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—CL 1948, 211.57a;—Am. 1953, Act 34, Imd. Eff. Apr. 29, 1953;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.58 Payments to county treasurer; receipt; numbering; certificate.

Sec. 58. After the return of lands for unpaid taxes, the county treasurer is authorized to receive, under like provisions as in section 53, the amounts of the several taxes or any of them due, and the board of commissioners in each county may authorize notice to be given to all delinquent taxpayers so far as known. Neither taxes nor special assessments that are delinquent may be paid under protest to the county treasurer. The county treasurer shall issue duplicate receipts for all the taxes received by him or her, which shall be accounted for by the county clerk, or by the board of auditors in counties having a board of auditors, 1 of the duplicate receipts shall be delivered to the person paying the taxes, and 1 filed in the office of the county treasurer, which receipt shall be available to the county clerk or board of county auditors in counties having a board of auditors for abstracting and accounting purposes. All receipts issued under the provisions of this section shall be consecutively numbered by the printer and by the printer delivered to the county clerk who shall account for the receipts. At the time the printer delivers the receipts to the county clerk, the printer shall notify the state treasurer of the delivery, specifying the quantity and numbers of the receipts. Except when the final installment of the tax is paid, the county treasurer shall not issue a receipt for a payment of less than $1.00 and any tax or installment then sought to be paid in an amount less than $1.00 shall not be discharged or

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considered paid unless the sum of $1.00 is paid, and the difference between the amount of the tax paid and $1.00 shall be considered to be a part payment of the cost of issuing the receipts and shall be credited to the general fund of the county. In the case of payments by the same taxpayer as many descriptions shall be included in 1 receipt as will be sufficient to make a payment of $1.00. When payment of the taxes on any parcel or description of land or on any undivided share of land is made to any county treasurer, the treasurer shall place or cause to be placed upon the face of the receipt or redemption certificate, the following certificate: "I hereby certify that application was made to pay all taxes and special assessments due and payable at this office on the description shown in this receipt except for the years and items as follows:

(Signed).....Treas."

Every receipt shall be deemed to include the foregoing certificate, and unless otherwise noted on the certificate, shall be construed as an application to pay all taxes and special assessments assessed against the property described on the certificate and then due and payable at the office of the treasurer issuing the receipt. Future installments of special assessments shall not be considered as being then due and payable.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3881;—Am. 1905, Act 213, Eff. Sept. 16, 1905;—Am. 1913, Act 76, Eff. Aug. 14, 1913;—CL 1915, 4054;—Am. 1917, Act 320, Eff. Aug. 10, 1917;—CL 1929, 3449;—Am. 1931, Act 239, Eff. Sept. 18, 1931;—Am. 1937, Act 325, Imd. Eff. July 27, 1937;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.58;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Compiler's note: Act 126 of 1933, referred to in this section, was repealed by Act 180 of 1980.

Popular name: Act 206

211.59 Payment of taxes on property returned as delinquent; interest and county property tax administration fee; allocation and distribution of taxes and interest; additional charge as lien on property; crediting expense charge to land reutilization fund and to general fund; reimbursement of state and county; disposition and use of county property tax administration fee; claim by certain persons for credit on taxes paid for principal property; indicating fee on delinquent tax roll; disposition and use of fees.

Sec. 59. (1) A person may pay the taxes, any 1 of the taxes, a portion of the taxes specified by resolution of the county board of commissioners, or if a specification is not made by a resolution of the county board of commissioners, a portion of the taxes approved by the county treasurer on a parcel or description of property returned as delinquent, or on an undivided share of a parcel or description of property returned as delinquent. For taxes levied on real property before January 1, 1999 and for taxes levied on personal property, the amount paid under this subsection shall include interest computed from the March 1 after the taxes were assessed at the rate of 1% per month or fraction of a month, except as provided in section 89, and 4% of the delinquent taxes as a county property tax administration fee that shall be a minimum of $1.00 per payment of delinquent taxes, except as provided in section 89. Payment under this subsection shall be made to the county treasurer of the county in which the property is forfeited to a county treasurer pursuant to section 78g. The county treasurer and the treasurer for the local tax collecting unit shall allocate and distribute the taxes and interest paid proportionately among the county or local tax collecting unit funds and the property tax administration fee returned as delinquent under section 44(6) to the treasurer of the local tax collecting unit who transmitted the taxes returned as delinquent. For taxes levied before January 1, 1999, on all descriptions of property with unpaid taxes on the October 1 before the time prescribed for the sale of a tax lien on the property, an additional $10.00 shall be charged for expenses, which shall be a lien on the property. If collected, before January 1, 2006, $5.00 of this expense charge shall be credited to a restricted revenue fund of this state, to be known as the delinquent property tax administration fund, and after December 31, 2005 $5.00 of this expense charge shall be deposited in the land reutilization fund created in section 78n, to reimburse this state for the cost of publishing the lists of property and other expenses, and $5.00 shall belong to the general fund of the county to reimburse the county for the expense incurred in preparing the list of delinquent property for sale or forfeiture.

(2) For taxes levied before January 1, 1999, the property tax administration fee paid to the county treasurer shall be credited to the general fund of the county and the property tax administration fee paid to the state treasurer shall be credited to the land reutilization fund created in section 78n. Amounts credited to the general fund of the county shall be used only for the purposes specified in subsection (6).

(3) For taxes levied before January 1, 1999, and for taxes levied after December 31, 1998, a county board of commissioners, by resolution, may provide all of the following for taxes paid before May 1 in the first year of delinquency for the principal residence of a senior citizen, paraplegic, hemiplegic, quadriplegic, eligible serviceman, eligible veteran, eligible widow, totally and permanently disabled person, or blind person, as those persons are defined in chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532,

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if either a claim is made before February 15 for the credit provided by chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if that claimant presents a copy of the form filed for that credit to the county treasurer, and if that claimant has not received the credit before March 1; or if a claim was made in the immediately preceding tax year for the credit provided by chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, and if that claimant resides at the same principal residence as claimed in the immediately preceding tax year:

(a) Any interest, fee, or penalty in excess of the interest, fee, or penalty that would have been added if the tax had been paid before February 15 is waived.

(b) Interest paid under subsection (1) or section 89(1)(a) is waived unless the interest is pledged to the repayment of delinquent tax revolving fund notes or payable to the county delinquent tax revolving fund, in which case the interest shall be refunded from the general fund of the county.

(c) The county property tax administration fee is waived.

(4) The treasurer of the local tax collecting unit shall indicate on the delinquent tax roll if a 1% property tax administration fee was added to taxes collected before February 15.

(5) The fees authorized and collected under this section and credited to the delinquent property tax administration fund shall be used by the department of treasury to pay expenses incurred in the administration of this act.

(6) The county property tax administration fee shall be used by the county to offset the costs incurred in and ancillary to collecting delinquent property taxes and for purposes authorized by sections 87b and 87d.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3882;—Am. 1899, Act 262, Eff. Sept. 23, 1899;—CL 1915, 4055;—Am. 1921, Act 129, Eff. Aug. 18, 1921;—CL 1929, 3450;—Am. 1932, 1st Ex. Sess., Act 30, Imd. Eff. May 12, 1932;—Am. 1933, Act 267, Imd. Eff. July 21, 1933;—Am. 1934, 1st Ex. Sess., Act 21, Imd. Eff. Mar. 28, 1934;—Am. 1937, Act 91, Imd. Eff. June 18, 1937;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.59;—Am. 1954, Act 55, Eff. Aug. 13, 1954;—Am. 1966, Act 244, Imd. Eff. July 11, 1966;—Am. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1976, Act 292, Imd. Eff. Oct. 25, 1976;—Am. 1977, Act 166, Imd. Eff. Nov. 16, 1977;—Am. 1980, Act 48, Imd. Eff. Mar. 21, 1980;—Am. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 1983, Act 254, Imd. Eff. Dec. 29, 1983;—Am. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 97, Imd. Eff. July 30, 2001;—Am. 2006, Act 626, Imd. Eff. Jan. 3, 2007;—Am. 2010, Act 311, Imd. Eff. Dec. 21, 2010.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

SALE, REDEMPTION AND CONVEYANCE OF DELINQUENT TAX LANDS.

211.60 Disposition, sale, and redemption of delinquent tax property; purpose, method, and manner; time and place of tax sale; cancellation; expenses, county property tax administration fee, and interest; enforcement of lien; limitation on tax sale.

Sec. 60. (1) For taxes levied before January 1, 1999, property returned for delinquent taxes, and upon which taxes remain unpaid after the property is returned as delinquent under this act is subject to disposition, sale, and redemption for the enforcement and collection of the tax liens, in the method and manner as provided in this section and sections 60a to 77.

(2) Except as otherwise provided in this subsection, on the first Tuesday in May in each year, a tax sale for taxes levied before January 1, 1999 shall be held in the counties of this state by the county treasurers of those counties for and in behalf of this state. At the tax sale, property delinquent for taxes assessed in the third year preceding the sale or in a prior year shall be sold for the total of the unpaid taxes of those years. Not sooner than April 30, 2000 and April 30, 2001, the county treasurer may cancel the tax sale scheduled to take place on the first Tuesday in May 2000 and the first Tuesday in May 2001, respectively, if there are no outstanding bonds or notes issued by a county pursuant to sections 87b to 87e with respect to the delinquent taxes for which the sale is being conducted. For taxes levied before January 1, 1999, if property returned for delinquent taxes under this act is not offered at a tax sale pursuant to this section on or before May 1, 2001, the property is subject to forfeiture, foreclosure, and sale for the collection of delinquent taxes as provided in sections 78 to 79a.

(3) Delinquent tax sales shall include $10.00 for expenses, as provided in section 59, a county property tax administration fee of 4%, and interest computed at a rate of 1.25% per month, except as provided in section 89, from the date the taxes originally became delinquent under this act.

(4) In the sale of liens on property for delinquent taxes or the forfeiture, foreclosure, and sale of property for delinquent taxes under sections 78 to 79a, the people of this state have a valid lien on the property, with

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rights to enforce the lien as a preferred or first claim on the property. The rights and choses to enforce the lien are the prima facie rights of this state, and shall not be set aside or annulled except in the manner and for the causes specified in this act.

(5) Any other provision of law to the contrary notwithstanding, a tax sale shall not be held after May 1, 2001.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3883;—CL 1915, 4056;—CL 1929, 3451;—Am. 1937, Act 325, Imd. Eff. July 27, 1937;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.60;—Am. 1954, Act 55, Eff. Aug. 13, 1954;—Am. 1966, Act 244, Imd. Eff. July 11, 1966;—Am. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1977, Act 166, Imd. Eff. Nov. 16, 1977;—Am. 1980, Act 48, Imd. Eff. Mar. 21, 1980;—Am. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 1993, Act 291, Imd. Eff. Dec. 28, 1993;—Am. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 100, Imd. Eff. July 30, 2001.

Compiler's note: Section 3 of Act No. 48 of 1980 provides: "The increased interest rate provided by section 60 shall take effect June 1, 1980. For tax sales after June 1, 1980, interest included as part of the delinquent tax sale shall be computed at the increased rate provided by this amendatory act from the date the taxes originally became delinquent."

Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

211.60a Cancellation of tax sale; return of property for forfeiture, foreclosure, and sale; county property tax administration fee; enforcement of lien.

Sec. 60a. (1) If a county treasurer cancels the tax sale under section 60 on April 30, 2000 as provided in section 60(2), on May 1, 2000, taxes levied after December 31, 1996 and before January 1, 1998 on property in that county that are delinquent under this act are returned to the county treasurer for forfeiture, foreclosure, and sale as provided in sections 78b to 79a. A county property tax administration fee of 4% and interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 that the taxes originally became delinquent, shall be added to the delinquent taxes under this subsection. A county property tax administration fee provided for under this subsection shall not be less than $1.00.

(2) If a county treasurer cancels the tax sale under section 60 on April 30, 2001 as provided in section 60(2), on May 1, 2001, taxes levied after December 31, 1997 and before January 1, 1999 on property in that county that are delinquent under this act are returned to the county treasurer for forfeiture, foreclosure, and sale as provided in sections 78b to 79a. A county property tax administration fee of 4% and interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the March 1 that the taxes originally became delinquent, shall be added to the delinquent taxes under this subsection. A county property tax administration fee provided for under this subsection shall not be less than $1.00.

(3) For taxes levied after December 31, 1998, property returned for delinquent taxes is subject to forfeiture, foreclosure, and sale as provided in sections 78 to 79a.

(4) The people of this state have a valid lien on property returned for delinquent taxes, with rights to enforce the lien as a preferred or first claim on the property. The right to enforce the lien is the prima facie right of this state and shall not be set aside or annulled except in the manner and for the causes specified in this act.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999.

Popular name: Act 206

NOTICE AND LISTS OF LANDS TO BE SOLD.

211.61 Repealed. 1999, Act 123, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to petition to circuit court seeking judgment for unpaid taxes.

Popular name: Act 206

211.61a Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to notice of annual tax sale of lands for delinquent taxes.

Popular name: Act 206

211.61b Repealed. 1999, Act 123, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to sending list of delinquent tax lands to local treasurer and assessor.

Popular name: Act 206

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211.62-211.66 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed sections pertained to duties of county clerk, circuit judge, and auditor general and publication requirements.

Popular name: Act 206

211.67-211.67b Repealed. 1999, Act 123, Eff. Dec. 31, 1999.

Compiler's note: The repealed sections pertained to judgment and form; vesting of title in state; conveyance of lands to state; and land sold for taxes subject to easement, right of way, permit, grant, or dedication.

Popular name: Act 206

211.67c Property remaining subject to lien recorded pursuant to MCL 324.20101 to 324.20142.

Sec. 67c. (1) Notwithstanding any other provision of law to the contrary, all property offered at a tax sale held pursuant to section 60 that is sold or bid off to this state pursuant to section 70 shall remain subject to a lien recorded pursuant to part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142.

(2) In addition to a lien described under subsection (1), property offered at a tax sale held pursuant to section 60 that is bid off to this state pursuant to section 70 shall remain subject to any lien recorded by this state prior to redemption, sale, or transfer of that property by this state.

(3) A lien described under subsection (1) or (2) shall be extinguished on the sale or transfer of the property pursuant to section 131 or section 2101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999.

Popular name: Act 206

211.68, 211.69 Repealed. 1999, Act 123, Eff. Dec. 31, 1999.

Compiler's note: The repealed sections pertained to unoffered lands and delinquent tax lands of incompetent persons.

Popular name: Act 206

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SALE BY COUNTY TREASURER.

211.70, 211.70a Repealed. 1999, Act 123, Eff. Dec. 31, 1999.

Compiler's note: The repealed sections pertained to sale of property, payment of bid, and sale of lands for delinquent taxes.

Popular name: Act 206

211.70b Repealed. 1999, Act 123, Imd. Eff. July 23, 1999.

Compiler's note: The repealed section pertained to sale of certified special residential property.

Popular name: Act 206

211.71-211.73c Repealed. 1999, Act 123, Eff. Dec. 31, 2003.

Compiler's note: The repealed sections pertained to tax deed and purchaser's certificate of tax sale of lands.

Popular name: Act 206

REDEMPTION AND ANNULMENT.

211.74-211.77 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to redemption of property following sale, annulment of certificate of redemption or tax deed, set aside of illegal tax, and evidence in action by person claiming land purchased for delinquent taxes.

Popular name: Act 206

211.78 Delinquent taxes; return, forfeiture, and foreclosure of property; construction of act; election to have state foreclose property forfeited to county; resolution; rescission of prior resolution; foreclosure as voluntary; agreement for collection of taxes or enforcement and consolidation of tax liens; definitions.

Sec. 78. (1) The legislature finds that there exists in this state a continuing need to strengthen and revitalize the economy of this state and its municipalities by encouraging the efficient and expeditious return to productive use of property returned for delinquent taxes. Therefore, the powers granted in this act relating to the return of property for delinquent taxes constitute the performance by this state or a political subdivision of this state of essential public purposes and functions.

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(2) It is the intent of the legislature that the provisions of this act relating to the return, forfeiture, and foreclosure of property for delinquent taxes satisfy the minimum requirements of due process required under the constitution of this state and the constitution of the United States but that those provisions do not create new rights beyond those required under the state constitution of 1963 or the constitution of the United States. The failure of this state or a political subdivision of this state to follow a requirement of this act relating to the return, forfeiture, or foreclosure of property for delinquent taxes shall not be construed to create a claim or cause of action against this state or a political subdivision of this state unless the minimum requirements of due process accorded under the state constitution of 1963 or the constitution of the United States are violated.

(3) Not later than December 1, 1999, the county board of commissioners of a county, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and the county executive, if any, may elect to have this state foreclose property under this act forfeited to the county treasurer under section 78g. At any time during December 2004, the county board of commissioners of a county, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and county executive, if any, may do either of the following:

(a) Elect to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(b) Rescind its prior resolution by which it elected to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(4) Beginning January 1, 2009 through March 1, 2009, the county board of commissioners of a county in which is located an eligible city, as that term is defined in section 89d, may, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and county executive, if any, rescind its prior resolution by which it elected to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(5) The county board of commissioners of a county that has elected to have property forfeited under section 78g foreclosed by this state under this act may, by a resolution adopted at a meeting held pursuant to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and with the written concurrence of the county treasurer and county executive, if any, rescind its prior resolution by which it elected to have this state foreclose property under this act forfeited to the county treasurer under section 78g. A county board of commissioners shall forward a copy of the resolution and any concurrence to the department of treasury not later than November 30 in the year in which the resolution is adopted. A county that rescinds its prior election under this subsection shall act as the foreclosing governmental unit under this act for all property forfeited to the county treasurer under section 78g after February 1 in the year immediately following the year in which the resolution is adopted.

(6) The foreclosure of forfeited property by a county is voluntary and is not an activity or service required of units of local government for purposes of section 29 of article IX of the state constitution of 1963.

(7) A county and a local governmental unit within that county may enter into an agreement for the collection of property taxes or the enforcement and consolidation of tax liens within that local governmental unit. A local governmental unit shall not establish a delinquent tax revolving fund under section 87b.

(8) As used in this section and sections 78a through 155 for purposes of the collection of taxes returned as delinquent:

(a) "Foreclosing governmental unit" means 1 of the following:

(*i*) The treasurer of a county.

(*ii*) This state if the county has elected under subsection (3) to have this state foreclose property under this act forfeited to the county treasurer under section 78g.

(b) "Forfeited" or "forfeiture" means a foreclosing governmental unit may seek a judgment of foreclosure under section 78k if the property is not redeemed as provided under this act, but does not acquire a right to possession or any other interest in the property.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009;—Am. 2014, Act 132, Imd. Eff. May 27, 2014.

Compiler's note: Former section 78 was not compiled.

Popular name: Act 206

211.78a Property returned as delinquent subject to forfeiture, foreclosure, and sale; unpaid taxes from preceding year; county property tax administration fee and interest; notice of return of delinquent taxes; annual fee; procedures and schedules established by ordinance.

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Sec. 78a. (1) For taxes levied after December 31, 1998, all property returned for delinquent taxes, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the county treasurers of this state under this act, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in section 78, this section, and sections 78b to 79a. As used in section 78, this section, and sections 78b to 79a, "taxes" includes interest, penalties, and fees imposed before the taxes become delinquent and unpaid special assessments or other assessments that are due and payable up to and including the date of the foreclosure hearing under section 78k.

(2) On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection. However, if the last day in a year that taxes are due and payable before being returned as delinquent is on a Saturday, Sunday, or legal holiday, the last day taxes are due and payable before being returned as delinquent is on the next business day and taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent on the immediately succeeding business day. Except as otherwise provided in section 79 for certified abandoned property, property delinquent for taxes levied in the second year preceding the forfeiture under section 78g or in a prior year to which this section applies shall be forfeited to the county treasurer for the total of the unpaid taxes, interest, penalties, and fees for those years as provided under section 78g.

(3) A county property tax administration fee of 4% and, except as provided in section 78g(3)(c), interest computed at a noncompounded rate of 1% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the date that the taxes originally became delinquent, shall be added to property returned as delinquent under this section. A county property tax administration fee provided for under this subsection shall not be less than $1.00.

(4) Any person with an unrecorded property interest or any other person who wishes at any time to receive notice of the return of delinquent taxes on a parcel of property may pay an annual fee not to exceed $5.00 by February 1 to the county treasurer and specify the parcel identification number, the address of the property, and the address to which the notice shall be sent. Holders of any undischarged mortgages wishing to receive notice of the return of delinquent taxes on a parcel or parcels of property may provide a list of such parcels in a form prescribed by the county treasurer and pay an annual fee not to exceed $1.00 per parcel to the county treasurer and specify for each parcel the parcel identification number, the address of the property, and the address to which the notice should be sent. The county treasurer shall notify the person or holders of undischarged mortgages if delinquent taxes on the property or properties are returned within that year.

(5) Notwithstanding any charter provision to the contrary, the governing body of a local governmental unit that collects delinquent taxes may establish for any property, by ordinance, procedures for the collection of delinquent taxes and the enforcement of tax liens and the schedule for the forfeiture or foreclosure of delinquent tax liens. The procedures and schedule established by ordinance shall conform at a minimum to those procedures and schedules established under sections 78a to 78*l*, except that those taxes subject to a payment plan approved by the treasurer of the local governmental unit as of July 1, 1999 shall not be considered delinquent if payments are not delinquent under that payment plan.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2008, Act 352, Imd. Eff. Dec. 23, 2008;—Am. 2014, Act 499, Imd. Eff. Jan. 14, 2015.

Popular name: Act 206

211.78b Notice provisions; June 1.

Sec. 78b. Except as otherwise provided in section 79 for certified abandoned property, on or within 60 days before the June 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer as delinquent under section 78a, the county treasurer shall send notice of all the following by first-class mail, address correction requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax certificate for property returned for delinquent taxes was issued under former section 71, as shown on the current records of the county treasurer:

(a) The date property on which unpaid taxes were returned as delinquent will be forfeited to the county treasurer for those unpaid delinquent taxes, interest, penalties, and fees.

(b) A statement that a person who holds a legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.

(c) A legal description or parcel number of the property and the street address of the property, if available.

(d) The person or persons to whom the notice is addressed.

(e) The unpaid delinquent taxes, interest, penalties, and fees due on the property.

(f) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid on or before

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the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k, absolute title to the property shall vest in the foreclosing governmental unit.

(g) A statement of the person's rights of redemption and notice that the rights of redemption will expire on the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2015, Act 202, Imd. Eff. Nov. 24, 2015.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Popular name: Act 206

211.78c Notice provisions; September 1.

Sec. 78c. Except as otherwise provided in section 79 for certified abandoned property, on or within 60 days before the September 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer as delinquent under section 78a, the county treasurer shall send notice of all the following by first-class mail, address correction requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes under section 78a(4), and to a person to whom a tax certificate for property returned for delinquent taxes was issued under former section 71, as shown on the current records of the county treasurer:

(a) The date property on which unpaid taxes were returned as delinquent will be forfeited to the county treasurer for those unpaid delinquent taxes, interest, penalties, and fees.

(b) A statement that a person who holds a legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.

(c) A legal description or parcel number of the property and the street address of the property, if available.

(d) The person or persons to whom the notice is addressed.

(e) The unpaid delinquent taxes, interest, penalties, and fees due on the property.

(f) A schedule of the additional fees that will accrue on the immediately succeeding October 1 under section 78d if the unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid.

(g) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k, absolute title to the property shall vest in the foreclosing governmental unit.

(h) A statement of the person's rights of redemption and notice that the rights of redemption will expire on the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2015, Act 202, Imd. Eff. Nov. 24, 2015.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Popular name: Act 206

211.78d Additional fee; October 1.

Sec. 78d. Except as otherwise provided in section 79 for certified abandoned property, on the October 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall add a $15.00 fee on each parcel of property for which the delinquent taxes, interest, penalties, and fees remain unpaid.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Popular name: Act 206

211.78e List of property subject to forfeiture for delinquent taxes; determinations.

Sec. 78e. (1) Except as otherwise provided in section 79 for certified abandoned property, on November 1 of each tax year, the county treasurer shall prepare a list of all property subject to forfeiture for delinquent taxes on the immediately succeeding March 1. The list shall include all property on which delinquent taxes,

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interest, penalties, and fees are unpaid on the November 1 immediately succeeding the date that taxes levied on the property were returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a. The list shall indicate for each parcel the total amount of delinquent taxes, interest, penalties, and fees, computed to the day preceding the forfeiture under section 78g.

(2) Not later than December 1 in each tax year, the county treasurer shall determine, to the extent possible, all of the following based exclusively on the records contained in the office of the local assessor, local treasurer, and county treasurer for property subject to forfeiture for delinquent taxes under section 78g on the immediately succeeding March 1:

(a) The street address of the property.

(b) The name and address of all of the following:

(*i*) The owners.

(*ii*) The holder of any undischarged mortgage, tax certificate issued under section 71, or other legal interest.

(*iii*) A subsequent purchaser under any land contract.

(*iv*) A person entitled to notice of the return of delinquent taxes under section 78a(5).

History: Add. 1999, Act 123, Eff. Oct. 1, 1999.

Popular name: Act 206

211.78f Notice provisions; unpaid delinquent taxes; additional notices; circulation; insert.

Sec. 78f. (1) Except as otherwise provided in section 79 for certified abandoned property, not later than the February 1 immediately succeeding the date that unpaid taxes were returned to the county treasurer for forfeiture, foreclosure, and sale under section 60a(1) or (2) or returned to the county treasurer as delinquent under section 78a, the county treasurer shall send a notice by certified mail, return receipt requested, to the person to whom a tax bill for property returned for delinquent taxes was last sent and, if different, to the person identified as the owner of property returned for delinquent taxes as shown on the current records of the county treasurer and to those persons identified under section 78e(2). The notice required under this subsection shall include all of the following:

(a) The date property on which those unpaid taxes were returned as delinquent will be forfeited to the county treasurer for the unpaid delinquent taxes, interest, penalties, and fees.

(b) A statement that a person who holds a legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.

(c) A legal description or parcel number of the property and the street address of the property, if available.

(d) The person to whom the notice is addressed.

(e) The unpaid delinquent taxes, interest, penalties, and fees due on the property.

(f) A schedule of the additional interest, penalties, and fees that will accrue on the immediately succeeding March 1 pursuant to section 78g if those unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid.

(g) A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k, absolute title to the property shall vest in the foreclosing governmental unit.

(h) A statement of the person's rights of redemption and notice that the rights of redemption will expire on the March 31 immediately succeeding the entry in an uncontested case of a judgment foreclosing the property under section 78k.

(2) The notice required under subsection (1) shall also be mailed to the property by first-class mail, addressed to "occupant", if the notice was not sent to the occupant of the property pursuant to subsection (1).

(3) A county treasurer may insert 1 or more additional notices in a notice publication circulated in the county in which the property is located. If no notice publication is circulated in the county in which the property is located, the county treasurer may insert 1 or more additional notices in a notice publication circulated in an adjoining county. Additionally, a county treasurer may post 1 or more additional notices on a website, including, but not limited to, a website maintained by the county treasurer.

(4) The county treasurer may insert in a notice publication circulated in the county in which the property is located, notice of the street address, if available, of property subject to forfeiture under section 78g on the immediately succeeding March 1 for delinquent taxes or the street address, if available, of property subject to forfeiture under section 78g on the immediately succeeding March 1 for delinquent taxes and the name of the person to whom a tax bill for property returned for delinquent taxes was last sent and, if different, the name of the person identified as the owner of the property returned for delinquent taxes as shown on the current records of the county treasurer. If no notice publication is circulated in the county in which the property is

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located, the county treasurer may insert a notice under this subsection in a notice publication circulated in an adjoining county. Additionally, a county treasurer may post on a website, including, but not limited to, a website maintained by the county treasurer.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 95, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2015, Act 190, Eff. Feb. 14, 2016.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Popular name: Act 206

211.78g Property delinquent for preceding 12 months or forfeited for total amount; right to possession by foreclosing governmental unit; limitation; recording certificate with county register of deeds; redemption; property as site of environmental contamination; payment reduction program; requirements; "local unit of government" defined.

Sec. 78g. (1) Except as otherwise provided in this subsection, on March 1 in each tax year, certified abandoned property and property that is delinquent for taxes, interest, penalties, and fees for the immediately preceding 12 months or more is forfeited to the county treasurer for the total amount of those unpaid delinquent taxes, interest, penalties, and fees. If property is forfeited to a county treasurer under this subsection, the foreclosing governmental unit does not have a right to possession of the property until the April 1 immediately succeeding the entry of a judgment foreclosing the property under section 78k or in a contested case until 22 days after the entry of a judgment foreclosing the property under section 78k. If property is forfeited to a county treasurer under this subsection, the county treasurer shall add a $175.00 fee to each property for which those delinquent taxes, interest, penalties, and fees remain unpaid. The fee added under this subsection must be used by the foreclosing governmental unit and the fee added under section 78d must be used by the county treasurer for the administration of sections 78 to 79a, including, but not limited to, costs associated with providing required notices and with the forfeiture, foreclosure, sale, maintenance, repair, and remediation of property. A county treasurer shall withhold a property from forfeiture for any reason determined by the state tax commission. The state tax commission shall determine the procedure for withholding a property from forfeiture under this subsection.

(2) Not more than 45 days after property is forfeited under subsection (1), the county treasurer shall record with the county register of deeds a certificate in a form determined by the department of treasury for each property forfeited to the county treasurer, specifying that the property has been forfeited to the county treasurer and not redeemed and that absolute title to the property and any equity associated with an interest in the property will vest in the foreclosing governmental unit on the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k or in a contested case 21 days after the entry of a judgment foreclosing the property under section 78k. The certificate must include an explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m. If a certificate of forfeiture is recorded in error, the county treasurer shall record with the county register of deeds a certificate of error in a form prescribed by the department of treasury. A certificate submitted to the county register of deeds for recording under this subsection need not be notarized and may be authenticated by a digital signature of the county treasurer or by other electronic means. If the county has elected under section 78 to have this state foreclose property under this act forfeited to the county treasurer under this section, the county treasurer shall immediately transmit to the department of treasury a copy of each certificate recorded under this subsection. The county treasurer shall upon collection transmit to the department of treasury within 30 days the fee added to each property under subsection (1), which may be paid from the county's delinquent tax revolving fund and upon receipt must be deposited by the department of treasury in the land reutilization fund created under section 78n.

(3) Property forfeited to the county treasurer under subsection (1) may be redeemed at any time on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k upon payment to the county treasurer of all of the following:

(a) The total amount of unpaid delinquent taxes, interest, penalties, and fees for which the property was forfeited or the reduced amount of unpaid delinquent taxes, interest, penalties, and fees payable under subsection (8), if applicable.

(b) Except as otherwise provided in this subdivision and subdivision (c), in addition to the interest calculated under sections 60a(1) or (2) and 78a(3), additional interest computed at a noncompounded rate of 1/2% per month or fraction of a month on the taxes that were originally returned as delinquent, computed

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from the March 1 preceding the forfeiture. The county treasurer may waive the additional interest under this subdivision if the property is withheld from the petition for foreclosure under section 78h(3)(c).

(c) If the property is classified as residential real property under section 34c, the property is a principal residence exempt from the tax levied by a local school district for school operating purposes under section 7cc, and a tax foreclosure avoidance agreement is in effect for the property under section 78q(5), while the tax foreclosure avoidance agreement is effective, all of the following apply:

(*i*) The property must be withheld from the petition for foreclosure under section 78h.

(*ii*) The additional interest under subdivision (b) does not apply and interest computed at a noncompounded rate of 1/2% per month or fraction of a month on the taxes that were originally returned as delinquent, computed from the date that the taxes originally were returned as delinquent, applies to the property.

(d) All recording fees and all fees for service of process or notice.

(4) If property is redeemed by a person with a legal interest in the property as provided under subsection (3), any unpaid taxes, interest, penalties, and fees not returned as delinquent to the county treasurer under section 78a are not extinguished.

(5) If property is redeemed by a person with a legal interest in the property as provided under subsection (3), the person redeeming does not acquire a title or interest in the property greater than that person would have had if the property had not been forfeited to the county treasurer, but a person redeeming, other than the owner, is entitled to a lien for the amount paid to redeem the property in addition to any other lien or interest the person may have, which must be recorded within 30 days with the register of deeds by the person entitled to the lien. The lien acquired has the same priority as the existing lien, title, or interest.

(6) If property is redeemed as provided under subsection (3), the county treasurer shall issue a redemption certificate in quadruplicate in a form prescribed by the department of treasury. One of the quadruplicate certificates must be delivered to the person making the redemption payment, 1 must be filed in the office of the county treasurer, 1 must be recorded in the office of the county register of deeds, and 1 must be immediately transmitted to the department of treasury if this state is the foreclosing governmental unit. The county treasurer shall also make a note of the redemption certificate in the tax record kept in his or her office, with the name of the person making the final redemption payment, the date of the payment, and the amount paid. If the county treasurer accepts partial redemption payments, the county treasurer shall include in the tax record kept in his or her office the name of the person or persons making each partial redemption payment, the date of each partial redemption payment, the amount of each partial redemption payment, and the total amount of all redemption payments. A certificate and the entry of the certificate in the tax record by the county treasurer is evidence of a redemption payment in the courts of this state. A certificate submitted to the county register of deeds for recording under this subsection need not be notarized and may be authenticated by a digital signature of the county treasurer or by other electronic means. If a redemption certificate is recorded in error, the county treasurer shall record with the county register of deeds a certificate of error in a form prescribed by the department of treasury. A copy of a certificate of error recorded under this section must be immediately transmitted to the department of treasury if this state is the foreclosing governmental unit.

(7) If a foreclosing governmental unit has reason to believe that a property forfeited under this section may be the site of environmental contamination, the foreclosing governmental unit shall provide the department of environment, Great Lakes, and energy with any information in the possession of the foreclosing governmental unit that suggests the property may be the site of environmental contamination.

(8) Notwithstanding any provision of this act or charter to the contrary, until July 1, 2025, all of the following apply to property for which delinquent property taxes remain unpaid, including property forfeited under this section, located in a local unit of government that, pursuant to subsection (10)(b)(*i*) or (*ii*), is participating in a payment reduction program authorized by this subsection:

(a) If the property is subject to an exemption under section 7u and the property's owner has not previously received a payment reduction under this subsection, the foreclosing governmental unit may do 1 or more of the following:

(*i*) If the total amount of unpaid delinquent taxes is greater than 10% of the property's taxable value for the calendar year preceding the year the property was exempt from the collection of taxes under section 7u, reduce the amount required to be paid under section 78a(1) or required to be paid to redeem the property under subsection (3)(a) to 10% of the property's taxable value for the calendar year preceding the year the property was exempt from the collection of taxes under section 7u. A reduction under this subparagraph must be allocated to each taxing unit based on the proportion that its unpaid delinquent taxes certified to the county treasurer bear to the total amount of unpaid delinquent taxes certified to the county treasurer in connection with the property.

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(*ii*) Cancel some or all of any unpaid delinquent taxes that represent charges for services that have become delinquent and have been certified to the county treasurer for collection of taxes and enforcement of the lien for the taxes under section 21(3) of the revenue bond act of 1933, 1933 PA 94, MCL 141.121.

(*iii*) Cancel all of the interest, penalties, and fees required to be paid under this act.

(b) If the amount required to be paid under this act is reduced under subdivision (a), the foreclosing governmental unit may further reduce the amount by an amount not to exceed 10% of the unpaid delinquent taxes required to be paid to redeem the property if the property is redeemed by a single lump-sum payment made within a period to be determined by the foreclosing governmental unit.

(c) A foreclosing governmental unit may apply the provisions of this subsection to property subject to a delinquent property tax installment payment plan under section 78q(1) or a tax foreclosure avoidance agreement under section 78q(5). Except as provided in this subdivision, the terms and conditions of a payment reduction applied to property under this subsection must be consistent with the terms and conditions of a delinquent property tax installment payment plan under section 78q(1) or tax foreclosure agreement under section 78q(5) for the property. If the owner of property subject to a delinquent property tax installment payment plan under section 78q(1) or a tax foreclosure avoidance agreement under section 78q(5) has failed to pay any amounts owed under the plan or agreement, that nonpayment does not prohibit the property owner from receiving a payment reduction under this subsection. Notwithstanding any provision of this act to the contrary, the full amount owed by an owner of property as reduced by this subsection must be payable in not more than 3 years after the date the reduction is established by the foreclosing governmental unit.

(d) If a property owner has paid a reduced amount under this subsection in accordance with the terms, conditions, and time period established by the county treasurer, any remaining unpaid taxes, interest, penalties, and fees otherwise payable shall be canceled by the county treasurer, including, but not limited to, any interest, fee, or penalty payment requirements set forth in a delinquent property tax installment payment plan under section 78q(1) or a tax foreclosure avoidance agreement under section 78q(5) with respect to the property. A county treasurer shall not impose any additional interest, penalties, fees, or other charges of any kind in connection with a payment reduction program under this subsection.

(e) If the owner of property subject to a payment reduction under this subsection fails to pay the full reduced amount of delinquent taxes, penalties, and fees under this subsection in accordance with the terms, conditions, and time period established by the county treasurer, all of the following apply:

(*i*) The amount required to be paid to redeem the property is the sum of both of the following:

(A) The full amount of any unpaid delinquent taxes on the property.

(B) Interest under subsection (3)(b) and any additional interest, fees, charges, and penalties otherwise applicable to any unpaid taxes on the property, including, but not limited to, interest, fees, charges, and penalties canceled under subdivision (d).

(*ii*) The property must be included in the immediately succeeding petition for foreclosure under section 78h.

(f) A foreclosing governmental unit may not approve a reduction in the amount required to redeem property under this subsection if the reduction would cause noncompliance with section 87c(7) or otherwise impermissibly impair an outstanding debt of the county or any taxing unit.

(g) All payments collected in connection with property under this subsection must be distributed to each taxing unit that has certified to the county treasurer unpaid delinquent taxes for the property in an amount based on the proportion that the taxing unit's unpaid delinquent taxes certified to the county treasurer bear to the total amount of unpaid delinquent taxes certified to the county treasurer in connection with the property.

(h) A county treasurer shall set forth the terms and benefits of a payment reduction program available under this subsection in a plan available upon request to the department of treasury. The plan must set forth which of the reductions described in subdivisions (a) and (b) are available under the program and must include any other information determined to be necessary or appropriate in the discretion of the county treasurer.

(9) If a payment reduction under subsection (8) is in effect for property for which a county has issued notes under this act that are secured by the delinquent taxes and interest on that property, at any time within 2 years after the date that those taxes were returned as delinquent, the county treasurer may charge back to any taxing unit the face amount of the delinquent taxes that were owed to that taxing unit on the date those taxes were returned as delinquent, less the amount of any payments received by the county treasurer on that property. All subsequent payments of delinquent taxes and interest on that property must be retained by the county treasurer in a separate account and either paid to or credited to the account of that taxing unit.

(10) A foreclosing governmental unit's authority to apply any of the payment-reduction measures otherwise available under subsection (8) is subject to all of the following:

(a) A foreclosing governmental unit that seeks to implement a program under subsection (8) shall provide

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written notice to the treasurer of each affected local unit of government within the county in which the property is located of the foreclosing governmental unit's intent to implement the program and state that the local unit of government has the option of participating in the program. The notice must contain all of the terms and conditions to be offered under the program, in addition to any other information that the foreclosing governmental unit considers necessary or appropriate.

(b) Not later than 21 days after the foreclosing governmental unit provides the written notice described in subdivision (a), the treasurer of any affected local unit of government may provide the foreclosing governmental unit with 1 of the following, as applicable:

(*i*) Written notice of nonparticipation in the program, if the local unit of government is located in a county with a population of more than 1,500,000 according to the most recent population estimate produced by the United States Census Bureau's Population Estimates Program (PEP). All property within a local unit of government that provides written notice of nonparticipation under this subparagraph will be excluded from the program. Any affected local unit of government whose treasurer does not provide written notice of nonparticipation under this subparagraph is conclusively presumed to have consented to participation in the program, and all property within that local unit of government will be included in the program.

(*ii*) Written notice of participation in the program, if the local unit of government is located in a county other than one described in subparagraph (*i*) and the governing body of the local unit of government has approved a resolution to participate in the program. All property within a local unit of government that provides written notice of participation under this subparagraph will be included in the program. Any affected local unit of government whose treasurer does not provide written notice of participation under this subparagraph is conclusively presumed to have declined to participate in the program, and all property within that local unit of government will be excluded from the program.

(11) As used in this section, "local unit of government" means a city, township, or village.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 94, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2014, Act 500, Imd. Eff. Jan. 14, 2015;—Am. 2020, Act 33, Imd. Eff. Mar. 2, 2020;—Am. 2020, Act 256, Eff. Jan. 1, 2021.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

Popular name: Act 206

211.78h Petition for foreclosure; filing in circuit court; removal of property from petition; withholding property by foreclosing governmental unit; hearing date.

Sec. 78h. (1) Not later than June 15 in each tax year, the foreclosing governmental unit shall file a single petition with the clerk of the circuit court of that county listing all property forfeited and not redeemed to the county treasurer under section 78g to be foreclosed under section 78k for the total of the forfeited unpaid delinquent taxes, interest, penalties, and fees. If available to the foreclosing governmental unit, the petition shall include the street address of each parcel of property set forth in the petition. The petition shall seek a judgment in favor of the foreclosing governmental unit for the forfeited unpaid delinquent taxes, interest, penalties, and fees listed against each parcel of property. The petition shall request that a judgment be entered vesting absolute title to each parcel of property in the foreclosing governmental unit, without right of redemption.

(2) If property is redeemed after the petition for foreclosure is filed under this section, the foreclosing governmental unit shall request that the circuit court remove that property from the petition for foreclosure before entry of judgment foreclosing the property under section 78k.

(3) The foreclosing governmental unit may withhold the following property from the petition for foreclosure filed under this section:

(a) Property the title to which is held by minor heirs or persons who are incompetent, persons without means of support, or persons unable to manage their affairs due to age or infirmity, until a guardian is appointed to protect that person's rights and interests.

(b) Property the title to which is held by a person undergoing substantial financial hardship, as determined under a written policy developed and adopted by the foreclosing governmental unit. The foreclosing

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governmental unit shall make available to the public the written policy adopted under this subdivision. The written policy adopted under this subdivision shall include, but is not limited to, all of the following:

(*i*) The person requesting that the property be withheld from the petition for foreclosure holds the title to the property.

(*ii*) The total household resources of the person requesting that the property be withheld from the petition for foreclosure meets the federal poverty income standards as defined and determined annually by the United States office of management and budget or alternative guidelines adopted by the foreclosing governmental unit, provided that the alternative guidelines include all persons who would otherwise meet the federal poverty income standards under this subparagraph. As used in this subparagraph, "total household resources" means that term as defined in section 508 of the income tax act of 1967, 1967 PA 281, MCL 206.508.

(c) Property the title to which is held by a person subject to a delinquent property tax installment payment plan or tax foreclosure avoidance agreement under section 78q.

(4) If a foreclosing governmental unit withholds property from the petition for foreclosure under subsection (3), a taxing unit's lien for taxes due or the foreclosing governmental unit's right to include the property in a subsequent petition for foreclosure is not prejudiced.

(5) The clerk of the circuit court in which the petition is filed shall immediately set the date, time, and place for a hearing on the petition for foreclosure, which hearing shall be held not more than 30 days before the March 1 immediately succeeding the date the petition for foreclosure is filed.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 96, Imd. Eff. July 30, 2001;—Am. 2014, Act 499, Imd. Eff. Jan. 14, 2015.

Popular name: Act 206

211.78i Identification of owners of property interest; title search; personal visit to determine occupancy; publication of notice; sources of identification; notice provisions; prohibited assertions if failure to redeem property; noncompliance; "authorized representative" defined; applicability of other requirements.

Sec. 78i. (1) Not later than May 1 immediately succeeding the forfeiture of property to the county treasurer under section 78g, the foreclosing governmental unit shall initiate a search of records identified in subsection (6) to identify the persons with a property interest in the property entitled to notice under this section of the show cause hearing under section 78j and the foreclosure hearing under section 78k. The foreclosing governmental unit may enter into a contract with 1 or more authorized representatives to perform a title search or may request from 1 or more authorized representatives another title search product to identify the persons with a property interest in the property as required under this subsection or to perform other functions required for the collection of delinquent taxes under this act, including, but not limited to, the administration of sections 78 to 79a.

(2) After conducting the search of records under subsection (1), the foreclosing governmental unit or its authorized representative shall determine the address reasonably calculated to apprise each person with a property interest in a forfeited property of the show cause hearing under section 78j and the foreclosure hearing under section 78k and shall send notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k to those persons, and to a person entitled to notice of the return of delinquent taxes under section 78a(4), by certified mail, return receipt requested, not less than 30 days before the show cause hearing. If after conducting the search of records under subsection (1) the foreclosing governmental unit is unable to determine an address reasonably calculated to inform a person with an interest in a forfeited property, or if the foreclosing governmental unit discovers a deficiency in notice under subsection (4), the following are reasonable steps by the foreclosing governmental unit or its authorized representative to ascertain the address of a person with an interest in property entitled to notice under this section or to ascertain an address necessary to correct the deficiency in notice under subsection (4):

(a) For an individual, a search of the records of the probate court for the county in which the property is located.

(b) For an individual, a search of the qualified voter file established under section 509o of the Michigan election law, 1954 PA 116, MCL 168.509o. A search of the qualified voter file is authorized by this subdivision.

(c) For a partnership, a search of partnership records filed with the county clerk.

(d) For a business entity other than a partnership, a search of business entity records filed with the department of licensing and regulatory affairs.

(3) The foreclosing governmental unit or its authorized representative or authorized agent shall make a personal visit to each property forfeited to the county treasurer under section 78g to ascertain whether or not the property is occupied. If the property appears to be occupied, the foreclosing governmental unit or its

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authorized representative shall do all of the following:

(a) Attempt to personally serve upon a person occupying the property notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k.

(b) If a person occupying the property is personally served, verbally inform the occupant that the property will be foreclosed and the occupants will be required to vacate unless all forfeited unpaid delinquent taxes, interest, penalties, and fees are paid, of the time within which all forfeited unpaid delinquent taxes, interest, penalties, and fees must be paid, and of agencies or other resources that may be available to assist in avoiding loss of the property interest and any equity associated with the interest in the property.

(c) If the occupant appears to lack the ability to understand the information provided, notify the department of health and human services or provide the occupant with the names and telephone numbers of the agencies that may be able to assist the occupant, or both.

(d) If the foreclosing governmental unit or its authorized representative does not personally meet with the occupant, the foreclosing governmental unit or its authorized representative shall place in a conspicuous location on the property a notice that explains, in plain English, that the property will be foreclosed unless forfeited unpaid delinquent taxes, interest, penalties, and fees owed on the property are paid, the time within which forfeited unpaid delinquent taxes, interest, penalties, and fees must be paid, and the names, addresses, and telephone numbers of agencies or other resources that may be available to assist a person with an interest in the property with avoiding the loss of the property interest and any equity associated with the property interest. The notice must include the internet website address for the legal resource and referral center of the state bar of Michigan and the toll-free telephone number for the state bar of Michigan's lawyer referral service. The notice also must include an explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m. If this state is the foreclosing governmental unit within a county, the department of treasury or its authorized representative shall perform the personal visit to each property under this subsection on behalf of this state.

(4) If the foreclosing governmental unit or its authorized representative discovers any deficiency in the provision of notice, the foreclosing governmental unit shall take reasonable steps in good faith to correct that deficiency not later than 30 days before the show cause hearing under section 78j, if possible.

(5) If the foreclosing governmental unit or its authorized representative is unable to ascertain an address reasonably calculated to apprise a person with a property interest entitled to notice under this section, or is unable to notify a person with a property interest under subsection (2), the foreclosing governmental unit shall provide notice by publication as provided in this subsection and section 78s. The notice must be inserted for 2 successive weeks, once each week, in a notice publication circulated in the county in which the property is located. If a notice publication is not circulated in the county in which the property is located, the foreclosing governmental unit shall insert the notice in a notice publication circulated in an adjoining county. In addition to provision of notice in a notice publication, the foreclosing governmental unit may also post the notice under this subsection for not less than 14 days on a website, including, but not limited to, a website maintained by the foreclosing governmental unit.

(6) A person with a property interest is entitled to notice under this section of the show cause hearing under section 78j and the foreclosure hearing under section 78k if that person's interest was identifiable by reference to any of the following sources before the date that the county treasurer records the certificate required under section 78g(2):

(a) Land title records in the office of the county register of deeds.

(b) Tax records in the office of the county treasurer.

(c) Tax records in the office of the local assessor.

(d) Tax records in the office of the local treasurer.

(7) The notice required under subsections (2) and (3) must include all of the following:

(a) The date on which the property was forfeited to the county treasurer.

(b) A statement that the person notified may lose that person's interest in the property and any equity associated with that property interest as a result of the foreclosure proceeding under section 78k.

(c) A legal description or parcel number of the property and, if available, the street address of the property.

(d) The person to whom the notice is addressed.

(e) The total taxes, interest, penalties, and fees due on the property.

(f) The date and time of the show cause hearing under section 78j.

(g) The date and time of the hearing on the petition for foreclosure under section 78k, and a statement that unless the forfeited unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k, the title to the

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property will vest absolutely in the foreclosing governmental unit and that all existing interests in oil or gas in that property will be extinguished except the following:

(*i*) The interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h.

(*ii*) Interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.

(h) An explanation of the person's rights of redemption and notice that the rights of redemption will expire on the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case 21 days after the entry of a judgment foreclosing the property under section 78k.

(i) An explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m.

(j) The internet website address for the legal resource and referral center of the state bar of Michigan and the toll-free telephone number for the state bar of Michigan's lawyer referral service.

(8) The published notice required under subsection (5) must include all of the following:

(a) A legal description or parcel number of each property.

(b) The street address of each property, if available.

(c) The name of any person entitled to notice under this section who has not been notified under subsection (2) or (3).

(d) The date and time of the show cause hearing under section 78j.

(e) The date and time of the hearing on the petition for foreclosure under section 78k.

(f) A statement that unless all forfeited unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k, the title to the property will vest absolutely in the foreclosing governmental unit and that all existing interests in oil or gas in that property will be extinguished except the following:

(*i*) The interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h.

(*ii*) Interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.

(g) A statement that a person with an interest in the property may lose that interest and any equity associated with that interest as a result of the foreclosure proceeding under section 78k and that all existing interests in oil or gas in that property will be extinguished except the following:

(*i*) The interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h.

(*ii*) Interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291.

(h) An explanation of the right of a person with an interest in the property at the time a judgment of foreclosure of the property is effective under section 78k to claim that person's interest in any remaining proceeds pursuant to section 78t after a sale or transfer of the property under section 78m.

(i) The internet website address for the legal resource and referral center of the state bar of Michigan and the toll-free telephone number for the state bar of Michigan's lawyer referral service.

(9) A person with a property interest properly served under this section with a notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k that fails to redeem the property as provided under this act shall not assert any of the following:

(a) That notice was insufficient or inadequate on the grounds that some other person with a property interest was not also served.

(b) That the redemption period provided under this act was extended in any way on the grounds that some other person with a property interest was not also served.

(c) That the person did not receive the notice required by law of the show cause hearing under section 78j or the foreclosure hearing under section 78k.

(10) The failure of the foreclosing governmental unit to comply with any provision of this section does not invalidate any proceeding under this act if the person with a property interest is notified of the show cause hearing under section 78j and the foreclosure hearing under section 78k consistent with the minimum due process required under the state constitution of 1963 and the Constitution of the United States.

(11) As used in this section, "authorized representative" includes all of the following:

(a) A title insurance company or agent licensed to conduct business in this state.

(b) An attorney licensed to practice law in this state.

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(c) A person accredited in land title search procedures by a nationally recognized organization in the field of land title searching.

(d) A person with demonstrated experience searching land title records, as determined by the foreclosing governmental unit.

(12) The provisions of this section relating to notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k are exclusive and exhaustive. Other requirements relating to notice or proof of service under other law, rule, or legal requirement are not applicable to notice and proof of service under this section.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 101, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2006, Act 611, Imd. Eff. Jan. 3, 2007;—Am. 2015, Act 190, Eff. Feb. 14, 2016;—Am. 2020, Act 256, Eff. Jan. 1, 2021.

Compiler's note: Enacting sections 1 and 3 of Act 263 of 2003 provide:

"Enacting section 1. Section 78i(12) of the general property tax act, 1893 PA 206, MCL 211.78i, as added by this amendatory act and section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by this amendatory act are curative and are intended to express the original intent of the legislature concerning the application of 1999 PA 123, section 78i of the general property tax act, 1893 PA 206, MCL 211.78i, as amended by 2001 PA 101 and section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by 2001 PA 94.

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

For transfer of certain powers and duties relating to collection of delinquent taxes and forfeiture, foreclosure, and disposition of tax-delinquent or tax-reverted property from department of natural resources to department of treasury by type II transfer, see E.R.O. No. 2004-1, compiled at MCL 211.281.

Enacting section 1 of Act 611 of 2006 provides:

"Enacting section 1. Sections 78i and 78k of the general property tax act, 1893 PA 206, MCL 211.78i and 211.78k, as amended by this amendatory act apply only to property foreclosed by a judgment of foreclosure entered pursuant to section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, after the effective date of this amendatory act."

Enacting section 5 of Act 611 of 2006 provides:

"Enacting section 5. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

Popular name: Act 206

211.78j Schedule of show cause hearing by foreclosing governmental unit.

Sec. 78j. (1) If a petition for foreclosure is filed under section 78h, the foreclosing governmental unit shall schedule a hearing not later than 7 days immediately preceding the date of the foreclosure hearing under section 78k to show cause why absolute title to the property forfeited to the county treasurer under section 78g should not vest in the foreclosing governmental unit. The foreclosing governmental unit may hold combined or separate hearings for different owners or persons with a property interest in the property forfeited to the county treasurer.

(2) The owner and any person with a property interest in the property forfeited to the county treasurer may appear at the hearing held pursuant to this section and redeem that property or show cause why absolute title to that property should not vest in the foreclosing governmental unit for any of the reasons set forth in section 78k(2).

(3) If the owner or any person with a property interest in the property forfeited to the county treasurer prevails in a hearing under subsection (1), the foreclosing governmental unit shall notify the county treasurer and the county treasurer shall correct the tax roll to reflect that determination.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999.

Popular name: Act 206

211.78k Petition for foreclosure; proof of service of notice; filing with circuit court; contesting validity or correctness by person claiming property interest; filing objections; withholding property from foreclosure or extending redemption period; entry of judgment; specifications; failure to pay delinquent taxes, interest, penalties, and fees after entry of judgment; appeal to court of appeals; recording notice of judgment; cancellation; submission of certificate of error.

Sec. 78k. (1) If a petition for foreclosure is filed under section 78h, not later than the date of the hearing, the foreclosing governmental unit shall file with the clerk of the circuit court proof of service of the notice of the show cause hearing under section 78j, proof of service of the notice of the foreclosure hearing under this

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section, and proof of the personal visit to the property and publication under section 78i.

(2) A person claiming an interest in a parcel of property set forth in the petition for foreclosure may contest the validity or correctness of the forfeited unpaid delinquent taxes, interest, penalties, and fees for 1 or more of the following reasons:

(a) No law authorizes the tax.

(b) The person appointed to decide whether a tax will be levied under a law of this state acted without jurisdiction, or did not impose the tax in question.

(c) The property was exempt from the tax in question, or the tax was not legally levied.

(d) The tax has been paid within the time limited by law for payment or redemption.

(e) The tax was assessed fraudulently.

(f) The description of the property used in the assessment was so indefinite or erroneous that the forfeiture was void.

(3) A person claiming an interest in a parcel of property set forth in the petition for foreclosure who desires to contest that petition shall file written objections with the clerk of the circuit court and serve those objections on the foreclosing governmental unit before the date of the hearing required under this section.

(4) If the court determines that the owner of property subject to foreclosure is a minor heir, is incompetent, is without means of support, or is undergoing a substantial financial hardship, the court may withhold that property from foreclosure for 1 year or may enter an order extending the redemption period as the court determines to be equitable. If the court withholds property from foreclosure under this subsection, a taxing unit's lien for taxes due is not prejudiced and that property must be included in the immediately succeeding year's tax foreclosure proceeding.

(5) The circuit court shall enter final judgment on a petition for foreclosure filed under section 78h at any time after the hearing under this section but not later than the March 30 immediately succeeding the hearing with the judgment effective on the March 31 immediately succeeding the hearing for uncontested cases or 10 days after the conclusion of the hearing for contested cases. All redemption rights to the property expire on the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case 21 days after the entry of a judgment foreclosing the property under this section. The circuit court's judgment must specify all of the following:

(a) The legal description and, if known, the street address of the property foreclosed and the forfeited unpaid delinquent taxes, interest, penalties, and fees due on each parcel of property.

(b) That fee simple title to property foreclosed by the judgment will vest absolutely in the foreclosing governmental unit, except as otherwise provided in subdivisions (c) and (e), without any further rights of redemption, if all forfeited delinquent taxes, interest, penalties, and fees, which delinquent taxes, interest, penalties, and fees may be reduced by the foreclosing governmental unit in accordance with section 78g(8), are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(c) That all liens against the property, including any lien for unpaid taxes or special assessments, except future installments of special assessments and liens recorded by this state or the foreclosing governmental unit under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, are extinguished, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(d) That, except as otherwise provided in subdivisions (c) and (e), the foreclosing governmental unit has good and marketable fee simple title to the property, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(e) That all existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way, private deed restrictions, interests of a lessee or an assignee of an interest of a lessee under a recorded oil or gas lease, interests in oil or gas in that property that are owned by a person other than the owner of the surface that have been preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291, interests in property assessable as personal property under section 8(g), or restrictions or other governmental interests imposed under the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

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(f) A finding that all persons entitled to notice and an opportunity to be heard have been provided that notice and opportunity. A person is considered to have been provided notice and an opportunity to be heard if the foreclosing governmental unit followed the procedures for provision of notice by mail, for visits to forfeited property, and for publication under section 78i, or if 1 or more of the following apply:

(*i*) The person had constructive notice of the hearing under this section by acquiring an interest in the property after the date the notice of forfeiture is recorded under section 78g.

(*ii*) The person appeared at the hearing under this section or filed written objections with the clerk of the circuit court under subsection (3) before the hearing.

(*iii*) Before the hearing under this section, the person had actual notice of the hearing.

(g) A judgment entered under this section is a final order with respect to the property affected by the judgment and except as provided in subsection (7) must not be modified, stayed, or held invalid after the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or for contested cases 21 days after the entry of a judgment foreclosing the property under this section.

(6) Except as otherwise provided in subsection (5)(c) and (e), fee simple title to property set forth in a petition for foreclosure filed under section 78h on which forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section, will vest absolutely in the foreclosing governmental unit, and the foreclosing governmental unit will have absolute title to the property, including all interests in oil or gas in that property except the interests of a lessee or an assignee of an interest of a lessee under an oil or gas lease in effect as to that property or any part of that property if the lease was recorded in the office of the register of deeds in the county in which the property is located before the date of filing the petition for foreclosure under section 78h, and interests preserved as provided in section 1(3) of 1963 PA 42, MCL 554.291. The foreclosing governmental unit's title is not subject to any recorded or unrecorded lien and must not be stayed or held invalid except as provided in subsection (7) or (9).

(7) The foreclosing governmental unit or a person claiming to have a property interest under section 78i in property foreclosed under this section may appeal the circuit court's order or the circuit court's judgment foreclosing property to the court of appeals. An appeal under this subsection is limited to the record of the proceedings in the circuit court under this section is not de novo. The circuit court's judgment foreclosing property must be stayed until the court of appeals has reversed, modified, or affirmed that judgment. If an appeal under this subsection stays the circuit court's judgment foreclosing property, the circuit court's judgment is stayed only as to the property that is the subject of that appeal and the circuit court's judgment foreclosing other property that is not the subject of that appeal is not stayed. To appeal the circuit court's judgment foreclosing property, a person appealing the judgment shall pay to the county treasurer the amount determined to be due to the county treasurer under the judgment on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section, together with a notice of appeal. If the circuit court's judgment foreclosing the property is affirmed on appeal, the amount determined to be due must be refunded to the person who appealed the judgment. If the circuit court's judgment foreclosing the property is reversed or modified on appeal, the county treasurer shall refund the amount determined to be due to the person who appealed the judgment, if any, and retain the balance in accordance with the order of the court of appeals.

(8) The foreclosing governmental unit shall record a notice of judgment for each parcel of foreclosed property in the office of the register of deeds for the county in which the foreclosed property is located in a form prescribed by the department of treasury.

(9) After the entry of a judgment foreclosing the property under this section, if the property has not been transferred under section 78m to a person other than the foreclosing governmental unit, a foreclosing governmental unit may cancel the foreclosure by recording with the register of deeds for the county in which the property is located a certificate of error in a form prescribed by the department of treasury, if the foreclosing governmental unit discovers any of the following:

(a) The foreclosed property was not subject to taxation on the date of the assessment of the unpaid taxes for which the property was foreclosed.

(b) The description of the property used in the assessment of the unpaid taxes for which the property was foreclosed was so indefinite or erroneous that the forfeiture of the property was void.

(c) The taxes for which the property was foreclosed had been paid to the proper officer within the time provided under this act for the payment of the taxes or the redemption of the property.

(d) A certificate, including a certificate issued under section 135, or other written verification authorized by law was issued by the proper officer within the time provided under this act for the payment of the taxes

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for which the property was foreclosed or for the redemption of the property.

(e) An owner of an interest in the property entitled to notice under section 78i was not provided notice sufficient to satisfy the minimum requirements of due process required under the state constitution of 1963 and the Constitution of the United States.

(f) A judgment of foreclosure was entered under this section in violation of an order issued by a United States Bankruptcy Court.

(10) A certificate of error submitted to the county register of deeds for recording under subsection (9) need not be notarized and may be authenticated by a digital signature of the foreclosing governmental unit or by other electronic means.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 94, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2006, Act 611, Imd. Eff. Jan. 3, 2007;—Am. 2016, Act 433, Eff. Mar. 29, 2017;—Am. 2020, Act 33, Imd. Eff. Mar. 2, 2020 .

Compiler's note: Enacting sections 1 and 3 of Act 263 of 2003 provide:

"Enacting section 1. Section 78i(12) of the general property tax act, 1893 PA 206, MCL 211.78i, as added by this amendatory act and section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by this amendatory act are curative and are intended to express the original intent of the legislature concerning the application of 1999 PA 123, section 78i of the general property tax act, 1893 PA 206, MCL 211.78i, as amended by 2001 PA 101 and section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by 2001 PA 94.

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Enacting section 1 of Act 611 of 2006 provides:

"Enacting section 1. Sections 78i and 78k of the general property tax act, 1893 PA 206, MCL 211.78i and 211.78k, as amended by this amendatory act apply only to property foreclosed by a judgment of foreclosure entered pursuant to section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, after the effective date of this amendatory act."

Enacting section 5 of Act 611 of 2006 provides:

"Enacting section 5. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Popular name: Act 206

211.78*l* Owner of extinguished recorded or unrecorded property interest; action for possession or recovery of property or interests; right to sue not transferable.

Sec. 78*l*. (1) If a judgment for foreclosure is entered under section 78k and all existing recorded and unrecorded interests in a property are extinguished as provided in section 78k, the owner of any extinguished recorded or unrecorded interest in that property shall not bring an action, including an action for possession or recovery of the property or any interests in the property or of any proceeds from the sale or transfer of the property under this act, or other violation of this act or other law of this state, the state constitution of 1963, or the Constitution of the United States more than 2 years after the judgment of foreclosure of the property is effective under section 78k. Nothing in this section authorizes an action not otherwise authorized under the laws of this state. An action to recover any proceeds from the sale or transfer of property foreclosed for nonpayment of real property taxes under this act must be brought as provided under section 78t.

(2) The right to sue recognized by this section is not transferable except by testate or intestate succession.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2020, Act 256, Imd. Eff. Dec. 22, 2020.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

Popular name: Act 206

211.78m Granting state right of first refusal; election by state not to purchase property; purchase of property by city, city authority, village, township, county, or county authority; property sale at auction; notice of time and location; procedure; property not previously sold; disposition of sale proceeds; joint sale by 2 or more county treasurers; deed recording; cancellation of taxes and certain costs upon transfer or retention of property; foreclosed property defined as facility under MCL 324.20101; person convicted for executing false affidavit; definitions.

Sec. 78m. (1) Not later than the first Tuesday in July immediately succeeding the entry of judgment under

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section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit, this state may exercise the right of first refusal to purchase foreclosed property at the greater of the minimum bid or its fair market value by paying that amount to the foreclosing governmental unit if the foreclosing governmental unit is not this state. If this state elects not to purchase the property under its right of first refusal and 1 or more claimants have filed a claim for remaining proceeds from the foreclosed property under section 78t(2), a city, village, township, or city authority may purchase foreclosed property located within that city, village, township, or area of the city authority included in the judgment and subject to sale under this section by paying the foreclosing governmental unit the greater of the minimum bid or the fair market value of the property. If this state elects not to purchase the property under its right of first refusal and no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2), a city, village, township, or city authority may purchase the foreclosed property by paying the foreclosing governmental unit the minimum bid. If a city, village, township, or city authority does not purchase that property and 1 or more claimants have filed a claim for remaining proceeds from the foreclosed property under section 78t(2), the county in which that property is located may purchase that property under this section by paying the foreclosing governmental unit the greater of the minimum bid or the fair market value of the property. If a city, village, township, or city authority does not purchase that property and no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2), the county in which the property is located may purchase that property under this section by paying the foreclosing governmental unit the minimum bid. If a city, village, township, city authority, or county does not purchase that property, 1 or more claimants have filed a claim for remaining proceeds from the foreclosed property under section 78t(2), and the property is within the area of a county authority, the county authority may purchase the property under this section by paying the foreclosing governmental unit the greater of the minimum bid or the fair market value of the property. If a city, village, township, city authority, or county does not purchase that property and no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2), the county authority in which the property is located may purchase that property under this section by paying the foreclosing governmental unit the minimum bid. If property is purchased by a city, village, township, city authority, county, or county authority under this subsection, the foreclosing governmental unit shall convey the property to the purchasing city, village, township, city authority, county, or county authority within 30 days.

(2) Subject to subsection (1), beginning on the third Tuesday in July immediately succeeding the entry of the judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit and ending on the immediately succeeding first Tuesday in November, the foreclosing governmental unit, or its authorized agent, at the option of the foreclosing governmental unit, shall hold 1 or more property sales at 1 or more convenient locations at which property foreclosed by a judgment entered under section 78k will be sold by auction sale, which may include an auction sale conducted via an internet website. Notice of the time and location of a sale must be published not less than 30 days before a sale in a notice publication circulated in the county in which the property is located, if there is one. If no notice publication is circulated in that county, publication must be made in a notice publication circulated in an adjoining county. Each sale must be completed before the first Tuesday in November immediately succeeding the entry of judgment under section 78k vesting absolute title to the tax delinquent property in the foreclosing governmental unit. Except as provided in this subsection and subsection (5), property must be sold to the person bidding the minimum bid, or if a bid is greater than the minimum bid, the highest amount above the minimum bid. The foreclosing governmental unit may sell properties individually or may offer 2 or more properties for sale as a group. The minimum bid for a group of properties must equal the sum of the minimum bid for each property included in the group. The foreclosing governmental unit may adopt procedures governing the conduct of the sale and the payment for conveyance of properties under this section and may cancel the sale before the issuance of a deed under this subsection if authorized under the procedures. The foreclosing governmental unit shall require full payment at the close of each day's bidding or by a date not more than 21 days after the sale. Before the foreclosing governmental unit conveys a property sold at a sale, the purchaser shall provide the foreclosing governmental unit with proof of payment to the local tax collecting unit in which the property is located of any property taxes owed on the property at the time of the sale. A foreclosing governmental unit shall cancel a sale if unpaid property taxes owed on a property or properties at the time of a sale are not paid within 21 days of the sale. If a sale is canceled under this subsection, the foreclosing governmental unit may offer the property to the next highest bidder and convey the property to that bidder under this subsection, subject to the requirements of this subsection for the highest bidder. Not more than 14 days after payment to the foreclosing governmental unit of all amounts required by the highest bidder or the next highest bidder under this subsection, the foreclosing governmental unit shall convey the property by deed to the person bidding the minimum bid, or if a bid is greater than the minimum bid, the

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highest amount above the minimum bid, or the next highest bidder if the sale to the highest bidder is canceled and the next highest bidder pays the amount required under this section to purchase the property. The deed must vest fee simple title to the property in the person bidding the highest amount above the minimum bid, unless the foreclosing governmental unit discovers a defect in the foreclosure of the property under sections 78 to 78*l* or the sale is canceled under this subsection or subsection (5). If this state is the foreclosing governmental unit within a county, the department of treasury is responsible for conducting the sale of property under this subsection and subsections (4) and (5) on behalf of this state. Before issuing a deed to a person purchasing property under this subsection or subsection (5), the foreclosing governmental unit shall require the person to execute and file with the foreclosing governmental unit an affidavit under penalty of perjury. If the person fails to execute and file the affidavit required by this subsection by the date payment for the property is required under this section, the foreclosing governmental unit shall cancel the sale. An affidavit under this section must indicate that the person meets all of the following conditions:

(a) The person does not directly or indirectly hold more than a minimal legal interest in any property with delinquent property taxes located in the same county as the property.

(b) The person is not directly or indirectly responsible for any unpaid civil fines for a violation of an ordinance authorized by section 4*l* of the home rule city act, 1909 PA 279, MCL 117.4*l*, in the local tax collection unit in which the property is located.

(3) For sales held under subsection (2), after the conclusion of that sale, and before any additional sale held under subsection (2), a city, village, township, or city authority may purchase any property not previously sold under subsection (1) or (2) by paying the foreclosing governmental unit the minimum bid. If a city, village, township, or city authority does not purchase that property, the county in which that property is located may purchase that property under this section by paying the foreclosing governmental unit the minimum bid. If a city, village, township, city authority, or county does not purchase that property and the property is within the area of a county authority, the county authority may purchase the property under this section by paying the foreclosing governmental unit the minimum bid.

(4) If property is purchased by a city, village, township, city authority, county, or county authority under subsection (3), the foreclosing governmental unit shall convey the property to the purchasing city, village, township, city authority, county, or county authority within 30 days.

(5) All property subject to sale under subsection (2) must be offered for sale at 1 or more sales conducted as required by subsection (2). If the foreclosing governmental unit elects to hold more than 1 sale under subsection (2), the final sale held under subsection (2) must be held not less than 28 days after the immediately preceding sale under subsection (2). At the final sale held under subsection (2), the sale is subject to the requirements of subsection (2), except that the minimum bid is not required. However, the foreclosing governmental unit may establish a reasonable opening bid at the sale to recover the cost of the sale of the property or properties, and the foreclosing governmental unit shall require a person who held an interest in property sold under this subsection at the time a judgment of foreclosure was entered against the property under section 78k to pay the minimum bid for the property before issuing a deed to the person under subsection (2). If the person fails to pay the minimum bid for the property and other amounts by the date required under this section, the foreclosing governmental unit shall cancel the sale of the property.

(6) On or before December 1 immediately succeeding the entry of judgment under section 78k, a list of all property not previously sold by the foreclosing governmental unit under this section must be transferred to the clerk of the city, village, or township in which the property is located. The city, village, or township may object in writing to the transfer of 1 or more properties. On or before December 30 immediately succeeding the entry of judgment under section 78k, all property not previously sold by the foreclosing governmental unit under this section must be transferred to the city, village, or township in which the property is located, except those properties to which the city, village, or township has objected. Property located in both a village and a township may be transferred under this subsection only to a village. The city, village, or township may make the property available under the urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709, or for any other lawful purpose.

(7) If property not previously sold is not transferred to the city, village, or township in which the property is located under subsection (6), the foreclosing governmental unit shall retain possession of that property. If the foreclosing governmental unit retains possession of the property and the foreclosing governmental unit is this state, title to the property must vest in the land bank fast track authority created under section 15 of the land bank fast track act, 2003 PA 258, MCL 124.765. If the foreclosing governmental unit retains possession of the property and the foreclosing governmental unit is not this state, the foreclosing governmental unit may do any of the following:

(a) Transfer the property to a land bank fast track authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

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(b) Convey the property pursuant to section 78r.

(c) Offer the property for sale, including, but not limited to, a subsequent sale under this section.

(8) A foreclosing governmental unit shall deposit the proceeds from the sale of property under this section into a restricted account designated as the "delinquent tax property sales proceeds for the year _____". The foreclosing governmental unit shall direct the investment of the account. The foreclosing governmental unit shall credit to the account interest and earnings from account investments. The foreclosing governmental unit shall use proceeds in that account only for the following purposes in the following order of priority:

(a) For each property that was sold or transferred for an amount equal to or greater than the minimum bid, the delinquent tax revolving fund created pursuant to section 87b or 87f by the county in which the property is located must be reimbursed for all taxes, interest, penalties, and fees on each property that was transferred or sold that year.

(b) For each property that was sold or transferred for an amount equal to or greater than the minimum bid, fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, and remediation of foreclosed property and the administration of this act, including costs for the defense of title actions and other legal expenses, must be paid up to the amount for which the property was sold on a property-by-property basis.

(c) Payments to claimants of remaining proceeds for the year ordered under section 78t and any other payments ordered under section 78t must be paid on a property-by-property basis.

(d) For each property that was sold or transferred for an amount less than the minimum bid or that was not sold or transferred, the delinquent tax revolving fund created pursuant to section 87b or 87f by the county in which the property is located must be reimbursed for all taxes, interest, penalties, and fees.

(e) For each property that was sold or transferred for an amount greater than the minimum bid, fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property or the administration of this act for the year but not paid under subdivision (b) must be paid.

(f) For each property that was sold or transferred for an amount less than the minimum bid or that was not sold or transferred, fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property or the administration of this act, including costs for the defense of title actions and other legal expenses, for the year must be paid.

(g) Any fees incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property or the administration of this act, including costs for the defense of title actions and other legal expenses, for any prior year that have not been paid or reimbursed from a prior year's delinquent tax property sales proceeds must be paid.

(h) If the foreclosing governmental unit is this state, any remaining balance must be transferred to the land reutilization fund created under section 78n. If the foreclosing governmental unit for a county is this state, not later than September 30 of the second calendar year after foreclosure, the department of treasury shall, subject to subparagraph (*xiii*), submit an electronic report to the house and senate committees with jurisdiction over taxation that includes, for each county, all of the information described in subparagraphs (*i*) to (*xii*), as follows:

(*i*) The total number of properties that were ordered foreclosed at the judicial hearing for that foreclosure and not redeemed.

(*ii*) The sum of the minimum bids for the properties described in subparagraph (*i*).

(*iii*) The total number of properties sold to a governmental entity under subsections (1) and (4).

(*iv*) The sum of the minimum bids for the properties described in subparagraph (*iii*).

(*v*) The total amount paid for the properties described in subparagraph (*iii*).

(*vi*) The total number of properties sold under subsections (2) and (5).

(*vii*) The sum of the minimum bids for the properties described in subparagraph (*vi*).

(*viii*) The total amount paid for the properties described in subparagraph (*vi*).

(*ix*) The total amount of all taxes, penalties, interest, fees, and costs owed on properties described in subsection (1).

(*x*) The total amount paid for all properties described in subparagraphs (*iii*) and (*vi*).

(*xi*) The total amount of remaining proceeds paid to persons holding a legal interest in the property described in subparagraphs (*iii*) and (*vi*).

(*xii*) The remaining net amount after subtracting the amount described in subparagraph (*xi*) from the difference of the amounts described in subparagraphs (*x*) and (*xi*).

(*xiii*) The reporting requirement provided for in this subdivision does not apply after December 31, 2025.

(i) If the foreclosing governmental unit is not this state, not later than September 30 of the second calendar year after foreclosure, the foreclosing governmental unit shall, subject to subparagraph (*xiii*), submit a written

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report to its board of commissioners and the state treasurer identifying any remaining balance and any contingent costs of title, environmental remediation, or other legal claims relating to foreclosed property as determined by the foreclosing governmental unit. Any remaining balance must be used for costs incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, sale, maintenance, repair, or remediation of foreclosed property, the defense of title actions and other legal expenses, or the administration of this act, or for the payment of claims for remaining proceeds or other amounts ordered under section 78t. The report required under this subdivision must include, in a form determined by the department of treasury, all of the information described in subparagraphs (*i*) to (*xii*), as follows:

(*i*) The total number of properties that were ordered foreclosed at the judicial hearing for that foreclosure and not redeemed.

(*ii*) The sum of the minimum bids for the properties described in subparagraph (*i*).

(*iii*) The total number of properties sold to a governmental entity under subsections (1) and (4).

(*iv*) The sum of the minimum bids for the properties described in subparagraph (*iii*).

(*v*) The total amount paid for the properties described in subparagraph (*iii*).

(*vi*) The total number of properties sold under subsections (2) and (5).

(*vii*) The sum of the minimum bids for the properties described in subparagraph (*vi*).

(*viii*) The total amount paid for the properties described in subparagraph (*vi*).

(*ix*) The total amount of all taxes, penalties, interest, fees, and costs owed on properties described in subsection (1).

(*x*) The total amount paid for all properties described in subparagraphs (*iii*) and (*vi*).

(*xi*) The total amount of remaining proceeds paid to persons holding a legal interest in the property described in subparagraphs (*iii*) and (*vi*).

(*xii*) The remaining net amount after subtracting the amount described in subparagraph (*xi*) from the difference of the amounts described in subparagraphs (*x*) and (*xi*).

(*xiii*) The reporting requirement provided for in this subdivision does not apply after December 31, 2025.

(9) Two or more county treasurers of adjacent counties may elect to hold a joint sale of property as provided in this section. If 2 or more county treasurers elect to hold a joint sale, property may be sold under this section at a location outside of the county in which the property is located. The sale may be conducted by any county treasurer participating in the joint sale or by an authorized agent of each county treasurer participating in the sale. A joint sale held under this subsection may include or be an auction sale conducted via an internet website.

(10) The foreclosing governmental unit shall record a deed for any property transferred under this section with the county register of deeds. The foreclosing governmental unit may charge a fee in excess of the minimum bid and any sale proceeds for the cost of recording a deed under this subsection.

(11) For property transferred to this state, a city, a village, a township, a city authority, a county, or a county authority under subsection (1), a city, village, or township under subsection (6), or retained by a foreclosing governmental unit under subsection (7), all taxes due on the property as of the December 31 following the transfer or retention of the property are canceled effective on that December 31 and the property is exempt from the collection of taxes under this act while held by the city, village, township, city authority, county, county authority, or foreclosing governmental unit.

(12) For property sold, transferred, or retained under this section, all liens for costs of demolition, safety repairs, debris removal, or sewer or water charges due on the property as of the December 31 immediately succeeding the sale, transfer, or retention of the property are canceled effective on that December 31. This subsection does not apply to liens recorded by the department of environment, Great Lakes, and energy under this act or the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(13) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, before the sale or transfer of the property under this section, the property is subject to all of the following:

(a) Upon reasonable written notice from the department of environment, Great Lakes, and energy, the foreclosing governmental unit shall provide access to the department of environment, Great Lakes, and energy, its employees, contractors, and any other person expressly authorized by the department of environment, Great Lakes, and energy to conduct response activities at the foreclosed property. Reasonable written notice under this subdivision may include, but is not limited to, notice by electronic mail, if the foreclosing governmental unit consents to notice by electronic mail before the provision of notice by the department of environment, Great Lakes, and energy.

(b) If requested by the department of environment, Great Lakes, and energy to protect public health, safety, and welfare or the environment, the foreclosing governmental unit shall grant an easement for access to

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conduct response activities on the foreclosed property as authorized under chapter 7 of article II of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(c) If requested by the department of environment, Great Lakes, and energy to protect public health, safety, and welfare or the environment, the foreclosing governmental unit shall place and record deed restrictions on the foreclosed property as authorized under chapter 7 of article II of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(d) The department of environment, Great Lakes, and energy may place an environmental lien on the foreclosed property as authorized under section 20138 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20138.

(14) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, before the sale or transfer of the property under this section, the department of environment, Great Lakes, and energy shall request and the foreclosing governmental unit shall transfer the property to the state land bank fast track authority created under section 15 of the land bank fast track act, 2003 PA 258, MCL 124.765, if all of the following apply:

(a) The department of environment, Great Lakes, and energy determines that conditions at a foreclosed property are an acute threat to the public health, safety, and welfare, to the environment, or to other property.

(b) The department of environment, Great Lakes, and energy proposes to undertake or is undertaking state-funded response activities at the property.

(c) The department of environment, Great Lakes, and energy determines that the sale, retention, or transfer of the property other than under this subsection would interfere with response activities by the department of environment, Great Lakes, and energy.

(15) A person convicted for executing a false affidavit under subsection (5) is prohibited from bidding for a property or purchasing a property at any sale under this section.

(16) As used in this section:

(a) "City authority" means a land bank fast track authority created under section 23(5) of the land bank fast track act, 2003 PA 258, MCL 124.773.

(b) "County authority" means a land bank fast track authority created under section 23(4) of the land bank fast track act, 2003 PA 258, MCL 124.773.

(c) "Minimum bid" is the minimum amount established by the foreclosing governmental unit for which property may be sold or transferred under subsections (1) to (3). The minimum bid must include all of the delinquent taxes, interest, penalties, and fees due on the property, and may include any additional expenses incurred by the foreclosing governmental unit in connection with the forfeiture, foreclosure, maintenance, repair, or remediation of the property or the administration of this act for the property, including, but not limited to, foreclosure avoidance, mailing, publication, personal service, legal, personnel, outside contractor, and auction expenses.

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History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 99, Imd. Eff. July 30, 2001;—Am. 2003, Act 263, Imd. Eff. Jan. 5, 2004;—Am. 2006, Act 498, Imd. Eff. Dec. 29, 2006;—Am. 2014, Act 501, Imd. Eff. Jan. 14, 2015;—Am. 2020, Act 255, Eff. Jan. 1, 2021.

Compiler's note: Enacting section 3 of Act 263 of 2003 provides:

"Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

For transfer of certain powers and duties relating to collection of delinquent taxes and forfeiture, foreclosure, and disposition of tax-delinquent or tax-reverted property from department of natural resources to department of treasury by type II transfer, see E.R.O. No. 2004-1, compiled at MCL 211.281.

For transfer of powers and duties of department of environmental quality to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

Enacting section 3 of Act 255 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

Popular name: Act 206

211.78n Land reutilization fund.

Sec. 78n. (1) The land reutilization fund is created within the department of treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund, including a transfer of funds from the delinquent property tax administration fund as provided in subsection (5). The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund

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interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year must remain in the fund and must not lapse to the general fund.

(4) Subject to subsection (6), the department of treasury may expend money from the fund for 1 or more of the following purposes:

(a) Contracts with title insurance companies under section 78i.

(b) Costs of determining addresses, service of notices, and recording fees incurred under section 78i.

(c) Defense of title actions as determined by the state treasurer.

(d) Other costs incurred in administering the foreclosure and disposition of property forfeited for delinquent taxes under this act.

(5) The state treasurer may transfer to the fund any balance remaining in the delinquent property tax administration fund of this state created in section 59.

(6) For the fiscal year ending September 30, 2020 only, $9,150,000.00 of the money in the fund is transferred to and must be deposited into the general fund.

(7) As used in this section, "fund" means the land reutilization fund created in this section.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2006, Act 626, Imd. Eff. Jan. 3, 2007;—Am. 2020, Act 168, Imd. Eff. Oct. 1, 2020.

Popular name: Act 206

211.78o Forms.

Sec. 78o. (1) Not later than October 1, 2000, the state treasurer shall prescribe the form of all of the following to be used in the administration of the collection of taxes under sections 78 to 78n:

(a) The notice and the proof of service required under section 78i.

(b) The judgment of foreclosure required under section 78k.

(2) In prescribing the forms required under subsection (1), the state treasurer shall actively solicit recommendations from the county treasurers and other interested parties.

History: Add. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2001, Act 94, Imd. Eff. July 30, 2001.

Popular name: Act 206

211.78p Conveyance of property to Indian tribe; liability for delinquent taxes.

Sec. 78p. (1) Any provision of this act to the contrary notwithstanding, if property for which taxes have been returned as delinquent under section 78a and on which delinquent taxes are due is sold, transferred, or otherwise conveyed to an Indian tribe recognized by the United States, an enrolled member of an Indian tribe recognized by the United States, a tribal corporation that is either incorporated under the tribe's own laws or under federal law, or an unincorporated tribal entity that is owned exclusively by the tribe, its members, or any combination of the tribe and its members and, as a result of that sale, transfer, or conveyance, the property is exempt under federal law from forfeiture, foreclosure, and sale under this act for those delinquent taxes, the taxes that were returned as delinquent and that were due on that property at the time of that sale, transfer, or conveyance are a personal liability of the transferor to whom the delinquent taxes were originally billed.

(2) If taxes returned as delinquent are determined to be a personal liability of the transferor under subsection (1), the transferor is subject to the collection of those delinquent taxes as provided in section 47.

History: Add. 2012, Act 234, Imd Eff. June 29, 2012.

Compiler's note: Former MCL 211.78p, which pertained to adjustment of fees to parcels of land for which taxes are unpaid, was repealed by Act 263 of 2003, Imd. Eff. Jan. 5, 2004.

Popular name: Act 206

211.78q Delinquent property tax installment payment plan; tax foreclosure avoidance agreement.

Sec. 78q. (1) Notwithstanding any provision of this act or charter to the contrary, a foreclosing governmental unit may create a delinquent property tax installment payment plan for eligible property, the title to which is held by a financially distressed person. A delinquent property tax installment payment plan created under this subsection may be combined with and made subject to a delinquent property tax payment reduction under section 78g(8)(c). Any payment under that delinquent property tax installment payment plan made during a calendar year in which an owner of property is subject to a payment reduction under section 78g(8) must be credited to the amount owed under section 78g(8) and the credit must not exceed the amount owed under section 78g(8).

(2) If a financially distressed person agrees to participate in a delinquent property tax installment payment plan created under subsection (1) and makes the initial payment required under that delinquent property tax

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installment payment plan, the foreclosing governmental unit may remove eligible property the title to which is held by that financially distressed person from the petition for foreclosure as provided in section 78h(3)(c).

(3) If a financially distressed person successfully completes a delinquent property tax installment payment plan created under subsection (1), interest under section 78g(3)(b) and any additional interest otherwise applicable must be waived.

(4) If a financially distressed person does not successfully complete a delinquent property tax installment payment plan created under subsection (1), both of the following apply:

(a) Interest under section 78g(3)(b) and any additional interest otherwise applicable apply to any unpaid taxes on the property.

(b) The eligible property must be included in the immediately succeeding petition for foreclosure under section 78h.

(5) Notwithstanding any provision of this act or charter to the contrary, until June 30, 2026, a county treasurer may enter into a tax foreclosure avoidance agreement for a term of up to 5 years with an owner of property returned as delinquent to the county treasurer under this act or forfeited to the county treasurer under section 78g if the property is classified as residential real property under section 34c, if the property is eligible property, and if the owner makes an initial payment of the delinquent taxes owed on the property in an amount determined by the county treasurer. A tax foreclosure avoidance agreement entered into under this subsection may be combined with and made subject to a delinquent property tax payment reduction under section 78g(8)(c). Any payment under that tax foreclosure avoidance agreement made during a calendar year in which an owner of property is subject to a payment reduction under section 78g(8) must be credited to the amount owed under section 78g(8) and the credit must not exceed the amount owed under section 78g(8). While a tax foreclosure avoidance agreement is effective, the property must be withheld or removed from the petition for foreclosure as provided under section 78h(3)(c), interest at the rate provided in section 78g(3)(c)(*ii*) applies, and the owner shall make timely payments as provided under the tax foreclosure avoidance agreement, including timely payment of all nondelinquent taxes on the property. A tax foreclosure avoidance agreement must require regular periodic installment payments. The final payment must not be disproportionately larger than a regular periodic installment payment and regular periodic installment payments in the final year must not be disproportionately larger than regular periodic installment payments in prior years. A county treasurer may refuse to enter into a tax foreclosure avoidance agreement with an owner under this subsection if that owner is not in compliance with another tax foreclosure avoidance agreement with the county treasurer or with a delinquent property tax installment plan with the county treasurer under this section. A county treasurer may not enter into more than 2 tax foreclosure avoidance agreements with an owner. If an owner fails to comply with a tax foreclosure avoidance agreement or if the tax foreclosure avoidance agreement is no longer effective, all of the following apply:

(a) Interest under section 78g(3)(b) and any additional interest otherwise applicable apply to any unpaid taxes on the property.

(b) The property must be included in the immediately succeeding petition for foreclosure under section 78h.

(c) The owner shall not bid on property subject to sale under section 78m, if that property was subject to the tax foreclosure avoidance agreement.

(6) A delinquent property tax installment payment plan or a tax foreclosure avoidance agreement may not be approved under this section if the delinquent property tax installment payment plan or tax foreclosure avoidance agreement would impermissibly impair an outstanding debt of the county.

(7) If a foreclosing governmental unit has created a delinquent property tax installment payment plan under this section, the department of treasury may audit the books and records of that foreclosing governmental unit concerning the details of that delinquent property tax installment payment plan.

(8) Property classified as industrial real property under section 34c that is occupied at less than 10% of its facility capacity for more than 3 years and that is located in a county with a population of more than 1,500,000 according to the most recent federal decennial census is not eligible to participate in a delinquent property tax installment payment plan and is subject to section 78m, including sale under section 78m(2) to the person bidding the highest amount above the minimum bid.

(9) If a delinquent property tax installment payment plan is in effect for property for which a county has issued notes under this act that are secured by the delinquent taxes and interest on that property, at any time 2 years after the date that those taxes were returned as delinquent, the county treasurer may charge back to any taxing unit the face amount of the delinquent taxes that were owed to that taxing unit on the date those taxes were returned as delinquent, less the amount of any principal installments received by the county treasurer on that property under the delinquent property tax installment payment plan. All subsequent payments of delinquent taxes and interest on that property must be retained by the county treasurer in a separate account

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and either paid to or credited to the account of that taxing unit.

(10) As used in this section:

(a) "Eligible property" means property that is a principal residence exempt from the tax levied by a local school district for school operating purposes under section 7cc.

(b) "Financially distressed person" means a person who meets all of the following conditions:

(*i*) Is eligible to have property to which he or she holds title withheld from a petition for foreclosure under section 78h(3)(b).

(*ii*) Is not delinquent in satisfying a delinquent property tax installment payment plan or tax foreclosure avoidance agreement under this section for any other property within the foreclosing governmental unit.

History: Add. 2014, Act 499, Imd. Eff. Jan. 14, 2015;—Am. 2016, Act 518, Eff. Mar. 29, 2017;—Am. 2019, Act 35, Imd. Eff. June 26, 2019;—Am. 2020, Act 33, Imd. Eff. Mar. 2, 2020.

Popular name: Act 206

211.78r Foreclosing governmental unit for county other than this state; acquisition of property owned by this state, federal government, or other governmental entity; methods; conveyance of real property owned by authority to foreclosing governmental unit; execution and recording of conveyance documents; sale of property; deposit of net proceeds; powers, duties, functions, or responsibilities of authority under land bank fast track act; "authority" defined.

Sec. 78r. (1) A foreclosing governmental unit for a county other than this state may acquire property owned by this state, the federal government, or other governmental entity to facilitate the sale of tax reverted property under section 78m with the consent of this state, the federal government, or other governmental entity that owns the property. Methods of acquisition may include, but are not limited to, an exchange of property owned by the county for property of approximately equal value that is owned by this state, the federal government, or other governmental entity. For purposes of this subsection, "governmental entity" includes an authority.

(2) If the foreclosing governmental unit for a county is not this state, an authority may, with the consent of the foreclosing governmental unit, convey real property owned by the authority to the foreclosing governmental unit as provided in section 7 of the land bank fast track act, 2003 PA 258, MCL 124.757, including for no monetary consideration.

(3) The conveyance of property to a foreclosing governmental unit under subsection (1) or (2), costs incurred by the foreclosing governmental unit relating to that property, and a subsequent sale or transfer of that property by the foreclosing governmental unit shall be deemed to represent a fair exchange of value for value.

(4) A party to a conveyance under subsection (1) or (2) shall execute and record all documents necessary to effectuate the conveyance, including, but not limited to, a quitclaim deed or affidavit of jurisdictional transfer with the register of deeds in the county in which the property is located.

(5) Property acquired by a foreclosing governmental unit under subsection (1) or (2) shall be offered for sale by the foreclosing governmental unit at a property sale under section 78m(2) and may be offered for sale as a group with 1 or more other parcels under section 78m(2). Property acquired by a foreclosing governmental unit under subsection (1) or (2) may not be conveyed or transferred to a city, village, township, or county under section 78m(1) or (3). Any net proceeds from the sale of property acquired by a foreclosing governmental unit under subsection (1) or (2) shall be deposited into the account designated under section 78m(8) as the delinquent tax property sales proceeds for the year in which the property is sold by the foreclosing governmental unit.

(6) This section does not alter the powers, duties, functions, or responsibilities of an authority under the land bank fast track act, 2003 PA 258, MCL 124.751 TO 124.774.

(7) As used in this section, "authority" means a land bank fast track authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

History: Add. 2014, Act 502, Imd. Eff. Jan. 14, 2015.

Popular name: Act 206

211.78s Applicability of MCL 211.78a to 211.78r; notice in separate insert; definitions.

Sec. 78s. (1) For insertion of a notice in a notice publication under sections 78a to 78r, this section and sections 78a to 78r apply, notwithstanding any other law to the contrary.

(2) A requirement for insertion of a notice publication under sections 78a to 78r is satisfied by including the notice in a separate insert within the notice publication. A foreclosing governmental unit may exercise its

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discretion in selecting the notice publication in which the notice shall be inserted based on the notice publication's cost and circulation.

(3) As used in this section and sections 78a to 78r:

(a) "Internet" means that term as defined in 47 USC 230.

(b) "Notice publication" includes a newspaper, as that term is defined under section 1 of 1963 PA 247, MCL 691.1051, a legal newspaper, or other print publication for the dissemination of news, editorial content, and other information of a public character or nature, including, but not limited to, a print publication to which all of the following apply:

(*i*) The print publication is published and distributed in not less than weekly intervals.

(*ii*) Not less than 50% of the words in the print publication are in the English language.

(*iii*) The print publication has a bona fide list of subscribers in 1 or more counties in this state or is available to the public at newsstands or other retail locations in 1 or more counties in this state, or both.

(*iv*) The print publication accepts and publishes official and other notices.

(*v*) The print publication annually averages not less than 25% news and editorial content per issue. As used in this subparagraph, "news and editorial content" means any printed matter other than advertising.

(*vi*) The print publication has been published or distributed for not less than 1 year.

(c) "Website" means a collection of pages of the Internet, usually in HTML format, with clickable or hypertext links to enable navigation from 1 page or section to another, that often uses associated graphics files to provide illustration and may contain other clickable or hypertext links.

History: Add. 2015, Act 190, Eff. Feb. 14, 2016.

Popular name: Act 206

211.78t Notice of intent to claim interest; form and contents; procedures; hearing; definitions.

Sec. 78t. (1) A claimant may submit a notice of intention to claim an interest in any applicable remaining proceeds from the transfer or sale of foreclosed property under section 78m, subject to the following:

(a) For foreclosed property transferred or sold under section 78m after July 17, 2020, the notice of intention must be submitted pursuant to subsection (2).

(b) For foreclosed property transferred or sold under section 78m before July 18, 2020, both of the following:

(*i*) A claim may be made only if the Michigan supreme court orders that its decision in *Rafaeli, LLC v Oakland County*, docket no. 156849, applies retroactively.

(*ii*) Subject to subparagraph (*i*), the notice of intention must be submitted pursuant to subsection (6).

(2) For foreclosed property transferred or sold under section 78m after July 17, 2020, by the July 1 immediately following the effective date of the foreclosure of the property, a claimant seeking remaining proceeds for the property must notify the foreclosing governmental unit using a form prescribed by the department of treasury. The department of treasury shall make the form available to the public on an internet website maintained by the department of treasury. A foreclosing governmental unit shall make the form available to the public on an internet website maintained by the foreclosing governmental unit if the foreclosing governmental unit maintains an internet website. Notice to a foreclosing governmental unit under this subsection must be by personal service acknowledged by the foreclosing governmental unit or by certified mail, return receipt requested. The notice must be notarized and include all of the following:

(a) The name of the claimant.

(b) The telephone number of the claimant.

(c) The address at which the claimant wants to receive service.

(d) The parcel identification number of the property, and, if available, the address of the property.

(e) An explanation of the claimant's interest in the property.

(f) A description of any other interest in the property immediately before the foreclosure under section 78k held by other persons and known by the claimant, including a lien or a mortgage.

(g) A sworn statement or affirmation by the claimant that the information included in the notice is accurate.

(3) Not later than the January 31 immediately succeeding the sale or transfer of the property under section 78m, the foreclosing governmental unit shall send by certified mail, return receipt requested, a notice in a form prescribed by the department of treasury to each claimant that notified the foreclosing governmental unit pursuant to subsection (2). The notice must include the following information:

(a) The parcel identification number of the property.

(b) The legal description of the property.

(c) The address for the property if an address is available for the property.

(d) The date on which the property was sold or transferred under section 78m or, if the property was not

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sold or transferred under section 78m, a statement indicating that the property was not sold or transferred.

(e) The minimum bid for the property as determined by the foreclosing governmental unit under section 78m.

(f) The amount for which the property was sold or transferred under section 78m.

(g) The amount of the sale cost recovery for the property, which must be equal to 5% of the amount under subdivision (f).

(h) The amount of any outstanding unpaid state, federal, or local tax collecting unit tax liens on the property immediately preceding the effective date of the foreclosure of the property under section 78k based on the records of the foreclosing governmental unit.

(i) The total amount of any remaining proceeds, or the amount of the shortfall in proceeds if the minimum bid under section 78m and other fees incurred by the foreclosing governmental unit in foreclosing and selling the property under section 78m exceed the amount received by the foreclosing governmental unit from a sale or transfer of the property under section 78m.

(j) The name and address provided by each claimant for the property pursuant to subsection (2).

(k) A statement that a claimant must file pursuant to subsection (4) a motion with the circuit court in the same proceeding in which the judgment of foreclosure of the property was effective under section 78k to claim any remaining proceeds payable to the claimant. The statement must include the case number assigned to the proceeding, the name of the judge assigned to the proceeding, and contact information for the clerk of the circuit court.

(4) For a claimant seeking remaining proceeds from the transfer or sale of a foreclosed property transferred or sold under section 78m after July 17, 2020, after receipt of a notice under subsection (3), the claimant may file a motion with the circuit court in the same proceeding in which the judgment of foreclosure of the property was effective under section 78k to claim any portion of the remaining proceeds that the claimant is entitled to under this section. A motion under this subsection must be filed during the period beginning on February 1 immediately succeeding the date on which the property was sold or transferred under section 78m and ending on the immediately succeeding May 15, and may not be filed after that May 15 if notice was provided under section 78i of the show cause hearing under section 78j and the foreclosure hearing under section 78k before the show cause hearing and the foreclosure hearing, notwithstanding section 78*l*. The motion must indicate both of the following:

(a) Whether the claimant or an entity in which the claimant held a direct or indirect interest purchased the property under section 78m.

(b) Whether the claimant does or does not hold a direct or indirect interest in the property at the time the motion is filed.

(5) At the end of the claim period described in subsection (4), the foreclosing governmental unit shall file with the circuit court proof of service of the notice required under subsection (3) and, for each property for which a claimant provided notice under subsection (2), a list of all of the following information:

(a) The parcel identification number of the property.

(b) The legal description of the property.

(c) The address for the property if an address is available for the property.

(d) The date on which the property was sold or transferred under section 78m or, if the property was not sold or transferred under section 78m, a statement indicating that the property was not sold or transferred.

(e) The minimum bid for the property as determined by the foreclosing governmental unit under section 78m.

(f) The amount for which the property was sold or transferred under section 78m.

(g) The amount of the sale commission for the property, which must be equal to 5% of the amount under subdivision (f).

(h) The amount of any outstanding unpaid state, federal, or local tax collecting unit tax liens on the property immediately preceding the effective date of the foreclosure of the property under section 78k based on the records of the county treasurer.

(i) The amount of any remaining proceeds, or the amount of the shortfall in proceeds if the minimum bid under section 78m and other fees incurred in foreclosing and selling the property exceed the amount received by the foreclosing governmental unit from a sale or transfer of the property under section 78m.

(j) The name and address provided by each claimant for the property pursuant to subsection (2).

(6) For a claimant seeking remaining proceeds from the transfer or sale of a foreclosed property transferred or sold under section 78m pursuant to this subsection, the claimant must notify the foreclosing governmental unit using the form prescribed by the department of treasury under subsection (2) in the manner prescribed under subsection (2) by the March 31 at least 180 days after any qualified order. By the following July 1, the foreclosing governmental unit shall provide each claimant seeking remaining proceeds for the property and

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notifying the foreclosing governmental unit under this subsection with a notice relating to the foreclosed property in the form and manner provided under subsection (3). To claim any applicable remaining proceeds to which the claimant is entitled, the claimant must file a motion with the circuit court in the same proceeding in which a judgement of foreclosure was effective under section 78k by the following October 1. The motion must be certified and include all of the following:

(a) The name of the claimant filing the motion.

(b) The telephone number of the claimant.

(c) The address at which the claimant wants to receive service.

(d) The parcel identification number of the property, and, if available, the address of the property.

(e) An explanation of the claimant's interest in the property.

(f) A description of any other interest in the property, including a lien or a mortgage, immediately before the foreclosure under section 78k held by any other person or entity and known by the claimant.

(g) A statement indicating that the claimant or an entity in which the claimant held a direct or indirect interest did or did not purchase the property under section 78m.

(h) A statement indicating that the claimant does or does not hold a direct or indirect interest in the property at the time the motion is filed.

(i) A sworn statement or affirmation by the claimant that the information included in the motion is accurate.

(7) At the end of the claim period described in subsection (4) or after receipt of a motion under subsection (6), the foreclosing governmental unit shall file with the circuit court proof of service of the notice required under subsection (3) and, for each property for which a claimant provided notice under subsection (2) or filed a motion under subsection (6), a list of all of the following information:

(a) The parcel identification number of the property.

(b) The legal description of the property.

(c) The address for the property if an address is available for the property.

(d) The date on which the property was sold or transferred under section 78m or, if the property was not sold or transferred under section 78m, a statement indicating that the property was not sold or transferred.

(e) The minimum bid for the property as determined by the foreclosing governmental unit under section 78m.

(f) The amount for which the property was sold or transferred under section 78m.

(g) The amount of the sale commission for the property, which must be equal to 5% of the amount under subsection (f).

(h) The amount of any remaining proceeds, or the amount of the shortfall in proceeds if the minimum bid under section 78m and other fees incurred in foreclosing and selling the property exceed the amount received by the foreclosing governmental unit from a sale or transfer of the property under section 78m.

(i) The amount of any outstanding unpaid state, federal, or local tax collecting unit tax liens on the property immediately preceding the effective date of the foreclosure of the property under section 78k based on the records of the county treasurer.

(j) The name and address provided by each claimant for the property pursuant to subsection (2) or (6).

(8) A motion by a claimant under this section must provide the specific basis for the claimant's asserted interest in some or all of the remaining proceeds, including the claimant's interest in the property immediately before its foreclosure under section 78k and documentation evidencing that interest. The claimant also shall affirm that the claimant did not transfer and was not otherwise divested of the claimant's interest in the property before the judgment of foreclosure was effective under section 78k. If a claimant had a lien or other security interest in the property at the time the judgment of foreclosure was effective under section 78k, the claimant shall indicate the amount owed to the claimant pursuant to the lien or security interest and the priority of the claimant's lien or security interest. The motion must be verified and include a sworn statement or affirmation by the claimant of its accuracy. A claimant filing a motion under this section must serve a copy of the motion on the foreclosing governmental unit.

(9) After the foreclosing governmental unit responds to a claimant's motion under this section, the court shall set a hearing date and time for each property for which 1 or more claimants filed a motion under this section and notify each claimant and the foreclosing governmental unit of the hearing date at least 21 days before the hearing date. At the hearing, the court shall determine the relative priority and value of the interest of each claimant in the foreclosed property immediately before the foreclosure was effective. The foreclosing governmental unit may appear at the hearing. The burden of proof of a claimant's interest in any remaining proceeds for a claimant is on the claimant. The court shall require payment to the foreclosing governmental unit of a sale commission equal to 5% of the amount for which the property was sold by the foreclosing governmental unit. The court shall allocate any remaining proceeds based upon its determination and order

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that the foreclosing governmental unit pay applicable remaining proceeds to 1 or more claimants consistent with its determination under this subsection. An order for the payment of remaining proceeds must not unjustly enrich a claimant at the expense of the public. If a claimant indicated in the motion that the claimant or an entity in which the claimant held a direct or indirect interest purchased the property under section 78m or if the claimant indicated in the motion that the claimant held a direct or indirect interest in the property at the time the motion was filed, the order must require remaining proceeds to be applied to any unpaid obligations payable to a tenant at the time the foreclosure was effective or any unpaid civil fines relating to the property owed at the time the foreclosure was effective for violation of an ordinance authorized by section 4*l* of the home rule city act, 1909 PA 279, MCL 117.4*l*, in the local tax collecting unit in which the property is located. The order must provide for the payment of any unpaid amounts not otherwise payable to another claimant owed by a claimant to satisfy a state, federal, or local tax collecting unit tax lien on the property immediately preceding the effective date of the foreclosure under section 78k if the lien had priority over the claimant's interest in the property. The order also must provide that any further claim by a claimant under this act relating to the foreclosed property is barred.

(10) The foreclosing governmental unit shall pay the amounts ordered by the court to the claimants and any other persons ordered by the court under subsection (9) within 21 days of the order pursuant to section 78m.

(11) This section is the exclusive mechanism for a claimant to claim and receive any applicable remaining proceeds under the laws of this state. A right to claim remaining proceeds under this section is not transferable except by testate or intestate succession.

(12) As used in this section:

(a) "Claimant" means a person with a legal interest in property immediately before the effectiveness of a judgment of foreclosure of the property under section 78k who seeks pursuant to this section recognition of its interest in any remaining proceeds associated with the property.

(b) "Remaining proceeds" means the amount equal to the difference between the amount paid to the foreclosing governmental unit for a property due to the sale or transfer of the property under section 78m and the sum of all of the following:

(*i*) The minimum bid under section 78m.

(*ii*) All other fees and expenses incurred by the foreclosing governmental unit pursuant to section 78m in connection with the forfeiture, foreclosure, sale, maintenance, repair, and remediation of the property not included in the minimum bid.

(*iii*) A sale commission payable to the foreclosing governmental unit equal to 5% of the amount paid to the foreclosing governmental unit for the property.

History: Add. 2020, Act 256, Imd. Eff. Dec. 22, 2020.

Compiler's note: Enacting section 3 of Act 256 of 2020 provides:

"Enacting section 3. This amendatory act is curative and is intended to codify and give full effect to the right of a former holder of a legal interest in property to any remaining proceeds resulting from the foreclosure and sale of the property to satisfy delinquent real property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, as recognized by the Michigan supreme court in *Rafaeli, LLC v Oakland County*, docket no. 156849, consistent with the legislative findings and intent under section 78 of the general property tax act, 1893 PA 206, MCL 211.78."

Popular name: Act 206

211.79 Certified abandoned property; definition.

Sec. 79. (1) For taxes levied after December 31, 1998, certified abandoned property is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in this section and sections 78, 78a, and 78g to 78p.

(2) As used in this act, "certified abandoned property" means property that has been returned as delinquent to the county treasurer on March 1 of each tax year and is certified as certified abandoned property under the certification of abandoned property for accelerated forfeiture act.

History: Add. 1999, Act 133, Imd. Eff. July 23, 1999.

Popular name: Act 206

211.79a Abandoned property; action to quiet title.

Sec. 79a. (1) A person who holds a tax deed issued on abandoned property may quiet title to that abandoned property in the circuit court of the county in which the abandoned property is located by doing all of the following:

(a) The tax deed holder or his or her authorized agent conducts a title search on the abandoned property.

(b) After conducting the title search as provided in subdivision (a), the tax deed holder or his or her authorized agent sends notice by certified mail, return receipt requested, to the owner and to all persons with a

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legal interest in each parcel of abandoned property subject to accelerated foreclosure under this section, as determined by the records in the office of the register of deeds and in records maintained by the county treasurer and the state treasurer. If, for any reason, the notice cannot be delivered to the last recorded address of the owner or persons with a legal interest in the abandoned property, notice shall be made by publication. The notice shall be published for 4 successive weeks, once each week, in a newspaper published and circulated in the county in which the parcel is located, if there is one. If no newspaper is published in the county where the parcel is located, publication shall be made in a newspaper published and circulated in an adjoining county. Publication under this subdivision is subject to the requirements set forth in section 65.

(c) At the request of the tax deed holder, the building inspector of the municipality in which the property is located inspects the property and executes an affidavit attesting that the abandoned property is vacant, dilapidated, or open to entrance or trespass. The cost of the inspection shall be paid by the tax deed holder and shall be included in the amount necessary to redeem the property.

(d) The tax deed holder or his or her authorized agent posts a notice on the abandoned property not less than 90 days before a foreclosure action is brought under this subsection.

(e) The notice required under this subsection shall include, but is not limited to, all of the following:

(*i*) The legal description, parcel number, and, if known, the street address of the abandoned property.

(*ii*) A statement of the total amount that must be paid to the county treasurer to redeem the abandoned property within 90 days of receipt of the notice, including fees to cover the cost of a title search, publication, and inspection by the municipal building inspector.

(*iii*) A statement of the person's rights of redemption and notice that the rights of redemption will expire 90 days after the person has received notice by mail or publication.

(*iv*) A statement that unless the taxes, interest, penalties, and fees are paid before the 90-day redemption period expires and a judgment of foreclosure is entered, title to the abandoned property shall vest absolutely in the petitioning tax deed holder.

(f) If the abandoned property is not redeemed by the owner or a person with a legal interest in the abandoned property by payment to the county treasurer within 90 days of service of the notice, the tax deed holder may bring an action in the circuit court of the county in which the abandoned property is located and petition the court to issue a judgment to quiet title in favor of the tax deed holder. The tax deed holder shall provide all of the following to the circuit court:

(*i*) An affidavit from the building inspector of the municipality as provided in subdivision (c).

(*ii*) A title search on the abandoned property that identifies all owners and persons with a legal interest in the abandoned property as determined by the records maintained in the office of the register of deeds, the county treasurer, and the state treasurer.

(*iii*) Proofs of service required under this section. If a tax deed holder fails to serve notice on 1 or more persons with a legal interest in the abandoned property as required under this section, service on any other person is not invalidated and the redemption period for any other person is not stayed or extended.

(*iv*) An affidavit from the county treasurer certifying to the lack of payment within the 90-day redemption period.

(2) If the circuit court enters a judgment in favor of the petitioning tax deed holder, the circuit court shall foreclose the abandoned property as requested in the petition for foreclosure. The circuit court's judgment shall specify all of the following:

(a) The legal description and, if known, the street address and parcel number of the abandoned property foreclosed.

(b) That fee simple title to the abandoned property foreclosed by the judgment is vested absolutely in the petitioning tax deed holder without any further rights of redemption.

(c) That, as of the date of the judgment, all delinquent property taxes, demolition liens, and all other municipal liens of any kind, except future installments of special assessments, are extinguished.

(d) That all existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way.

(e) That the petitioning tax deed holder has good and marketable fee simple title to the property.

(3) If a judgment for foreclosure is entered under subsection (2) and all existing recorded and unrecorded interests in a parcel of property are extinguished as provided in the judgment, the owners of any extinguished recorded or unrecorded interest in that property shall not bring an action for possession of the property against any subsequent owner, but may only bring an action to recover monetary damages. An action to recover monetary damages under this subsection shall not be brought more than 2 years after a judgment for foreclosure is entered under subsection (2). Monetary damages shall be determined as of the date a judgment for foreclosure is entered under subsection (2).

(4) For purposes of this section, property shall be considered abandoned if all of the following

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requirements are satisfied:

(a) Within 30 days before the commencement of foreclosure proceedings under this section, the tax deed holder mails by certified mail, return receipt requested, to the last known address of the owner and all persons with a legal interest in the abandoned property a notice that the property is abandoned and that the tax deed holder intends to foreclose it.

(b) Before commencement of foreclosure proceedings under this section, the tax deed holder executes and records an affidavit in the office of the register of deeds in the county in which the abandoned property is located that states all of the following:

(*i*) That the tax deed holder has mailed to the last known address of the owner and all persons with a legal interest in the abandoned property a notice of abandonment and intention to foreclose pursuant to subdivision (a) and that the owner or any person with a legal interest in the abandoned property has not responded to the notice.

(*ii*) That the tax deed holder or his or her authorized agent has made a personal inspection of the abandoned property and that the inspection did not reveal that the owner or any person with a legal interest in the abandoned property is presently occupying or intends to occupy the abandoned property.

(c) The tax deed holder mails by certified mail, return receipt requested, a copy of the affidavit recorded under subdivision (b) to the owner or any person with a legal interest in the abandoned property at his or her last known address before commencing foreclosure proceedings under this section.

(d) The owner or any person with a legal interest in the abandoned property, before the judgment of foreclosure is entered, does not give a written affidavit to the tax deed holder and record a duplicate original in the office of the register of deeds of the county in which the abandoned property is located stating that the owner or person with a legal interest in the abandoned property is occupying or intends to occupy the abandoned property.

History: Add. 1999, Act 133, Imd. Eff. July 23, 1999.

Popular name: Act 206

TAX LANDS HELD BY THE STATE.

211.83-211.86 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to tax lands held by state.

Popular name: Act 206

ACCOUNTS AND SETTLEMENT THEREOF.

211.87 Adjustment of accounts; statement of account; interest on delinquent payments; charge back lists.

Sec. 87. (1) The accounts between this state and each county and local tax collecting unit in this state shall be adjusted on the basis of crediting and paying to each county and local tax collecting unit the taxes collected by and for each county and local tax collecting unit with interest on those taxes.

(2) The state treasurer shall, on January 1, April 1, July 1, and October 1 in each year, make a statement of account between this state and each county and deliver the statement of account to the county treasurer of each county together with a warrant payable to the county treasurer for all money in the state treasury collected for the county, a local tax collecting unit, school district, or highway in that county, or any other purposes for that county, local tax collecting unit, school district, or highway. The state treasurer shall send notice of the warrant to the county clerk.

(3) At the time designated in subsection (2), the county treasurer shall pay to this state all money collected and due from that county to this state, as shown by the statement of account prepared by the state treasurer. On January 15, and on the fifteenth day of each month thereafter, the county treasurer shall pay to this state all money coming into his or her hands from the collection of the state tax, and shall transmit a sworn statement of the amount of taxes received from the collector in each assessing district in that county. The collector in each assessing district in the county shall pay to the county treasurer of its respective county all money collected not later than January 10, and not later than the tenth day of each month thereafter until the regular quarterly settlement for the quarter ending March 31 is made each year. The county treasurer or collector of each assessing district in the county shall also pay to the state treasurer for the use of this state 1/2 of 1% for each month or fraction of a month as interest on all money in his or her possession belonging to this state and not remitted on the fifteenth of the month. The state treasurer shall include all sums due as interest in his or her quarterly statement to the county treasurer. The sum due as interest shall be paid by the county the same as the taxes are paid and collected by the county from the treasurer or the sureties on his or her bond.

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(4) The county treasurer of each county shall, on or before the fifteenth day of each month, make out a detailed statement of account for the preceding calendar month between the county and the local tax collecting units in that county. The statement shall show the different funds to which the several debits and credits belong. The county treasurer shall deliver the statement to the treasurer of the local tax collecting unit and pay the amount shown by the statement to the local tax collecting unit. The county treasurer shall notify the clerk of the local tax collecting unit of the total amount paid and provide a description of the property upon which the taxes were paid. The county clerk shall charge that amount to the county treasurer, and the clerks of the local tax collecting units shall charge that amount to the treasurers of the local tax collecting units on the books of their respective offices.

(5) Treasurers for the local tax collecting units are not required to make a settlement with the county treasurer for the items of state and county taxes included in the annual charge back list until the annual settlement with the county treasurer.

(6) The county board of commissioners by majority vote may authorize the county treasurer to pay directly to the school districts all money shown on the statement to be due to the school districts within the county. In that case the county superintendent is not required to compute and report delinquent school taxes handled by the county.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 154, Eff. Aug. 30, 1895;—Am. 1897, Act 224, Imd. Eff. May 29, 1897;—CL 1897, 3910;—Am. 1899, Act 83, Imd. Eff. May 25, 1899;—CL 1915, 4085;—Am. 1925, Act 54, Eff. Aug. 27, 1925;—Am. 1929, Act 105, Eff. Aug. 28, 1929;—CL 1929, 3480;—Am. 1933, Act 134, Eff. Oct. 17, 1933;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—CL 1948, 211.87;—Am. 1963, Act 25, Eff. Sept. 6, 1963;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.87a Detailed statement of delinquent taxes to school district; contents; city or township treasurer; duty.

Sec. 87a. The township or city clerk shall within 10 days after receiving the notice from the county treasurer of the amount of delinquent taxes and a description of the land upon which said taxes were paid, make out and deliver to the moderator or secretary of the district board or board of education of each school district situated in whole or in part within such township or city to which money may be due from delinquent school taxes as shown by the statement of the county treasurer, a detailed statement showing the amount of such delinquent school tax together with the interest thereon and the year of assessment thereof and deliver a copy of such statement to the township or city treasurer. The township or city treasurer shall forthwith pay all moneys shown by such statement to be due such school district to the proper receiving officer of such district and notify the secretary or director of each respective school district of the total amount paid to the school treasurer.

History: Add. 1929, Act 221, Eff. Aug. 28, 1929;—CL 1929, 3481;—Am. 1931, Act 87, Eff. Sept. 18, 1931;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—CL 1948, 211.87a.

Popular name: Act 206

211.87b Delinquent tax revolving fund; creation; designation; payments; commingled money, property, or assets; recovery of delinquent taxes and interest; reduction of interest rate; lien; validation and confirmation of resolution or agreement; separate funds or accounts; county treasurer as agent; powers and duties of county treasurer; interest charges, penalties, and county property tax administration fee rates; transfer of surplus; borrowing money; alternative method for paying delinquent taxes; effect of MCL 211.87f.

Sec. 87b. (1) The county board of commissioners of any county, on behalf of the taxing units in the county and, for purposes of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, this state, may create a delinquent tax revolving fund that, at the option of the county treasurer, may be designated as the "100% tax payment fund". Upon the establishment of the fund, all delinquent taxes, except taxes on personal property, due and payable to the taxing units in the county, except those units that collect their own delinquent taxes after March 1 by charter or otherwise, are due and payable to the county, on behalf of the taxing units in the county and this state. Money and other property and assets held in the delinquent tax revolving fund shall be kept separate from and shall not be commingled with any other money, property, or assets in the custody of the county treasurer. All money, property, and assets acquired by the county treasurer, whether as revenues or otherwise, shall be held by it in trust for the taxing units in the county for which the taxes are levied. The county shall have no right, title, or interest in the delinquent tax revolving fund except for the right to payment provided for in section 87b(7) or 87c(3). If the county determines to borrow pursuant to section 87c or 87d, that borrowing shall be done on behalf of the county and

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its taxing units and the primary obligation to pay to the county the amount of taxes and the interest on the taxes shall rest with the local taxing units and this state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. If the delinquent taxes that are due and payable to the county are not received by the county on behalf of the taxing units in the county and this state for any reason, the county has full right of recourse against the taxing unit or to this state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to recover the amount of the delinquent taxes and interest at the rate of 1% per month or fraction of a month or a lower rate as established by resolution of the board of commissioners until repaid to the county by the taxing unit. However, if the county borrows to provide funds for those payments, the interest rate shall not exceed the highest interest rate paid on that borrowing. If the board of commissioners reduces the interest rate on the recovery of uncollected delinquent taxes as provided in this subsection, that decrease shall not apply to any year's delinquent taxes when borrowing against that year's delinquent taxes occurred before the board of commissioners adopted a resolution to reduce the interest rate on the recovery of uncollected delinquent taxes. Any amount that is due from a local taxing unit or this state for a prior year's uncollected delinquent tax is a lien against any future delinquent tax payments that may be payable to a local taxing unit or this state and the lien shall be satisfied by offsetting the amount due to the county from the local taxing unit or this state when distributions from the delinquent tax revolving fund are made by the county to the local taxing unit or this state in a subsequent year. A resolution or agreement previously executed or adopted to this effect is validated and confirmed. For delinquent state education taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, the county may offset uncollectible delinquent taxes against collections of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by the county and owed to this state under this act. The fund shall be segregated into separate funds or accounts for each year's delinquent taxes. A separate delinquent tax revolving fund shall be created for each year's delinquent taxes in any county that elects to borrow under section 87f. This subsection does not restrict a foreclosing governmental unit from selling or transferring property under section 78m or 78r.

(2) If a delinquent tax revolving fund is established, the county treasurer shall be the agent for the county, on behalf of the taxing units in the county and this state, and, without further action by the county board of commissioners, may enter into contracts with other municipalities, this state, or private persons, firms, or corporations in connection with any transaction relating to the fund or any borrowing made by the county pursuant to section 87c or 87d, including all services necessary to complete this borrowing.

(3) The county treasurer shall pay from the fund any or all delinquent taxes that are due and payable to the county and any school district, intermediate school district, community college district, city, township, special assessment district, this state, or any other political unit for which delinquent tax payments are due within 20 days after sufficient funds are deposited within the delinquent tax revolving fund or, if the county treasurer is treasurer for a county with a population greater than 1,500,000 persons, within 30 days after sufficient funds are deposited within the delinquent tax revolving fund. In a county with a delinquent tax revolving fund where the county does not borrow pursuant to section 87c or 87d, if the county treasurer does not make payment of the delinquent taxes to the local units within 10 days after the completion of county settlement with all local units under section 55, the county shall pay interest on the unpaid delinquent taxes from the date of actual county settlement at the rate of 12% per annum for the number of days involved.

(4) Except as provided in subsection (5), the county treasurer shall pay from the fund directly to a school district its share of the fund when a single school district exists within a political unit.

(5) If a local taxing unit has borrowed money in anticipation of collecting taxes for any school district or other municipality and the county treasurer has been so notified in writing, the county treasurer shall pay to the local taxing unit the shares of the fund for that school district or municipality. For purposes of this subsection, "local taxing unit" means a city, village, or township.

(6) The interest charges, penalties, and county property tax administration fee rates established under this act shall remain in effect and shall be payable to the county delinquent tax revolving fund.

(7) Any surplus in the fund may be transferred to the county general fund by appropriate action of the county board of commissioners.

(8) A county board of commissioners may borrow money to create a delinquent tax revolving fund as provided in section 87c or 87d, or both.

(9) This section shall not supersede section 87 but is an alternative method for paying delinquent taxes to local units. However, where this section is used by a county, section 87 shall not be used.

(10) Except for subsection (7), this section may be superseded by section 87f, as provided in section 87f(1).

History: Add. 1968, Act 107, Imd. Eff. June 7, 1968;—Am. 1969, Act 218, Imd. Eff. Aug. 6, 1969;—Am. 1971, Act 155, Imd. Eff.

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Nov. 24, 1971;—Am. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1976, Act 292, Imd. Eff. Oct. 25, 1976;—Am. 1980, Act 48, Imd. Eff. Mar. 21, 1980;—Am. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 1984, Act 48, Imd. Eff. Apr. 9, 1984;—Am. 1984, Act 264, Imd. Eff. Dec. 17, 1984;—Am. 1994, Act 189, Imd. Eff. June 21, 1994;—Am. 2002, Act 198, Imd. Eff. Apr. 29, 2002;—Am. 2014, Act 33, Imd. Eff. Mar. 11, 2014;—Am. 2014, Act 126, Imd. Eff. May 20, 2014;—Am. 2016, Act 82, Imd. Eff. Apr. 12, 2016;—Am. 2017, Act 27, Imd. Eff. May 4, 2017.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

211.87c Delinquent tax revolving fund; resolution authorizing borrowing and issuance of notes; amounts; limitation; pledge of delinquent taxes; segregated fund or account; disposition of note proceeds; requirements as to notes and resolution authorizing issuance; sale and award of notes; full faith and credit; designation as general obligation tax notes; provisions; payment and registration of notes; county under home rule charter; notes secured under trust or escrow agreement; exemption from revised municipal finance act; effect of MCL 211.87f.

Sec. 87c. (1) A county that has created a fund pursuant to section 87b by resolution of its board of commissioners and without a vote of its electors may borrow money and issue its revolving fund notes to establish or continue, in whole or in part, the delinquent tax revolving fund and to pay the expenses of the borrowing.

(2) If a fund is created and a county determines to borrow pursuant to this section, the county treasurer shall be the agent for the county, on behalf of the taxing units in the county and this state, in connection with all transactions relative to the fund.

(3) If provided by separate resolution of the county board of commissioners for any year in which a county determines to borrow for the purposes provided in this section and subject to subsection (4), there shall be payable to the county treasurer's office from the surplus in the fund after payment of the principal of and interest on the notes and the expenses of the borrowing an amount equal to the following for delinquent tax administration expenses:

(a) For any delinquent tax on which the interest rate before sale exceeds 1% per month, 1/27 of the interest collected per month.

(b) For any delinquent tax on which the interest rate before sale is 1% per month or less, 3/64 of the interest collected each month.

(c) Notwithstanding any other provision of this act or other law to the contrary, a county shall not pay any sums due to a county treasurer for services as agent for that county that have not been paid prior to December 21, 2012.

(4) The total sum payable under subsection (3) shall not exceed 5% of the total budget of the treasurer's office for that year.

(5) If a county determines to borrow pursuant to this section, the delinquent taxes from which the borrowing is to be repaid and, to the extent held in the delinquent tax revolving fund, any money and other property and assets received in connection with those delinquent taxes and revenues derived from the delinquent taxes and money and other property and assets, including any money in a note reserve fund, shall be pledged as security for, and used for the payment of, the principal and interest of the notes until the notes are paid in full, including interest. Money and other property held in the delinquent tax revolving fund shall be kept separate from and shall not be commingled with any other money in the custody of the county treasurer. The segregated fund or account shall be established as a part of the delinquent tax revolving fund and shall be accounted for separately on the books of the county treasurer.

(6) The proceeds of the notes shall be placed in and used as the whole or part of the fund established pursuant to section 87b, after the expenses of borrowing have been deducted.

(7) The notes issued pursuant to this section shall comply with all of the following:

(a) Be in an aggregate principal amount not exceeding the aggregate amount of the delinquent taxes pledged, exclusive of interest.

(b) Bear interest not exceeding 14.5% per annum.

(c) Be in those denominations, and mature on the date not exceeding 6 years after their date of issue, as the board of commissioners by its resolution determines.

(d) May be issued at an original issue discount not to exceed 2% of the face value of the note issued.

(8) The resolution authorizing issuance of the notes may provide that all or part of the notes shall be

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subject to prepayment and, if subject to prepayment, shall provide the amount of call premium payable, if any, the number of days' notice of prepayment that shall be given, and whether the notice shall be written or published, or both. Otherwise, the notes shall not be subject to prepayment.

(9) The sale and award of notes shall be conducted and made by the treasurer of the county issuing them at a public or private sale. If a public sale is held, the notes shall be advertised for sale once not less than 5 days before sale in a publication printed in the English language and circulated in this state that carries as a part of its regular service notices of the sales of municipal bonds and that has been designated in the resolution as a publication complying with these qualifications. The notice of sale shall be in the form designated by the county treasurer. The notes may be sold subject to the option of the county treasurer and the county treasurer may withhold a part of the issue from delivery if, in his or her opinion, sufficient funds are available before delivery of the notes to make full delivery unnecessary to the purposes of the borrowing.

(10) The notes are full faith and credit obligations of the county issuing them and, subject to section 87d, if the proceeds of the taxes pledged are not sufficient to pay the principal and interest of the notes when due, the county shall impose a general ad valorem tax without limitation as to rate or amount on all taxable property in the county to pay the principal and interest and may reimburse itself from delinquent taxes collected.

(11) If the resolution provides and subject to section 87d, the notes may be designated general obligation tax notes.

(12) Notwithstanding any other provisions of this section and section 87d, all the following apply:

(a) Interest on the notes may be payable at any time provided in the resolution, and may be set, reset, or calculated as provided in the resolution.

(b) Notes issued under this section may have 1 or more of the following attributes:

(*i*) Made the subject of a put or agreement to repurchase by the county treasurer.

(*ii*) Secured by a letter of credit issued by a bank under an agreement entered into by the county treasurer or by any other collateral that the resolution may authorize.

(*iii*) Callable as set forth in the resolution.

(*iv*) Reissued by the county treasurer once reacquired by the county treasurer under any put or repurchase agreement.

(c) The county treasurer may by order do 1 or more of the following:

(*i*) Authorize the issuance of renewal notes.

(*ii*) Refund or refund in advance notes by the issuance of new notes, whether the notes to be refunded have or have not matured.

(*iii*) Issue notes partly to refund notes and partly for any other purposes authorized by this act.

(*iv*) Buy and sell any notes issued under this section.

(d) Renewal, refunding, or advance refunding notes shall comply with all of the following:

(*i*) Shall be sold and the proceeds applied to the purchase redemption or payment of the notes to be renewed or refunded.

(*ii*) Shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(*iii*) May be sold or resold at a public or private sale.

(*iv*) May pledge the delinquent taxes pledged in the issue to be refunded in advance after the original issue is defeased by the advance refunding issue.

(e) Notes may be issued secured by a second lien on delinquent taxes, interest, and county property tax administration fees already the subject of a first lien because of the issuance of a prior note issue.

(f) Any notes issued may be secured in whole or in part under a trust or escrow agreement, which agreement may also govern the issuance of renewal notes, refunding notes, and advance refunding notes. The agreement may authorize the trustee or escrow agent to make investments of any type authorized in the agreement.

(13) The notes issued under this section and interest on the notes shall be payable in lawful money of the United States of America and shall be exempt from all taxation by this state or a taxing authority in this state.

(14) The notes issued under this section may be made payable at a bank or trust company, or may be made registrable as to principal or as to principal and interest under the terms and conditions specified in the authorizing resolution or by the county treasurer when awarding the notes.

(15) Notwithstanding 1966 PA 293, MCL 45.501 to 45.521, a county operating under a home rule charter shall not be restricted by the provisions of the home rule charter in connection with the powers granted to the county to issue notes by sections 87b and 87d and this section. The treasurer of a county described in this subsection, notwithstanding any charter provisions to the contrary, shall have all of the powers granted to county treasurers by sections 87b and 87d and this section.

(16) If the treasurer authorizes on the order authorizing the notes, any notes issued may be secured in whole or in part under a trust or escrow agreement. That agreement may authorize the trustee or escrow agent

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to make investments of any type authorized in the agreement.

(17) Notes issued under this act are exempt from the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(18) This section may be superseded by section 87f, as provided in section 87f(1).

History: Add. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1980, Act 48, Imd. Eff. Mar. 21, 1980;—Am. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1988, Act 450, Imd. Eff. Dec. 27, 1988;—Am. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2002, Act 165, Imd. Eff. Apr. 11, 2002;—Am. 2012, Act 431, Imd. Eff. Dec. 21, 2012;—Am. 2016, Act 82, Imd. Eff. Apr. 12, 2016.

Popular name: Act 206

211.87d Submitting to voters question of issuing revolving fund notes at general or special election; establishment of revolving fund; limitation; form of question; issuance of notes; issuance of general obligation tax notes secured by delinquent taxes; submitting question annually; issuance of nonvoted notes; issuance of coupon notes.

Sec. 87d. (1) Notwithstanding section 87c(10), a county which determines to borrow pursuant to section 87c may submit to its voters the question of issuing revolving fund notes at any general or special election, which question shall provide for the establishment of the revolving fund for not to exceed 10 years and shall be in substantially the following form:

"Shall the county of _____ establish or continue for _____ years a delinquent tax revolving fund and, in connection with that fund, borrow an amount not to exceed the delinquent taxes pledged for repayment of the borrowing or borrowings, as may be made each year, and issue its general obligation unlimited tax notes, pledging the county's full faith and credit for the purpose of providing money for the delinquent tax revolving fund?"

(2) If a majority of the electors voting on the question vote in favor of the question, the county may proceed to issue the notes as provided for in this act, which notes may be designated general obligation unlimited tax notes.

(3) If a majority of the electors voting on the question vote against the question, or if the question is not submitted, the county may also issue the notes but only in accordance with subsection (6).

(4) In addition, this section shall validate a question submitted to the electors before the effective date of this section in which the electors were asked to approve the issuance of general obligation tax notes secured by delinquent taxes, regardless of how the question may have been phrased. The defeat of the question shall require that the notes be issued as nonvoted until a future question is approved by the electors.

(5) A county may submit to its electors the question authorized by this section once each calendar year.

(6) If nonvoted notes are issued pursuant to section 87c:

(a) The resolution authorizing the borrowing and issuance of the notes shall establish the pledged delinquent taxes, the interest thereon, and any amounts received in the future from taxing units in the county because of the uncollectibility of any delinquent taxes as funds pledged to note repayment, which amounts shall be placed in a segregated fund and used for no other purpose except to repay the notes and the interest thereon. The resolution shall provide that the expenses of borrowing shall be repaid from the county property tax administration fees on the pledged delinquent taxes and the balance of the county property tax administration fees may be added to the funds pledged to note repayment, if the resolution provides.

(b) The notes shall be designated general obligation limited tax notes.

(c) The resolution may establish a special fund to secure the notes referred to as a note reserve fund and shall pay into the note reserve fund any proceeds of sale of the notes to the extent provided in the resolution authorizing issuance of the notes. All money in the note reserve fund, except as hereafter provided, shall be added to the funds pledged to note repayment and shall be used solely for payment of principal and interest on the notes for which the fund was established, or the purchase of notes for which the fund was established. Money in the note reserve fund shall first be withdrawn for payment of principal and interest on notes before other county general funds are used to make the payments. All income or interest earned by, or increment to, the note reserve fund due to its investment or reinvestment shall be deposited in the delinquent tax revolving fund, when the notes for which the fund was established are retired. The resolution shall provide that when the note reserve fund is sufficient to retire the notes and accrued interest thereon, it may be so used.

(d) A resolution which establishes a note reserve fund may provide for an additional borrowing of an amount not to exceed the amount of the reserve, and the county shall have the power to borrow that additional amount.

(e) The notes shall be the full faith and credit obligations of the county issuing them. If the proceeds of the taxes and interest and, when pledged, county property tax administration fees, or note reserve fund are not sufficient to pay the principal and interest, when due, the county shall pay the same from its general funds or any additional tax which may be levied within its constitutional and statutory debt limits, and the county may

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thereafter reimburse itself from delinquent taxes collected. The county's obligation to pay from its general funds shall be its first budget obligation and shall be provided for in the borrowing resolution in the following language:

"This note issue, in addition, shall be a general obligation of the county of _____, secured by its full faith and credit, which shall include this county's limited tax obligation, within applicable constitutional and statutory limits, and its general funds. The county budget shall provide that if the pledged delinquent taxes and any other pledged amounts are not collected in sufficient amounts to meet the payments of principal and interest due on these notes, the county, before paying any other budgeted amounts, will promptly advance from its general funds sufficient money to pay that principal and interest."

(7) If coupon notes are issued, pursuant to section 87c or this section:

(a) Interest shall be payable semiannually or annually.

(b) The coupons shall specify the source from which the notes shall be payable, which may be by reference to the note itself.

(c) The coupons shall contain the facsimile signature of the county treasurer.

History: Add. 1978, Act 532, Imd. Eff. Dec. 21, 1978;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

211.87e, 211.87f Repealed. 2002, Act 165, Imd. Eff. Apr. 11, 2002.

Compiler's note: The repealed sections pertained to issuance, reissuance, and renewals of notes.

Popular name: Act 206

211.87f Delinquent tax revolving fund; continuation; resolution; designation; commingled money, property, or assets; right, title, or interest of county; right of recourse; interest rate; lien; validation and confirmation of resolution or agreement; segregated fund or account; county treasurer as agent; powers and duties of county treasurer; approval of resolution adopted pursuant to subsection (1).

Sec. 87f. (1) In any county that has created a delinquent tax revolving fund under section 87b, the county board of commissioners may, by resolution, elect to continue the delinquent tax revolving fund under this section. Except for section 87b(7) and all of the powers granted to a county treasurer by sections 87b and 87c, this section supersedes sections 87b and 87c as to a delinquent tax revolving fund continued under this section. A resolution passed under this subsection shall authorize the county treasurer to do the following:

(a) Operate the delinquent tax revolving fund for delinquent taxes returned for collection for the period during which delinquent tax revenue notes secured by delinquent taxes pledged from the delinquent tax revolving fund remain outstanding.

(b) In that year, issue the county's delinquent tax revenue notes pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.103 to 141.140, in an amount that will not exceed the aggregate amount of the following:

(*i*) The delinquent taxes pledged to secure each borrowing.

(*ii*) At the option of the county treasurer and to the extent authorized under subsection (6), a note reserve fund in an amount not to exceed 15% of each borrowing.

(*iii*) The cost of issuance.

(2) Upon the board of commissioners' passage of the resolution under subsection (1), the delinquent tax revolving fund shall be continued, and the fund may be designated by the county treasurer as the "100% tax payment fund". Thereafter, all delinquent taxes, except taxes on personal property, due and payable to the taxing units in the county, except those units that collect their own delinquent taxes after March 1 by charter or otherwise, are due and payable to the county treasurer, on behalf of the taxing units in the county and this state. Money and other property and assets held in the delinquent tax revolving fund shall be kept separate from and shall not be commingled with any other money, property, or assets in the custody of the county treasurer. All money, property, and assets acquired by the county treasurer, whether as revenues or otherwise, shall be held by it in trust for the taxing units in the county for which the taxes are levied. The county shall have no right, title, or interest in the delinquent tax revolving fund except for the right to payment provided for in sections 87b(7) and 87c(3), and under section 22a(2) of the revenue bond act of 1933, 1933 PA 94, MCL 141.122a. If the county determines to borrow pursuant to section 87c or 87d, that borrowing shall be done on behalf of the county and its taxing units and the primary obligation to pay to the county treasurer the

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amount of taxes and the interest on the taxes shall rest with the local taxing units and this state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. If the delinquent taxes that are due and payable to the county treasurer on behalf of the taxing units in the county and this state are not received by the county treasurer for any reason, the county treasurer has full right of recourse against the taxing unit or to this state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to recover the amount of the delinquent taxes and interest at the rate of 1% per month or fraction of a month or a lower rate as established by resolution of the board of commissioners until repaid to the county treasurer by the taxing unit. However, if the county treasurer borrows to provide funds for those payments, the interest rate shall not exceed the highest interest rate paid on that borrowing. If the board of commissioners reduces the interest rate on the recovery of uncollected delinquent taxes as provided in this subsection, that decrease shall not apply to any year's delinquent taxes when borrowing against that year's delinquent taxes occurred before the board of commissioners adopted a resolution to reduce the interest rate on the recovery of uncollected delinquent taxes. Any amount that is due from a local taxing unit or this state for a prior year's uncollected delinquent tax is a lien against any future delinquent tax payments that may be payable to a local taxing unit or this state and the lien shall be satisfied by offsetting the amount due to the county from the local taxing unit or this state when distributions from the delinquent tax revolving fund are made by the county treasurer to the local taxing unit or this state in a subsequent year. A resolution or agreement previously executed or adopted to this effect is validated and confirmed. For delinquent state education taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, the county may offset uncollectible delinquent taxes against collections of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by the county and owed to this state under this act. The fund shall be segregated into separate funds or accounts for each year's delinquent taxes.

(3) The delinquent taxes returned to the county treasurer shall remain the property of the local units of government and the county treasurer shall solely serve as a collection agent for those delinquent taxes, with a county treasurer or other foreclosing governmental unit authorized to perform collection functions under sections 78 to 78s.

(4) All of the taxes, interest, fees, and charges required to be collected by the county treasurer by this act related to delinquent taxes shall remain in full force and effect in the event this section applies.

(5) Subject to the limitations of subsections (1) and (6), the county treasurer shall have the power to borrow money and issue delinquent tax revenue notes as permitted by the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, for the purpose of continuing the delinquent tax revolving fund. Delinquent tax revenue notes issued pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, shall be secured by a statutory lien on the delinquent taxes from which the borrowing is to be repaid and all other property and assets and any revenues derived from the delinquent taxes and other property and assets that are held in the delinquent tax revolving fund. The lien shall automatically attach without further action or authorization by the county. The lien on the delinquent taxes and all other property and assets that are held in the delinquent tax revolving fund and any revenues derived from those sources shall be valid and binding from the time the notes are executed and delivered. The lien shall automatically attach and be effective, binding, and enforceable against the county, its successors, transferees, and creditors, and all others asserting rights, regardless of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. In addition, the amounts collected that are subject to the lien shall be held in trust for the owners of the notes authorized by this subsection. Any property eligible to be conveyed and properly conveyed to a land bank fast track authority as tax reverted property, as defined by section 3(q) of the land bank fast track act, 2003 PA 258, MCL 124.753, or to this state or a person, city, village, township, or county pursuant to section 78m or 78r shall be released from any lien created under this section.

(6) The resolution adopted pursuant to subsection (1) authorizing the county treasurer to issue delinquent tax revenue notes pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, shall be approved by the county board of commissioners and, in a charter or unified county, the chief executive officer of the county in the manner authorized under the charter or by law. The resolution shall also specify the following:

(a) The existence of a note reserve, if any, to meet any possible future deficiencies in the note and interest redemption account created for a note.

(b) The reasonable excess amount of the reserve authorized to be created to secure the delinquent tax revenue notes and the maximum size of the reserve, which shall not exceed 15% of the principal amount of the notes to be issued.

(c) The amount of any excess delinquent taxes, if any, that may be set to fund or provide for a reserve for future deficiencies in amounts available to repay the county's delinquent tax revenue notes.

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(d) Any additional security under section 7b(5) or (6) of the revenue bond act of 1933, 1933 PA 94, MCL 141.107b.

History: Add. 2016, Act 82, Imd. Eff. Apr. 12, 2016;—Am. 2017, Act 27, Imd. Eff. May 4, 2017.

Popular name: Act 206

211.87g Contract for registration of notes with bank or trust company; provisions; delivery of notes to depository trustee; authentication; issuance of registered notes without actual or facsimile seal or signature of treasurer.

Sec. 87g. If the borrowing resolution so provides, any county treasurer may enter into a contract for the registration of notes with a bank or trust company having trust powers which may include provisions governing the issuance, reissuance, transfer, or exchange of notes on behalf of the county by the bank or trust company. Where a treasurer pursuant to such a contract delivers an original note or notes for such issue to a bank or trust company acting as a depository trustee with the understanding that the depository trustee will make appropriate book entries showing the holders of such notes, the bank or trustee by authentication shall, notwithstanding section 87c, be empowered to issue fully registered notes to the owners thereof on behalf of the treasurer without placing the actual or facsimile seal or signature of the treasurer thereon. A bank or trust company acting as registrar or depository trustee may authenticate notes by facsimile signature of an authorized officer or employee of the bank or trust company.

History: Add. 1983, Act 187, Imd. Eff. Oct. 26, 1983.

Popular name: Act 206

211.88 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to auditor general tax report.

Popular name: Act 206

211.89 Provisions applicable for time period prescribed in subsection (2); applicability of subsection (1).

Sec. 89. (1) Notwithstanding sections 59, 60, 74, 87c, and 87d, the following provisions shall apply for the time period prescribed in subsection (2):

(a) To the extent not waived pursuant to section 59(3), there shall be added to all delinquent taxes unpaid after March 1, interest at the rate of 1.25% per month or fraction of a month from the date the taxes originally become delinquent pursuant to this act, together with a county property tax administration fee equal to 4% of the delinquent taxes or $2.00 per payment of delinquent taxes, whichever is greater, which amounts shall be paid to the county treasurer.

(b) In addition to the expenses specified in section 59, delinquent tax sales shall include a county property tax administration fee equal to 4% of the delinquent taxes, and interest computed at a rate of 1.5% per month from the date the taxes originally become delinquent under this act.

(c) The rate of interest to be paid to the treasurer under section 74 shall be computed at the rate of 1.5% per month or fraction of a month.

(d) The rate of interest to be paid to the department of treasury pursuant to section 84 shall be computed at the rate of 1.5% per month or fraction of a month.

(2) Subsection (1) shall apply as follows:

(a) In counties with a population of more than 1,500,000, it shall apply immediately except that it shall not apply to any delinquent taxes that became delinquent before March 1, 1981, or which become delinquent after February 28, 1983.

(b) In all other counties of this state it shall apply only to the 1981 delinquent taxes that become delinquent on or before March 1, 1982.

History: Add. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 2002, Act 166, Imd. Eff. Apr. 11, 2002.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Former MCL 211.89, pertaining to interest and collection fee on unpaid taxes, was repealed by Act 292 of 1976.

Popular name: Act 206

211.89a City with population of 600,000 or more; return of uncollected delinquent taxes to county treasurer; personal liability; right of city to bring in personam action; remittance by

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county treasurer.

Sec. 89a. (1) Notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, the city treasurer of a city with a population of 600,000 or more shall return all uncollected delinquent taxes levied on real property after December 31, 2002 on the March 1 immediately following the year in which the taxes are levied. For the purposes of this section, delinquent taxes include all interest and penalties that accrue after August 15 of the year in which all taxes billed by the city are levied if that interest and penalty remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(2) The city treasurer of a city with a population of 600,000 or more may return all uncollected delinquent taxes levied in 2001, 2002, or 2001 and 2002 to the county treasurer for collection under this section on March 1, 2004. A city treasurer shall provide the county treasurer written notice of his or her intent to return uncollected delinquent taxes levied in 2001 or 2002 under this subsection not later than February 1, 2004. If uncollected delinquent taxes levied in 2001 or 2002 are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in 2004.

(3) After the delinquent taxes levied on real property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes and, except for taxes levied on or before December 31, 2002, for the issuance of notes in anticipation of the collection of those taxes.

(4) A judgment entered under section 78k that extinguishes any lien for unpaid taxes or special assessments does not extinguish the right of the city to bring an in personam action under this act or its charter to enforce personal liability for those unpaid taxes or special assessments. The city may bring an in personam action to enforce personal liability for unpaid delinquent taxes levied prior to January 1, 2003 or special assessments not returned as delinquent under this section within 15 years after the taxes or special assessments are levied. An in personam action brought under this act or a city's charter to enforce personal liability for unpaid taxes is subject to section 47(4).

(5) If a city treasurer returns uncollected delinquent taxes levied on real property on or before December 31, 2002 to the county treasurer for collection under this section, the county treasurer shall remit to the city treasurer after each month the taxes and interest collected during that month.

History: Add. 1994, Act 189, Imd. Eff. June 21, 1994;—Am. 2003, Act 246, Imd. Eff. Dec. 29, 2003;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009;—Am. 2017, Act 189, Imd. Eff. Nov. 21, 2017.

Compiler's note: Enacting section 1 of Act 189 of 2017 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for any unpaid property taxes or special assessments subject to collection under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, on and after the date this amendatory act is enacted into law. However, this amendatory act is not intended to affect any final determination, not subject to further appeal, of personal liability in a proceeding or case decided by the tax tribunal or a court of this state issued before the date this amendatory act is enacted into law."

Popular name: Act 206

211.89b City with population of 600,000 or more; taxes levied after December 31, 2003.

Sec. 89b. For taxes levied after December 31, 2003, notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, a city with a population of 600,000 or more shall do all of the following:

(a) Prepare and submit to each taxpayer a statement indicating the amount of tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

(b) Collect the tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

History: Add. 2003, Act 246, Imd. Eff. Dec. 29, 2003;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.89c Solid waste fee; treatment as delinquent; applicability of section; "solid waste fee" defined.

Sec. 89c. (1) In any local tax collecting unit in a city with a population of 600,000 or more, the local tax collecting unit may treat as delinquent under sections 87b, 87c, and 87d a solid waste fee that is delinquent under the terms of any ordinance authorizing the solid waste fee, if that solid waste fee was included in the tax statement under section 44.

(2) If a solid waste fee is delinquent on the March 1 immediately preceding the date that the solid waste fee is returned as delinquent to the county treasurer under subsection (1), a county treasurer may include that solid waste fee in the county's delinquent tax revolving fund.

(3) If a solid waste fee is returned to a county treasurer as delinquent under subsection (2), that solid waste fee shall be a fee treated as a delinquent tax for purposes of sections 87b, 87c, and 87d and the property on

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which the fee is assessed is subject to forfeiture, foreclosure, and sale for delinquent taxes as provided in this act if the local tax collecting unit has also returned to that county treasurer uncollected delinquent taxes levied on the property on which the solid waste fee is assessed.

(4) If an owner redeems property that is his or her principal residence that is returned to the county treasurer for delinquent taxes and a delinquent solid waste fee is assessed to that owner's principal residence, the owner may redeem his or her principal residence without payment of the delinquent solid waste fee. As used in this subsection, principal residence means property exempt under section 7cc.

(5) This section applies to any fee that was delinquent on or after March 1, 2007 and that was included in the delinquent tax roll delivered to a county treasurer at the same time as delinquent taxes for a year in which the fee is assessed.

(6) As used in this section, "solid waste fee" means that term as defined in the ordinance or resolution of the local tax collecting unit authorizing the assessment of the solid waste fee and includes all interest, penalties, and fees imposed on that solid waste fee.

History: Add. 2007, Act 31, Imd. Eff. June 29, 2007;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.89d Return of uncollected delinquent taxes levied on real property after December 31, 2008; return of uncollected delinquent taxes levied on real property prior to December 31, 2008; personal liability; right of city to bring in personam action; definitions.

Sec. 89d. (1) Notwithstanding the provisions of the charter of a home rule city to the contrary, the city treasurer of an eligible city shall return to the county treasurer all uncollected delinquent taxes levied on real property after December 31, 2008 on the March 1 immediately following the year in which the taxes are levied.

(2) The city treasurer of an eligible city may return all uncollected delinquent taxes levied on real property prior to December 31, 2008 to the county treasurer for collection on March 1, 2010. A city treasurer shall provide written notice to the county treasurer of his or her intent to return uncollected delinquent taxes levied prior to December 31, 2008 under this subsection not later than February 1, 2010. If uncollected delinquent taxes levied prior to December 31, 2008 are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in 2010.

(3) After the uncollected delinquent taxes levied on real property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes and for the issuance of notes in anticipation of the collection of those taxes.

(4) A judgment entered under section 78k that extinguishes any lien for unpaid taxes or special assessments does not extinguish the right of the city to bring an in personam action under this act or its charter to enforce personal liability for those unpaid taxes or special assessments. The city may bring an in personam action to enforce personal liability for unpaid delinquent taxes levied prior to January 1, 2009 or special assessments not returned as delinquent under this section within 15 years after the taxes or special assessments are levied.

(5) As used in this section:

(a) "Delinquent taxes" or "uncollected delinquent taxes" includes the following:

(*i*) Any taxes levied by and payable to the city treasurer in installments the balance of which remains unpaid on January 1 immediately following the year in which the taxes are levied, and includes all interest and penalties that accrue after July 31 of the year in which all taxes billed by the eligible city are levied if that interest and those penalties remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(*ii*) Any liens for unpaid tax and assessment liability acquired by the eligible city after December 31, 1999 and prior to January 1, 2009 pursuant to provisions contained within the eligible city's charter.

(b) "Eligible city" means a city with a population of more than 50,000 and less than 100,000 that is located in a county with a population of less than 350,000 as determined by the most recent federal decennial census.

History: Add. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.89e Return of uncollected delinquent taxes levied on personal property after December 31, 2008; return of uncollected delinquent taxes levied on personal property prior to December 31, 2008; collection of taxes; provisions; definitions.

Sec. 89e. (1) Notwithstanding the provisions of the charter of a home rule city to the contrary, and with the agreement of the county treasurer, the city treasurer of an eligible city may return to the county treasurer all

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uncollected delinquent taxes levied on personal property after December 31, 2008 on the March 1 immediately following the year in which the taxes are levied.

(2) With the agreement of the county treasurer, the city treasurer of an eligible city may return all uncollected delinquent taxes levied on personal property prior to December 31, 2008 to the county treasurer for collection on March 1 of the year in which the county treasurer agrees to the return of uncollected delinquent taxes under this subsection. A city treasurer shall provide to the county treasurer written notice of his or her intent to return uncollected delinquent taxes levied prior to December 31, 2008 under this subsection not later than February 1 of the year in which the county treasurer agrees to the return of uncollected delinquent taxes under this subsection. If those uncollected delinquent taxes are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in that same year.

(3) After the uncollected delinquent taxes levied on personal property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes.

(4) As used in this section:

(a) "Delinquent taxes" or "uncollected delinquent taxes" includes any taxes levied by and payable to the city treasurer in installments the balance of which remains unpaid on January 1 immediately following the year in which the taxes are levied, and includes all interest and penalties that accrue after July 31 of the year in which all taxes billed by the city are levied if that interest and those penalties remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(b) "Eligible city" means a city with a population of more than 50,000 and less than 100,000 that is located in a county with a population of less than 350,000.

History: Add. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.90 Compensation and expenses; payment.

Sec. 90. All compensation of officers in the assessment and collection of taxes in townships and in the return of delinquent taxes to the county treasurer, except fees collected by township treasurers on their tax rolls, shall be paid by the township. All compensation of county officers and expenses incurred by them under the provisions of this act shall be paid by the county. The compensation of all state officers and expenses incurred by them shall be paid by this state. Expenses incurred by the state officers shall be audited by the state treasurer and paid out of the general fund.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3913;—CL 1915, 4088;—CL 1929, 3484;—CL 1948, 211.90;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.91 Losses by default; allocation.

Sec. 91. All losses that may be sustained by the default of any township officer in the discharge of any duty imposed by this act, shall be chargeable to such township. All losses by default of any county officer shall be chargeable to such county, and all losses by default of any state officer shall be chargeable to the state.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3914;—CL 1915, 4089;—CL 1929, 3485;—CL 1948, 211.91.

Popular name: Act 206

Compiler's note: For transfer of powers and authority of Michigan next energy authority from department of management and budget to department of labor and economic growth by Type I transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

MISCELLANEOUS PROVISIONS.

211.92 List of part-paid and homestead lands; contents, time.

Sec. 92. The commissioner of the state land office shall, during the month of January in each year, furnish to the several county treasurers a list of all part paid state lands, and also of all licensed homestead lands that have been licensed for a term of 5 years and over, and upon which patents have not been issued, together with the date of each license and the name of the licensee, in their counties respectively, and such treasurer shall, on or before the tenth day of February next thereafter, cause to be delivered to the supervisor of each township affected thereby an accurate description of all such lands in his township, with the names of the persons holding the same.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3915;—CL 1915, 4090;—CL 1929, 3486;—CL 1948, 211.92;—Am. 1949, Act 285, Eff. Sept. 23, 1949.

Popular name: Act 206

211.95 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

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Compiler's note: The repealed section pertained to auditor general withholding sale because of error.

Popular name: Act 206

211.96-211.99 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to rejection of taxes and suspension of sale or forfeiture of propery.

Popular name: Act 206

211.100 Prosecuting attorney; duties.

Sec. 100. It shall be the duty of the prosecuting attorney of each county to give his counsel and advice to the county treasurer, the township treasurers, and the supervisors of the county whenever they or any of them may deem it necessary for the proper discharge of the duties imposed upon them in this act free of charge.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3923;—CL 1915, 4099;—CL 1929, 3493;—CL 1948, 211.100.

Popular name: Act 206

211.101-211.103 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to execution of deed in name of deceased person, delinquent tax return to department of natural resources, and requirements for statement of taxes paid.

Popular name: Act 206

211.104 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to improvements by dispossessed persons.

Popular name: Act 206

211.105 Organization of new county; division of local tax collecting unit; effect on assessments; credit.

Sec. 105. (1) If a new county is organized after the time for making the assessment roll and before the return of the treasurer of the local tax collecting unit, the new organization does not affect the assessment, collection, or return of taxes for that year on any property attached to the new county.

(2) The division of a local tax collecting unit after the time for making the assessment roll and before the return of the treasurer of the local tax collecting unit does not affect the assessment, collection, and return of taxes set forth on that assessment roll. The taxes shall be assessed, collected, and returned as though there had been no division of the local tax collecting unit.

(3) If property is detached from any county after the taxes on property in that county are returned to the state treasurer, and any of those taxes are rejected or set aside, the county from which the taxes were detached shall receive credit, and the county to which they are attached shall be charged.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3928;—CL 1915, 4104;—CL 1929, 3498;—CL 1948, 211.105;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.106 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to payment to county treasurer before sale.

Popular name: Act 206

211.107 Applicability of interest, penalty, and fee requirements to cities and villages; prerequisite for protest to board of review; reference to supervisor, township treasurer, and board of review; composition of board in certain cities; sessions; election and duties of chairperson and clerk; purchase of county tax lien; enforcement and collection; interest and penalties; validity of pledge; foreclosure; county tax lien.

Sec. 107. (1) The requirements of this act relating to the amount and imposition of interest, penalties, collection or administration fees, the procedures for collection of taxes, and the enforcement of tax liens are applicable to all cities and villages if not inconsistent with their respective charters or an ordinance enacted pursuant to their respective charters. In addition to the methods authorized under section 108, a city or village, which by its charter does not return its delinquent taxes to the county for collection, may enforce the tax liens for delinquent taxes, assessments, and charges by foreclosure proceedings or any other method authorized under statute, charter, or ordinance enacted pursuant to law or charter. Notwithstanding any provision of this act to the contrary, a charter of a city or township may authorize the establishment of procedures requiring protests to the board of review to be first addressed to the assessor or other agency of the city or township as a prerequisite for a protest before the board of review if the assessor or other agency to whom a protest is first

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addressed does not have the authority to deny the petitioner the right to protest before the board of review.

(2) For purposes of this act, reference to supervisor, township treasurer, and board of review includes assessing and collecting officers and boards whose duty it is to review an assessment roll. The word township may include city, ward, village, or, if in relation to property tax collection functions, any other local property tax collecting unit.

(3) In an incorporated city, the charter of which does not provide for a board of review, the board of review shall consist of the supervisors or other officers making the assessment, the city attorney, and additional members to be appointed by the common council, who shall not be aldermen, equaling the number of supervisors or assessing officers. The session of the board of review shall be held at the council room on the same days as designated in this act for the meeting of the township board of review, unless otherwise provided by the charter of the city, and the proceedings shall be conducted in the same manner as provided in this act. The board of review shall elect a chairperson and clerk, who shall certify to the correctness of the several assessment rolls when completed, substantially as the form prescribed in sections 29 and 30. The appointed members of the board of review shall take the constitutional oath of office, which shall be filed in the office of the city recorder or clerk.

(4) For taxes levied before January 1, 1997, at any time before the redemption period provided under section 131e has expired, a person who holds a tax lien from a city pursuant to the Michigan tax lien sale and collateralized securities act, 1998 PA 379, MCL 211.921 to 211.941, may also purchase a county tax lien. A county tax lien purchased under this section shall be transferred by the county or by this state to the purchaser upon receipt of an amount equal to the delinquent taxes, charges, assessments, penalties, interest, and fees represented by the county tax lien. This subsection only applies to county tax liens on property for which the purchaser holds a tax lien from a city.

(5) For taxes levied before January 1, 1997, a person who purchased a county tax lien under this section may enforce that county tax lien and collect the amounts secured by that county tax lien, together with any interest and penalties that accrued before or after the purchase, in any manner that the city is authorized to use to enforce and collect a tax lien for taxes collected by the city. A county tax lien sold under this section is a preferred or first claim upon the property subject to the lien in the same manner as if the city held the tax lien. A county tax lien purchaser shall not take any action to enforce or collect a county tax lien that the city is not authorized to take to enforce and collect a tax lien for taxes collected by the city.

(6) For taxes levied before January 1, 1997, if a county tax lien is purchased pursuant to this section, the portion of the county tax lien that represents delinquent taxes, charges, and assessments is subject to interest and penalties at the same rate as interest and penalties on delinquent taxes, charges, and assessments subject to collection by the city. However, the maximum amount of penalties charged before and after the purchase of the tax lien shall not exceed the maximum amount of penalties that may be imposed by the city for delinquent taxes, charges, and assessments subject to collection by the city. A person who purchases a county tax lien pursuant to this section may retain any delinquent taxes, interest, and penalties collected for delinquent taxes, charges, and assessments subject to the county tax lien purchased.

(7) For taxes levied before January 1, 1997, a pledge of tax liens or earnings, revenues, other money, or assets from enforcement of county tax liens purchased pursuant to this section is valid and binding from the time the pledge is made without any filing, recording, or other requirement of notice. The tax liens, earnings, revenues, other money, or assets pledged by a person who purchased a tax lien are immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge of tax liens, earnings, revenues, other money, or assets is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the purchaser whether or not those parties have notice of the lien of the pledge. Any instrument by which a pledge is created is not required to be recorded.

(8) For taxes levied before January 1, 1997, a city that does not return its delinquent taxes to the county for collection pursuant to its charter shall commence a civil action to foreclose its lien for any delinquent taxes, assessments, and charges subject to collection by the city on real property for which a prior lien has been obtained from the city pursuant to the Michigan tax lien sale and collateralized securities act. Foreclosure proceedings required under this subsection shall commence within 3 years after the date the taxes, assessments, and charges subject to collection by the city become delinquent. Foreclosure proceedings on a lien shall not be required under this subsection if either of the following circumstances exists:

(a) The subsequent tax lien on the same property is conveyed pursuant to the Michigan tax lien sale and collateralized securities act.

(b) The prior tax lien conveyed pursuant to the Michigan tax lien sale and collateralized securities act has been satisfied or extinguished.

(9) For taxes levied after December 31, 1996, at any time before the redemption period provided under section 78g has expired, a person who holds a tax lien from a city pursuant to the Michigan tax lien sale and

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collateralized securities act, 1998 PA 379, MCL 211.921 to 211.941, may also purchase a county tax lien. A county tax lien purchased under this section shall be transferred by the county or by this state to the purchaser upon receipt of an amount equal to the delinquent taxes, charges, assessments, penalties, interest, and fees represented by the county tax lien. This subsection only applies to county tax liens on property for which the purchaser holds a tax lien from a city.

(10) For taxes levied after December 31, 1996, a person who purchased a county tax lien under subsection (9) may enforce that county tax lien and collect the amounts secured by that county tax lien, together with any interest and penalties that accrued before or after the purchase, in the manner provided under sections 78 to 78k only, notwithstanding any city charter provisions to the contrary. A county tax lien sold under subsection (9) is a preferred or first claim upon the property subject to the lien in the same manner as if the city held the tax lien. A county tax lien purchaser shall not take any action to enforce or collect a county tax lien that is not authorized under sections 78 to 78n.

(11) For taxes levied after December 31, 1996, if a county tax lien is purchased pursuant to subsection (9), the portion of the county tax lien that represents delinquent taxes, interest, penalties, and fees is subject to interest, penalties, and fees as provided under sections 78 to 78k. A person who purchases a county tax lien pursuant to subsection (9) may retain any delinquent taxes, interest, penalties, and fees collected for delinquent taxes, interest, penalties, and fees subject to the county tax lien purchased. The fees levied under sections 78 to 78k shall not be levied more than 1 time on each parcel in each tax year.

(12) For taxes levied after December 31, 1996, a pledge of tax liens or earnings, revenues, other money, or assets from enforcement of county tax liens purchased pursuant to subsection (9) is valid and binding from the time the pledge is made without any filing, recording, or other requirement of notice. The tax liens, earnings, revenues, other money, or assets pledged by a person who purchased a tax lien are immediately subject to the lien of the pledge without physical delivery or further act. The lien of the pledge of tax liens, earnings, revenues, other money, or assets is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the purchaser whether or not those parties have notice of the lien of the pledge. Any instrument by which a pledge is created is not required to be recorded.

(13) As used in this section, "county tax lien" means the following:

(a) As used in subsections (4) to (8), an interest in or encumbrance upon property for taxes levied before January 1, 1997, and charges, assessments, penalties, interest, or fees on those taxes that are returned as delinquent to a county treasurer or, after being returned as delinquent and bid off to this state pursuant to section 70, the state treasurer.

(b) As used in subsections (9) to (12), an interest in or encumbrance upon property for taxes levied after December 31, 1996, charges, assessments, penalties, interest, or fees that are returned as delinquent to a county treasurer.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3930;—CL 1915, 4106;—CL 1929, 3500;—CL 1948, 211.107;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1998, Act 378, Imd. Eff. Oct. 21, 1998;—Am. 1999, Act 123, Eff. Oct. 1, 1999.

Compiler's note: In subsection (1), the phrase "the collection or administration fees" evidently should read "collection of administration fees."

Popular name: Act 206

211.107a Authority of city to increase rate of taxation; referendum; maximum; reduction; limitation.

Sec. 107a. No city shall have power to increase the rate of taxation now fixed by law, unless the authority to do so shall be given by a majority of the electors of said city voting at the election at which said proposition shall be submitted, but the increase in any case shall not be such as to cause such rate to exceed 2 per centum of the assessed value of the real and personal property in such city: Provided, That no tax rate of any city shall be fixed which will reduce the combined taxing power of county, state, school district, metropolitan district, and port district, or any combination of these units, over any parcel of property, below 15 mills per dollar of assessed valuation, except as provided in section 11(b) of Act No. 62 of the Public Acts of 1933, as amended.

History: Add. 1949, Act 317, Eff. Sept. 23, 1949.

Popular name: Act 206

211.108 Unpaid tax return; ordinance; description rejected by county treasurer; judicial sale; condition.

Sec. 108. If not provided in the charter of a city or village, the governing body of a city or village may provide by ordinance for the return of all unpaid taxes on real property to the county treasurer in the same manner and with the same effect as returns by township treasurers. The words and characters by which the

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property is described on the village delinquent tax roll shall be the same as the words and characters used to describe the property as it appears on the regular roll of the local tax collecting unit. The county treasurer shall reject, as provided in section 55, any description returned by the treasurer of a local tax collecting unit that does not agree with the description as it appears on the regular tax roll for the same year. The taxes returned shall be collected in the same manner as other taxes returned delinquent under this act. The governing body of a city or village, which by its charter has the right to sell property for unpaid taxes or assessments, may provide for judicial sale of that property. The city or village sale shall be made on petition filed in behalf of the city or village in interest, and shall conform, as near as practicable, to the provisions for a sale under this act. However, if property is offered at a city or village sale that has been bid off or forfeited to this state at any tax sale or forfeiture made under this act, and the bid or forfeiture remains undischarged, a sale of that property at the city or village tax sale is conditioned upon the payment of the tax lien held by this state on the property and the city or village tax sale is void if the tax lien held by this state remains unsatisfied.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1897, Act 206, Eff. Aug. 30, 1897;—CL 1897, 3931;—CL 1915, 4107;—CL 1929, 3501;—Am. 1943, Act 230, Eff. July 30, 1943;—CL 1948, 211.108;—Am. 1993, Act 291, Imd. Eff. Dec. 28, 1993;—Am. 1999, Act 123, Eff. Oct. 1, 1999.

Popular name: Act 206

211.109 Deputies; authorized acts; responsibility.

Sec. 109. When an officer is authorized to do any act his deputy shall have the same authority, and such officer shall be responsible for the acts of his deputy.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3932;—CL 1915, 4108;—CL 1929, 3502;—CL 1948, 211.109.

Popular name: Act 206

211.110 Statement of rejected taxes.

Sec. 110. (1) On or before June 30 of each year, a county treasurer shall prepare and file with the state treasurer a statement setting forth all rejected taxes, the reasons the taxes were rejected and by whom, and a description of the property upon which the taxes were assessed. Upon request, a local tax collecting unit shall provide to a county treasurer any available information necessary to complete the statement of rejected taxes. The state treasurer shall prescribe the form to be used by county treasurers for preparation of a statement of rejected taxes and may require that a statement of rejected taxes be submitted in an electronic format prescribed by the state treasurer.

(2) If the state treasurer approves a statement of rejected taxes, the state treasurer shall return a copy of the statement of rejected taxes to the county treasurer. Taxes contained in a statement of rejected taxes approved by the state treasurer shall be canceled by the county treasurer if the taxes were rejected or charged back by the state treasurer or the county treasurer for any of the following reasons:

(a) The property was not subject to taxation at the time the taxes were assessed.

(b) The taxes on the property have been paid.

(c) There had been a double assessment of the taxes on the property.

(3) Taxes contained in a statement of rejected taxes approved by the state treasurer which were not rejected or charged back for any of the reasons contained in subsection (2) shall be reassessed by the county treasurer upon the same property, collected with the taxes of the current year, and treated in the same manner as taxes of the current year. Taxes that are rejected or charged back are not subject to penalties other than the penalties that apply to taxes assessed in the current year. If the taxes cannot be properly reassessed upon the same property, the county treasurer shall cause the taxes to be reassessed upon the taxable property of the proper local tax collecting unit.

(4) This section applies to taxes imposed under this act after December 31, 2006. However, if taxes were imposed upon property owned by, or being acquired pursuant to, an installment purchase agreement by a public school academy as that term is defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5, and the taxes were rejected for any of the reasons contained in subsection (2), this section applies to taxes imposed under this act after December 31, 1999.

History: Add. 2011, Act 321, Imd. Eff. Dec. 27, 2011.

Compiler's note: Former MCL 211.110, which pertained to annual assessment of all property in state, assessment for village taxes, and providing assessment information to nonresidents, was repealed by Act 383 of 1974, Imd. Eff. Dec. 23, 1974.

Popular name: Act 206

211.111 Deputy township treasurer; appointment; consent; oath; powers and duties; liability; compensation; assisting treasurer.

Sec. 111. Each township treasurer with the written consent of the treasurer's bondsmen, filed with the clerk

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of the township, shall appoint a deputy who shall take an oath of office and file the oath with the clerk and in case of the absence, sickness, death, or other disability of the treasurer shall possess all the powers and perform all the duties of the treasurer. The township treasurer and the treasurer's bondsmen shall be liable for all the acts and defaults of the deputy treasurer. The deputy shall be paid by salary or otherwise as the township board determines. With the approval of the township treasurer and the consent of the township board, the deputy may assist the treasurer in the performance of the treasurer's duties at any additional times agreed upon between the board and the treasurer.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1897, Act 214, Eff. Aug. 30, 1897;—CL 1897, 3934;—CL 1915, 4110;—CL 1929, 3504;—CL 1948, 211.111;—Am. 1959, Act 46, Eff. Mar. 19, 1960;—Am. 1977, Act 22, Imd. Eff. June 3, 1977.

Popular name: Act 206

211.112 Collected taxes unaccounted; power of supervisor.

Sec. 112. If at any time it shall be discovered that the treasurer of any township has received the tax assessed upon property which has been returned delinquent, the supervisor shall have power, and he is hereby required to collect the same, in the name of his township, from such treasurer or his sureties, together with interest and charges.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3935;—CL 1915, 4111;—CL 1929, 3505;—CL 1948, 211.112.

Popular name: Act 206

211.113 Waste; removal of property from lands bid to state prohibited; warrant for seizure and sale of property; agreement; injunctive relief.

Sec. 113. (1) A person shall not remove any building or fixture, sand, gravel, or minerals, or cut or remove any logs, wood, timber, or any other part of property sold for delinquent taxes while this state owns that property or holds a tax lien on that property by virtue of the sale or the nonpayment of any other delinquent taxes.

(2) If a person removes a building or fixture, sand, gravel, or minerals, or cuts or removes logs, wood, timber, or any other part of property in violation of subsection (1), the state treasurer or his or her designated representative shall issue a warrant in the name of the people of this state directed to the sheriff of the county in which the property is situated. The warrant shall set forth a description of the property and the amount of the unpaid taxes, interest, and charges, and command the sheriff to seize the buildings, fixtures, sand, gravel, minerals, logs, wood, timber, or other property wherever found in any county in this state and to sell the buildings, fixtures, sand, gravel, minerals, logs, wood, timber, or other property or a sufficient quantity of the buildings, fixtures, sand, gravel, minerals, logs, wood, timber, or other property to satisfy the taxes, interest, and charges and the cost of the seizure and sale.

(3) The sheriff shall receive the warrant and execute the warrant as directed in the warrant, as if a levy and sale on execution, and make a return on the warrant to the state treasurer, within 60 days after the receipt of the warrant, and pay all money collected to the state treasurer.

(4) The state treasurer may furnish the state trespass agent with lists or plats of property bid off to this state and on which the taxes remain unpaid. The state trespass agent shall examine the property and promptly report to the state treasurer all violations of this section.

(5) The sheriff and county treasurer of each county shall report any trespass or other acts prohibited by this section to the state treasurer immediately after either has knowledge of the trespass or prohibited act, and any officer of a local tax collecting unit with knowledge of a trespass or prohibited act shall report the facts to the sheriff or county treasurer.

(6) A person with a fee interest or a land contract vendee may enter into a contract and agreement with the state treasurer or the county treasurer, whereby the person may remove any buildings or fixtures, sand, gravel, or minerals, or cut or remove any logs, wood, timber, or any other part of the property If that person posts satisfactory bonds securing to this state absolute protection against loss to this state, a county, or other political subdivision of this state.

(7) This state or any board or department of this state having jurisdiction of property sold or forfeited to this state may obtain an injunction to restrain waste on any of that property, to prevent the removal or tearing down of any building or the removal of a fixture, the removal of any sand, gravel, or minerals, or the cutting or removal of any logs, wood, timber, or any other part of that property, whether or not that act constitutes waste.

(8) The circuit court of the county in which the property or any part of the property is located has jurisdiction to grant injunctive relief upon the filing of a bill or petition for relief whether or not other relief is sought.

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History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 154, Eff. Aug. 30, 1895;—CL 1897, 3936;—CL 1915, 4112;—CL 1929, 3506;—Am. 1939, Act 51, Imd. Eff. May 2, 1939;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.113;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.114 Injunctions.

Sec. 114. No injunction shall issue to stay proceedings for the assessment or collection of taxes under this act.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3937;—CL 1915, 4113;—CL 1929, 3507;—CL 1948, 211.114.

Popular name: Act 206

211.115 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to duties of auditor general.

Popular name: Act 206

211.116 Assessment or review willfully erroneous; penalty.

Sec. 116. If any supervisor or other assessing officer of any township or city shall willfully assess any property at more or less than what he believes to be its true cash value, he shall be guilty of a misdemeanor, and on conviction thereof he shall be punished by imprisonment in the county jail not exceeding 1 year, or by fine not exceeding 300 dollars, at the discretion of the court. If any board whose duty it is to review the assessment of an assessing officer shall willfully assess property at more or less than its cash value, the members voting in favor of such action shall severally be guilty of a misdemeanor and on conviction shall be punished by imprisonment in the county jail not exceeding 6 months, or by fine not exceeding 300 dollars, at the discretion of the court.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3939;—CL 1915, 4115;—CL 1929, 3509;—CL 1948, 211.116.

Popular name: Act 206

211.117 Failure to record payment; penalty.

Sec. 117. If any officer to whom any tax is paid shall fail to make proper entry and return of such payment, he shall be liable to any person injured, for the full amount of the injury, and if such failure is willful he shall be deemed guilty of a misdemeanor, and shall, on conviction thereof, be punished by imprisonment in the county jail not more than 6 months or by fine not more than 300 dollars.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3940;—CL 1915, 4116;—CL 1929, 3510;—CL 1948, 211.117.

Popular name: Act 206

211.118 Perjury.

Sec. 118. Any person who, under any of the proceedings required or permitted by this act shall willfully swear falsely, shall be guilty of perjury and subject to its penalties.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3941;—CL 1915, 4117;—CL 1929, 3511;—CL 1948, 211.118.

Popular name: Act 206

211.119 Wilfully neglecting or refusing to perform duty; intentional, arbitrary, or capricious violations; penalties.

Sec. 119. (1) Except as provided in subsections (2) and (3), a person who wilfully neglects or refuses to perform a duty imposed upon that person by this act, when no other provision is made in this act, is guilty of a misdemeanor, punishable by imprisonment for not more than 6 months, or a fine of not more than $300.00, and is liable to a person injured to the full extent of the injury sustained.

(2) A member of a board or a commission who intentionally violates sections 10c(2), 29(6), 34(1), or 149(2) shall be subject to the penalties prescribed in Act No. 267 of the Public Acts of 1976.

(3) If a board or commission arbitrarily and capriciously violates sections 10c(3) or 146, the board or commission shall be subject to the penalties prescribed in Act No. 442 of the Public Acts of 1976.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3942;—CL 1915, 4118;—CL 1929, 3512;—CL 1948, 211.119;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978.

Popular name: Act 206

211.120 Claim for exemption; prohibited conduct; violations; penalties; enforcement; applicability of penalty provisions.

Sec. 120. (1) A person claiming an exemption under section 7cc shall not do any of the following:

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(a) Make a false or fraudulent affidavit claiming an exemption or a false statement on an affidavit claiming an exemption.

(b) Aid, abet, or assist another in an attempt to wrongfully obtain an exemption.

(c) Make or permit to be made for himself or herself or for any other person a false affidavit claiming an exemption or a false statement on an affidavit claiming an exemption, either in whole or in part.

(d) Fail to rescind an exemption after the property subject to that exemption is no longer a principal residence as defined in section 7dd.

(e) Claim a substantially similar exemption, deduction, or credit on property in another state, as prohibited by section 7cc(3).

(2) A person who violates a provision of subsection (1) with the intent to wrongfully obtain or attempt to obtain an exemption under section 7cc is guilty of a misdemeanor punishable by imprisonment of not more than 1 year and punishable by a fine of not more than $5,000.00 or public service of not more than 1,500 hours, or both.

(3) In addition to the penalties provided in subsection (2), a person who knowingly swears to or verifies an affidavit claiming an exemption under section 7cc, or an affidavit claiming any exemption under section 7cc that contains a false or fraudulent statement, with the intent to aid, abet, or assist in defrauding this state or a political subdivision of this state, is guilty of perjury, a misdemeanor punishable by imprisonment of not more than 1 year and punishable by a fine of not more than $5,000.00 or public service of not more than 1,500 hours, or both.

(4) A person who does not violate a provision of subsection (1), but who knowingly violates any other provision of this act with the intent to defraud this state or a political subdivision of this state, is guilty of a misdemeanor punishable by a fine of not more than $1,000.00 or public service of not more than 500 hours, or both.

(5) The attorney general and the prosecuting attorney of each county of this state have concurrent power to enforce this act.

(6) The penalty provisions set forth in subsections (2), (3), and (4) do not apply to a violation of subsection (1) or any other provision of this act occurring before December 31, 1995.

History: Add. 1995, Act 74, Eff. Dec. 31, 1994;—Am. 2003, Act 140, Eff. Jan. 1, 2004;—Am. 2017, Act 122, Imd. Eff. Oct. 5, 2017.

Compiler's note: Former MCL 211.120, which required banks and other financial institutions to file annual stockholder statements, was repealed by Act 215 of 1970, Imd. Eff. Oct. 4, 1970.

Section 2 of Act 74 of 1995 provides:

"This amendatory act is retroactive and shall take effect December 31, 1994."

211.121 Publication of tax laws; distribution; service claims audit.

Sec. 121. The state treasurer shall, from time to time as necessary, cause to be printed at the expense of this state a sufficient number of copies of this act and other laws relating to the taxation of property, as necessary for a full understanding of all the duties of assessing officers or other state, county, or local tax collecting unit officers. The state treasurer shall include proper side notes, an index, and forms of proceedings, as necessary. The state treasurer shall furnish 1 copy to each supervisor, assessor, clerk for a local tax collecting unit, and county clerk, and 3 copies to each county treasurer. Each copy shall be marked "state property." The state treasurer shall transmit to each county treasurer, at the expense of the county, a sufficient number of copies for each county, and each county treasurer shall immediately furnish to the clerk of each local tax collecting unit in that county 5 copies to be distributed to the officers of the local tax collecting unit entitled to a copy. The state treasurer shall examine and audit all properly certified claims for services rendered and expenses incurred under this section.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3944;—CL 1915, 4120;—CL 1929, 3514;—CL 1948, 211.121;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.122 Forms and record books; state treasurer to prescribe.

Sec. 122. The state treasurer shall prescribe or approve all forms, blanks, and record books required under this act. The county clerks and treasurers shall use the blanks prescribed or approved by the state treasurer and no others.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3945;—Am. 1913, Act 33, Eff. Aug. 14, 1913;—CL 1915, 4121;—CL 1929, 3515;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.122;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.124 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

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Compiler's note: The repealed section pertained to duties of auditor general.

Popular name: Act 206

211.125 Vested rights.

Sec. 125. All rights which may have accrued to any person, as well as all rights which have accrued or become vested in any individual, corporation, municipality, or the state, under any of the heretofore existing tax laws of the state which have been amended, modified, changed or repealed, shall not be affected, changed or destroyed, but the same shall remain in force, subject to review and enforcement in the courts of this state, and for the completion of all proceedings heretofore begun for the collection of taxes or the enforcement of all the requirements of such laws.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3948;—CL 1915, 4124;—CL 1929, 3518;—CL 1948, 211.125.

Popular name: Act 206

211.126 Repeal; saving clause.

Sec. 126. That Act No. 200 of the Public Acts of 1891, entitled "An act to provide for the assessment of property and the levy of taxes thereon, and for the collection of taxes heretofore and hereafter levied, and to repeal Act No. 195 of the Session Laws of 1889, except as provided in this act, and all other acts and parts of acts in anywise contravening any of the provisions of this act," approved July 7th, 1891, and all other acts and parts of acts in anywise contravening any of the provisions of this act, be and the same is hereby repealed: Provided, That such repeal shall not destroy or affect any rights which may have accrued or may hereafter accrue under such acts or parts of acts while the same were in force.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1915, 4125;—CL 1929, 3519;—CL 1948, 211.126.

Compiler's note: Act 200 of 1891, repealed by this section, was also repealed by Act 142 of 1905.

Popular name: Act 206

INSPECTION AND DISPOSITION OF STATE TAX LANDS.

211.127b Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed section pertained to conveyance of abandoned property.

Popular name: Act 206

211.130 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to canceled taxes.

Popular name: Act 206

211.130a, 211.130b Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed sections stated rights of homestead entryman's widow or orphaned children.

Popular name: Act 206

211.131-211.131d Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to withholding of certain property from sale, conveyance of land to owner, and state lands not subject to entry as homestead lands.

Popular name: Act 206

211.131e Repealed. 2006, Act 611, Eff. Dec. 31, 2014.

Compiler's note: Former MCL 211.131, which pertained to extension of redemption period, was repealed by enacting section 2 of 2005 PA 183, Eff. Dec. 31, 2006. MCL 211.131e was amended by 2006 PA 611, Imd. Eff. Jan. 3, 2007.

Enacting section 4 of Act 611 of 2006 provides: "Enacting section 4. Section 131e of the general property tax act, 1893 PA 206, MCL 211.131e, as amended by this amendatory act, is retroactive and is effective for all property the title to which vested in this state under section 131e of the general property tax act, 1893 PA 206, MCL 211.131e, after October 25, 1976.

"Enacting section 5 of Act 611 of 2006 provides: "Enacting section 5. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587."

Popular name: Act 206

211.133, 211.134 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed sections provided for taxation of lands obtained under a homestead entry contract, after entryman had perfected his title and provided for disposition of receipts received for, and payment of expenses incurred in regard to such lands.

Popular name: Act 206

SUPPLEMENTARY.

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211.135 Recording of conveyances; tax certificate; excepted conveyances; register of deeds; violation; penalty.

Sec. 135. (1) If any deed, land contract, plat of any townsite or village, addition to any townsite, village, or city plat, or any other instrument for the conveyance of title to any property, is presented to the register of deeds of any county in this state for recording or filing, the register of deeds shall require all of the following from the person presenting the instrument for filing:

(a) A certificate from the state treasurer, or from the county treasurer of the county, stating whether there are any tax liens or titles held by this state, or by any individual, against the property sought to be conveyed by the instrument.

(b) A certificate that all taxes due on that property have been paid for the 5 years preceding the date of the instrument.

(c) A certificate from the city, village, or township treasurer in which the property is located, whether there are any tax titles or certificates of tax sale held by the city, village, or township, or by any individual, against the property to be conveyed.

(d) A certificate that all tax titles, tax certificates, or special assessments sold on that property to the city, village, or township have been redeemed for the 5 years preceding the date of the instrument.

(2) If the certificate or certificates required under subsection (1) are not provided, the person presenting the instrument for recording shall not record the instrument until the necessary certificate is presented.

(3) If any instrument is presented for certification on or after March 1 and before the local treasurer of the local tax collecting unit in which the property is located has made his or her return of current delinquent taxes, the county treasurer shall include with his or her certification a notation that the current delinquent return was not available for examination. The register of deeds shall not refuse to record the instrument because of a lack of complete certification.

(4) Taxes canceled by court decree made pursuant to section 67 shall be considered to have been paid within the meaning of this section, provided title to the property against which those taxes were assessed is not in this state on the date of the certificate.

(5) The register of deeds shall note the fact upon the deed that the required certificate or certificates have or have not been presented to him or her when the instrument is presented for recording. If the person presenting the instrument refuses to procure a certificate or certificates, the register of deeds shall endorse that fact upon the instrument, over his or her official signature, and shall refuse to receive and record the instrument.

(6) This section does not apply to any of the following:

(a) The filing of any town or village plat for the purpose of incorporation, insofar as the property included in that plat is included in a plat already filed in the office of the register of deeds, or insofar as the description of the property in that plat is not changed by the plat.

(b) The filing of any copy of the town, village, or city plat if the original plat filed in the office of the register of deeds has been lost or destroyed.

(c) To any sheriff's or commissioner's deed executed for the sale of property under any proceeding in law, or by virtue of any judgment of any of the courts of this state.

(d) To any deed of trust by any assignee, executor, or corporation executed pursuant to any law of this state.

(e) To any quitclaim deed or other conveyance containing no covenants of warranty.

(f) To any patent executed by the president of the United States or the governor of this state.

(g) To any tax deed made by the state treasurer.

(h) To any deed executed by any railroad company conveying its right-of-way, provided the deed is accompanied by a certificate of the state treasurer showing that all specific taxes due from the railroad company have been paid, including taxes levied in the year in which the deed is executed.

(7) A violation of this section by any register of deeds is a misdemeanor, punishable by a fine of not more than $100.00, and he or she is liable to the grantee of any instrument recorded for the amount of damages sustained.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 154, Eff. Aug. 30, 1895;—CL 1897, 3957;—CL 1915, 4134;—CL 1929, 3531;—Am. 1931, Act 261, Eff. Sept. 18, 1931;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.135;—Am. 1958, Act 164, Eff. Sept. 13, 1958;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.137 Writs of assistance.

Sec. 137. The circuit court may, on application, put the purchaser of any lands, including the state of

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Michigan and its grantees, sold under the provisions of this act in possession of the premises by writs of assistance.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3958;—CL 1915, 4135;—CL 1929, 3532;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.137.

Popular name: Act 206

211.138 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed section pertained to treatment of delinquent lands before 1891.

Compiler's note: Act 206

211.139 Examination of proceedings; collection of taxes.

Sec. 139. (1) The state treasurer may cause an examination to be made of the proceedings under which any property bid off to this state, and which has not been deeded by the state treasurer, were sold for delinquent taxes and bid of to this state under the provisions of any general tax law.

(2) If the state treasurer finds that the sales or the decrees under which the sales were made were in contravention of any provision of the laws in force at the time the decrees were entered or sales made, the state treasurer may cancel the sales and proceed at any time to enforce the collection of the taxes under this act.

History: Add. 1899, Act 169, Imd. Eff. June 23, 1899;—CL 1915, 4137;—CL 1929, 3534;—CL 1948, 211.139;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Compiler's note: In subsection (1), the phrase "for delinquent taxes and bid of to this state" evidently should read "for delinquent taxes and bid off to this state".

Popular name: Act 206

211.140 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to writ of assistance or other process for possession of property obtained by tax sale.

Popular name: Act 206

211.140a-211.144 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to definition of improved residential parcel, release and quitclaim of rights, possession of land by purchaser under tax sale, failure to redeem land, and proceedings to set aside sale.

Popular name: Act 206

211.146 State tax commission; secretary and chief clerk; election, terms, duties, and compensation; availability of record to public.

Sec. 146. The state tax commission shall elect a secretary and a chief clerk. The persons elected shall hold office during the pleasure of the commission. The secretary shall keep a record of the proceedings of the commission and shall perform other duties assigned by the commission. The record shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws. The secretary and chief clerk shall devote all their time to the duties of their offices. The compensation of the secretary and chief clerk shall be established annually by the legislature.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1901, Act 174, Imd. Eff. May 27, 1901;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—Am. 1911, Act 17, Eff. Aug. 1, 1911;—CL 1915, 4145;—Am. 1917, Act 260, Imd. Eff. May 10, 1917;—CL 1929, 3541;—CL 1948, 211.146;—Am. 1975, Act 55, Imd. Eff. May 20, 1975;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978.

Popular name: Act 206

211.147 Oath of office; compensation and expenses.

Sec. 147. The members of the board, the secretary, and the chief clerk shall take and subscribe the constitutional oath of office to be filed with the secretary of state. The compensation of the board and the schedule for reimbursement of expenses shall be established annually by the legislature.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—CL 1915, 4146;—CL 1929, 3542;—CL 1948, 211.147;—Am. 1975, Act 55, Imd. Eff. May 20, 1975.

Popular name: Act 206

211.148 State tax commission; meetings; access to records and rolls; subpoena; fees; scope of examination; penalties.

Sec. 148. Regular sessions of the state tax commission shall be held at the office of the commission in the city of Lansing, to be furnished by the department of administration, or at such location as the members of the commission may unanimously agree upon. Special meetings of the commission may be held at any place most

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convenient. The commission and the members thereof, or any duly authorized representative thereof, shall have access to all books, papers, documents, statements and accounts on file or of record in any of the departments of state, subject to the rules and regulations of the respective departments relative to the care of the public records. The commission and the members thereof, or any duly authorized representatives thereof, shall have like access to all books, papers, documents, statements and accounts on file or of record in counties, townships and municipalities, and shall have authority to take possession of any assessment roll for use in carrying out the provisions of this act upon presenting to the assessing officer having the same in his control a receipt therefor, signed by the person taking such roll in his possession, and the commission shall be responsible for the return of said roll within a reasonable time thereafter; the commission shall have the right to subpoena witnesses upon a subpoena signed by the chairman of the commission, and attested by the secretary thereof directed to such witnesses, and which subpoena may be served by any person authorized to serve subpoenas from courts of record in this state, and the attendance of witnesses may be compelled by attachment to be issued by any circuit court in the state upon proper showing that such witness has been properly subpoenaed and has refused to obey such subpoena. The person serving such subpoena shall receive the same compensation now allowed to sheriffs and other officers for serving subpoenas. The commission shall have power to examine witnesses under oath, said oath to be administered by any member of the commission or by the secretary thereof. The commission or any duly authorized representative thereof shall have the right to examine the property, books, papers or accounts of any corporation, firm or individual owning property liable to assessment for taxes, general or specific under the laws of this state, and to require, upon blanks to be furnished by the commission, a statement under oath of the president, secretary, superintendent or managing officer of a corporation, of a member of a firm, or an individual, containing such information as the commission may require to enable it to arrive at the true cash value of the property of such corporation, firm or individual subject to taxation under the laws of this state, and any assessing officer who shall refuse to deliver his assessment roll upon demand of a member or representative of the commission, or any officer or stockholder of any such corporation, any member of any such firm, or any person or persons who shall refuse to permit said inspection, refuse or fail to make such statement, or neglect or fail to appear before the commission in response to a subpoena, or testify as provided for in this section, shall be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding $1,000.00 or by imprisonment in the state prison for a period not exceeding 2 years, or by both such fine and imprisonment in the discretion of the court.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—Am. 1911, Act 17, Eff. Aug. 1, 1911;—Am. 1913, Act 153, Eff. Aug. 14, 1913;—Am. 1915, Act 138, Eff. Aug. 24, 1915;—CL 1915, 4147;—CL 1929, 3543;—CL 1948, 211.148;—Am. 1964, Act 275, Eff. Aug. 28, 1964.

Popular name: Act 206

211.149 Regular meetings; adjourned sessions; special sessions; conducting business at public meeting; notice.

Sec. 149. (1) The commission shall hold regular meetings in each of 6 months in each year, and may hold adjourned sessions as is necessary for the proper performance of the duties devolving upon the commission. The chairperson may call special sessions of the commission when the chairperson considers it advisable to do, and shall call special sessions upon the written request of 2 members.

(2) The business which the commission may perform shall be conducted at a public meeting of the commission held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—CL 1915, 4148;—CL 1929, 3544;—CL 1948, 211.149;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1978, Act 124, Imd. Eff. Apr. 25, 1978.

Popular name: Act 206

211.150 State tax commission; duties.

Sec. 150. It shall be the duty of the commission:

(1) To have and exercise general supervision over the supervisors and other assessing officers of this state, and to take such measures as will secure the enforcement of the provisions of this act, to the end that all the properties of this state liable to assessment for taxation shall be placed upon the assessment rolls and assessed at that proportion of true cash value which the legislature from time to time shall provide pursuant to the provisions of article 9, section 3 of the constitution.

(2) To confer with and advise assessing officers as to their duties under this act, and to institute proper proceedings to enforce the penalties and liabilities provided by law for public officers, officers of corporations

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and individuals failing to comply with the provisions of this act; to prefer charges to the governor against assessing and taxation officers who violate the law or fail in the performance of their duties in reference to assessment and taxation, and in the execution of these powers the commission may call upon the attorney general or any prosecuting attorney in the state to assist it.

(3) To receive all complaints as to property liable to taxation that has not been assessed or that has been fraudulently or improperly assessed, and to investigate the same, and to take such proceedings as will correct the irregularity complained of, if any is found to exist.

(4) To require from any officer in this state, on forms prescribed by the commission such annual or other reports as shall enable it to ascertain the assessed value and equalized values of all property listed for taxation throughout the state under this act, the amount of taxes assessed, collected and returned and such other matter as it may require, including a separate listing of the valuations of all personal and real property classifications within the assessing unit, to the end that it may have complete statistical information as to the practical operation of this act, and to approve the forms used by assessing officers in taking the assessment of property.

(5) To furnish the state board of equalization at each session thereof an estimate of the actual cash value of the taxable property of each county in the state, and to meet with the state board of equalization when requested by said board to do so.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—Am. 1913, Act 153, Eff. Aug. 14, 1913;—CL 1915, 4149;—CL 1929, 3545;—CL 1948, 211.150;—Am. 1964, Act 275, Eff. Aug. 28, 1964.

Popular name: Act 206

211.151 State tax commission; report to governor; contents; time; printed copies.

Sec. 151. The tax commission annually on or before March 15 during each regular session of the legislature shall make a report to the governor of the state, setting forth the workings of said commission during the period covered by said report, and containing the findings, including total state valuations of each real and personal property classification and such information to be available for each county, and recommendations of said commission in relation to all matters of taxation. The department of administration shall cause to be printed as many copies thereof, not exceeding 5,000, as the said department shall deem necessary.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1913, Act 153, Eff. Aug. 14, 1913;—CL 1915, 4150;—CL 1929, 3546;—CL 1948, 211.151;—Am. 1964, Act 275, Eff. Aug. 28, 1964.

Popular name: Act 206

211.152 State tax commission; inspection of assessment rolls; time; review procedure; complaints; hearing; notice; report; correction; contested case proceedings.

Sec. 152. (1) After the various assessment rolls required to be made under this act or under the provisions of any municipal charter have been passed upon by the several boards of review, and prior to the making and delivery of the tax rolls to the proper officer for collection of taxes, and in no case later than the first Monday in May, the several assessment rolls shall be subject to inspection by the state tax commission or by any member or duly authorized representative thereof. If it appears to the commission after such investigation, or is made to appear to the commission by written complaint of any taxpayer, or assessing officer, that property subject to taxation has been omitted from or improperly described upon the roll or individual assessments have not been made in compliance with law, the commission may issue an order directing the assessor whose assessments are to be reviewed to appear with his assessment roll and the sworn statements of the person or persons whose property or whose assessments are to be considered at a time and place to be stated in the order, the time to be not less than 14 days from the date of the issuance of the order, and the place to be at the office of the board of supervisors at the county seat or at such other place in the county in which the roll was made as the commission shall deem most convenient for the hearing herein provided. A written complaint by a taxpayer or assessing officer shall be deemed to have been filed timely if it was deposited in the United States mail on or before the first Monday of May. No written complaint of any taxpayer shall be accepted by the state tax commission unless the taxpayer has protested the assessment from which he appeals to the board of review.

(2) A notice of the hearing shall be sent by registered mail, with return receipt requested, to all persons whose assessments are to be considered, at their last known address, except that where the commission shall conduct a general review of all assessments within the taxing district, such notice shall be by publication in a newspaper published in the county, if there be any. If no newspaper is published in the county, then the notice shall be by publication in a newspaper with general circulation in the county, at least 5 days before the date of the hearings. A copy of the order shall also be served upon the supervisor or assessing officer in whose possession the roll shall be at least 14 days before he is required to appear with the roll. The commission, or

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any member or duly authorized representative thereof, shall appear at the time and place mentioned in the order, and the supervisor or assessing officer upon whom notice shall have been served shall appear also with the assessment roll. The commission or any member or duly authorized representatives thereof shall then and there hold a hearing as to the proper assessment of all property and persons mentioned in the notice, and all persons affected or liable to be affected by review of the assessments thus provided for may appear and be heard at the hearing. In any case where the hearings shall be held by a duly authorized representative of the state tax commission, he shall report the facts brought forth at the hearing to the members of the state tax commission, who will determine the true and lawful assessment or change in the description of property as found necessary.

(3) In case the commission, or member thereof, who shall act in the review, shall determine that the assessments so reviewed are not assessed according to law, he or they shall, in a column provided for that purpose, place opposite the property the true and lawful assessment of it. Any increase or decrease of the assessment by such action shall also increase or decrease the state equalized value of the local unit wherein the property is located by the amount that such property's state equalized value has been altered. As to the property not upon the assessment roll, the commission, or member thereof acting in the review, shall place it upon the assessment roll by proper description and shall place thereafter, in the proper column, the true cash value of the property. As to property not properly described upon the assessment roll, the commission, or member thereof acting in the review, shall make such change in the description of the property assessed as is found necessary. The commission shall also spread upon the roll a certificate, signed by the chairman, showing the day and date on which the assessment roll was reviewed. For appearing with the roll as required herein the supervisor or assessing officer shall receive the same per diem as is received by him while in attendance at the meeting of the board of supervisors, to be presented to and paid by the proper officer of the municipality of which he is the assessing officer in the manner as his other compensation is paid. In all of its proceedings the contested case provisions of Act No. 197 of the Public Acts of 1952 as amended, shall not be applicable to the state tax commission, and in its determination, article VI, section 28, of the constitution of the state of Michigan shall apply. If the final action of the commission or member results in a change in the assessment, the commission, on a form provided by the commission, shall notify each affected school district, county, township and city of its action. When the assessment of any property has been reviewed by the commission as herein authorized, such assessment shall not be changed for a period of 3 years without the written consent of the commission. Whenever a local assessing district fails to have an assessment roll prepared as required in this act and it becomes necessary for the commission to assess the properties in the district either by its own staff or the county equalization department under direction of the commission, the local assessing district shall bear the cost of such assessment and shall reimburse the state or county.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—Am. 1909, Act 8, Eff. Sept. 1, 1909;—Am. 1911, Act 17, Eff. Aug. 1, 1911;—Am. 1913, Act 153, Eff. Aug. 14, 1913;—CL 1915, 4151;—Am. 1921, Act 265, Eff. Aug. 18, 1921;—CL 1929, 3547;—CL 1948, 211.152;—Am. 1955, Act 223, Imd. Eff. June 18, 1955;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1967, Act 62, Eff. Nov. 2, 1967;—Am. 1968, Act 101, Imd. Eff. June 7, 1968;—Am. 1969, Act 270, Imd. Eff. Aug. 11, 1969.

Popular name: Act 206

211.152a Apportionment and levy of tax where appeal filed with state tax commission; additional taxes; refunds.

Sec. 152a. (1) Notwithstanding any other provision of the law to the contrary if an appeal is filed with the state tax commission under section 152 the taxes shall be apportioned and levied on the valuation of the property as fixed by the board of review and equalized under section 34. The taxes shall be due and payable and subject to the same collection fees and interest in the same manner and amount as if an appeal had not been filed. When the valuation is established by the state tax commission appeals decision the tax collecting officer having the tax roll in his possession shall make the necessary adjustments to the tax liability.

(2) If additional taxes are due they may be paid to the collecting officer with the addition of a collection fee of 1% of the additional tax for a period of 60 days after the taxpayer receives notification of the increased tax liability. After the 60-day period such taxes shall be considered delinquent and commencing March 1 following the year of the levy shall be subject to the same collection fees and interest charges as other delinquent taxes. The notification of increased tax liability shall be sent to the taxpayer shown in the roll by the collecting officer by certified mail, return receipt requested, within 5 days after receiving notification from the tax commission of the valuation established. The notification shall be sent by the state tax commission to all taxing units involved, to the county treasurer and the city or township treasurer.

(3) If the tax liability is decreased due to a decreased valuation and an overpayment of taxes has been made to the collecting officer, the tax collecting officer having possession of the tax roll or delinquent tax roll shall

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make a refund of the tax overpayment. There shall be added to the tax overpayment refund a proportionate share of the collection fees paid. The collection fee rebate shall be computed by multiplying the total collection fee paid by a fraction the numerator of which is the amount of tax refund and the denominator of which is the total tax paid. The officer making the refund shall charge back such refund to all taxing units in the same proportion as the originally collected tax was distributed. The chargeback may be made prior to or subsequent to the payment of the refund to the taxpayer in the discretion of the county, city or township treasurer.

History: Add. 1972, Act 95, Eff. Mar. 30, 1973.

Popular name: Act 206

211.154 Incorrect reporting or omission of property liable to taxation; placement of corrected assessment value on assessment roll; certification of taxes due; change in assessment; collection of additional taxes; penalty and interest; refund of excess tax payments; appeal.

Sec. 154. (1) If the state tax commission determines that property subject to the collection of taxes under this act, including property subject to taxation under 1974 PA 198, MCL 207.551 to 207.572, 1905 PA 282, MCL 207.1 to 207.21, 1953 PA 189, MCL 211.181 to 211.182, and the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, has been incorrectly reported or omitted for any previous year, but not to exceed the current assessment year and 2 years immediately preceding the date the incorrect reporting or omission was discovered and disclosed to the state tax commission, the state tax commission shall place the corrected assessment value for the appropriate years on the appropriate assessment roll. The state tax commission shall issue an order certifying to the treasurer of the local tax collecting unit if the local tax collecting unit has possession of a tax roll for a year for which an assessment change is made or the county treasurer if the county has possession of a tax roll for a year for which an assessment change is made the amount of taxes due as computed by the correct annual rate of taxation for each year except the current year. Taxes computed under this section shall not be spread against the property for a period before the last change of ownership of the property.

(2) If an assessment change made under this section results in increased property taxes, the additional taxes shall be collected by the treasurer of the local tax collecting unit if the local tax collecting unit has possession of a tax roll for a year for which an assessment change is made or by the county treasurer if the county has possession of a tax roll for a year for which an assessment change is made. Not later than 20 days after receiving the order certifying the amount of taxes due under subsection (1), the treasurer of the local tax collecting unit if the local tax collecting unit has possession of a tax roll for a year for which an assessment change is made or the county treasurer if the county has possession of a tax roll for a year for which an assessment change is made shall submit a corrected tax bill, itemized by taxing jurisdiction, to each person identified in the order and to the owner of the property on which the additional taxes are assessed, if different than a person named in the order, by first-class mail, address correction requested. Except for real property subject to taxation under 1974 PA 198, MCL 207.551 to 207.572, 1905 PA 282, MCL 207.1 to 207.21, 1953 PA 189, MCL 211.181 to 211.182, and the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, and for real property only, if the additional taxes remain unpaid on the March 1 in the year immediately succeeding the year in which the state tax commission issued the order certifying the additional taxes under subsection (1), the real property on which the additional taxes are due shall be returned as delinquent to the county treasurer. Real property returned for delinquent taxes under this section, and upon which taxes, interest, penalties, and fees remain unpaid after the property is returned as delinquent to the county treasurer, is subject to forfeiture, foreclosure, and sale for the enforcement and collection of the delinquent taxes as provided in sections 78 to 79a.

(3) Except as otherwise provided in subsection (4), a corrected tax bill based on an assessment roll corrected for incorrectly reported or omitted personal property that is issued after the effective date of the amendatory act that added this subsection shall include penalty and interest at the rate of 1.25% per month or fraction of a month from the date the taxes originally could have been paid without interest or penalty. If the tax bill has not been paid within 60 days after the corrected tax bill is issued, interest shall again begin to accrue at the rate of 1.25% per month or fraction of a month.

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

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subsection (3).

(5) Except as otherwise provided in this section, the treasurer of the local tax collecting unit or the county treasurer shall disburse the payments of interest received to this state and to a city, township, village, school district, county, and authority, in the same proportion as required for the disbursement of taxes collected under this act. The amount to be disbursed to a local school district, except for that amount of interest attributable to mills levied under section 1211(2) or 1211c of the revised school code, 1976 PA 451, MCL 380.1211 and 380.1211c, and mills that are not included as mills levied for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, shall be paid to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963. For an intermediate school district receiving state aid under section 56, 62, or 81 of the state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the interest that would otherwise be disbursed to or retained by the intermediate school district, all or a portion, to be determined on the basis of the tax rates being utilized to compute the amount of the state school aid, shall be paid instead to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

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

(7) A person to whom property is assessed under this section may appeal the state tax commission's order to the Michigan tax tribunal.

History: Add. 1899, Act 154, Imd. Eff. June 23, 1899;—Am. 1905, Act 281, Eff. Sept. 16, 1905;—CL 1915, 4153;—CL 1929, 3548;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.154;—Am. 1964, Act 275, Eff. Aug. 28, 1964;—Am. 1969, Act 151, Eff. Mar. 20, 1970;—Am. 1982, Act 539, Eff. Mar. 30, 1983;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2000, Act 281, Imd. Eff. July 10, 2000;—Am. 2003, Act 247, Imd. Eff. Dec. 29, 2003.

Popular name: Act 206

211.155 Waste and removal of property from tax delinquent lands.

Sec. 155. It shall be unlawful for any person, copartnership, company or corporation to cut or attempt to cut any standing timber growing upon lands in this state upon which the taxes remain unpaid from and after the tenth day of January succeeding that at which the tax was assessed, and before said lands are bid off to the state for the nonpayment of taxes, or to remove from such lands any timber, wood, logs, buildings, or fixtures therefrom, sand, gravel, minerals or other property reflected in the assessment thereof upon which such unpaid taxes were spread.

History: Add. 1901, Act 46, Eff. Sept. 5, 1901;—CL 1915, 4154;—CL 1929, 3549;—Am. 1941, Act 234, Imd. Eff. June 16, 1941;—CL 1948, 211.155.

Popular name: Act 206

211.156, 211.157 Repealed. 2005, Act 183, Eff. Dec. 31, 2006.

Compiler's note: The repealed sections pertained to waste and removal of property from tax delinquent lands.

Popular name: Act 206

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