

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

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

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 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.

“(j) 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 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 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.

211.7b Exemption of real property used and owned as homestead by disabled veteran or surviving spouse; filing and inspection of application; cancellation of taxes; local taxing unit to bear loss; proration of exemption for partial year; definitions.

Sec. 7b. (1) Real property used and owned as a homestead by either of the following individuals is exempt from the collection of taxes under this act:

(a) A disabled veteran.

(b) A surviving spouse of a disabled veteran who, immediately before death, was eligible for the exemption under this section. An exemption under this subdivision continues as long as the surviving spouse does not remarry, and the exemption applies to any property used and owned as a homestead by the surviving spouse, including homestead property acquired after the decedent's death.

(2) To obtain the exemption, an individual described in subsection (1)(a) or (b), or the individual's legal designee, must file an application, in a form and manner prescribed by the state tax commission, showing the facts required by this section and a description of the real property with the assessing officer for the local assessing unit after January 1 and before December 31 of the calendar year for which the exemption is claimed. The application when filed is open to inspection. The taxes subject to collection under this act shall be canceled for any year in which an individual described in subsection (1)(a) or (b) who is 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. An exemption granted under this section as to taxes levied on or after January 1, 2025 remains in effect, without subsequent reapplication, until it is rescinded by the individual who was granted the exemption or is denied by the assessor, as provided in section 7c.

(3) An exemption once granted applies to all property taxes for the current tax year that have been paid by the individual who qualified for the exemption under subsection (1)(a) or (b) and all property taxes for the current tax year that would have been owed by that individual if the property was not exempt. If the individual who qualified for the exemption under subsection (1)(a) or (b) does not use and own the property as a homestead for the entire tax year, the exemption must be prorated under 1 of the following methods:

(a) Based on the closing or other purchase documents, if any, executed by or on behalf of the individual who qualified for the exemption under subsection (1)(a) or (b). That individual shall provide a copy of the closing or other purchase documents with the application claiming the exemption. The local treasurer shall use the closing or other purchase documents when calculating the amount of taxes to be exempted. There must be no refund of any property taxes not levied in the current tax year paid pursuant to the closing or other purchase documents to the seller by the individual who qualified for the exemption under subsection (1)(a) or (b).

(b) If closing or other purchase documents are not provided for the proration under subdivision (a), based on a proration under which the local treasurer calculates the amount of property taxes levied in the current tax year to be exempted by dividing the total property taxes levied in the year by 365 and then multiplying that number by the number of days the individual will use and own the property as a homestead.

(c) Based on a proration that takes into account the effective date of any removal of the exemption, which the assessor shall designate as the date of the relevant conveyance or disposition. Using that date, the local treasurer shall calculate the amount of property taxes levied in the current tax year to be exempted by dividing the total property taxes levied in the year by 365 and then multiplying that number by the number of days the individual, while qualified for the exemption, used and owned the property as a homestead.

(4) As used in this section:

(a) "Disabled veteran" means a veteran who is a resident of this state and who meets 1 of the following criteria:

(i) 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.

(ii) Has a certificate from the United States Department of Veterans Affairs certifying that the veteran is receiving or has received pecuniary assistance due to disability for specially adapted housing.

(iii) Has been rated by the United States Department of Veterans Affairs as individually unemployable.

(b) "Own" or "owned" means 1 of the following:

(i) For an individual described in subsection (1)(a), legal title to the property is held solely by that individual or jointly by that individual and that individual's spouse.

(ii) For an individual described in subsection (1)(b), legal title to the property is held solely by that individual.

(c) "Veteran" means an individual who served in the United States Armed Forces, including the reserve

components, and was discharged or released under honorable conditions.

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;—Am. 2023, Act 150, Imd. Eff. Oct. 19, 2023.

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"."

211.7c Continuation of exemption granted under MCL 211.7b; rescission or subsequent denial of exemption.

Sec. 7c. An exemption granted under section 7b as to taxes levied on or after January 1, 2025 remains in effect, without subsequent reapplication, until it is rescinded by the individual who was granted the exemption or is denied by the assessor, as follows:

(a) The individual shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, a form rescinding the exemption within 45 days after the occurrence of either of the following:

(i) The individual ceases to use and own as a homestead the property for which the exemption was granted.

(ii) The individual no longer meets the qualifications under section 7b to receive the exemption.

(b) A local assessing unit shall implement an audit program, in a form and manner prescribed by the state tax commission, that includes, but is not limited to, the audit of all information filed under section 7b(2). The audit must not occur on a property more than once every 3 years unless there is a reasonable belief that the property is ineligible for the exemption. If property is determined to be ineligible for exemption as a result of an audit, the individual who was granted the exemption under section 7b is subject to repayment of additional taxes including interest to be paid as provided in subdivisions (c) and (d).

(c) The assessor may deny a new claim, or an existing claim following an audit, as further provided in subdivision (d).

(d) The assessor shall, in a form and manner prescribed by the state tax commission, notify the individual of the denial of the new or existing claim, the reason for the denial, and that the denial may be appealed to the residential and small claims division of the 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 tax roll is in the local tax collecting unit's possession, it shall amend the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days after 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 after 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 March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

History: Add. 2023, Act 151, Imd. Eff. Oct. 19, 2023.

Compiler's note: Former MCL 211.7c, which pertained to homesteads of persons over 65 years of age, was repealed by Act 20 of 1973, Eff. Dec. 31, 1973.

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 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 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.

(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 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

211.7l State property.

Sec. 7l. 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 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:

(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.

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

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), (8), and (10), 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 75%, 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 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 the exemption under this section and the property was exempt from the collection of taxes under this section in tax year 2022, the property will remain exempt from the collection of taxes under this section through tax year 2023 if, on or before December 1, 2023, 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 2023 for all principal residences within the local assessing unit that were exempt from the collection of taxes under this section in tax year 2022. 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) Notwithstanding any provision of this section to the contrary, if an exemption was not on the assessment roll and was not denied, the July or December board of review shall grant an exemption under this section, in whole or in part as described in subsection (5), for the immediately preceding tax year on the principal residence of a person who establishes eligibility in that tax year under the criteria described in subsection (2). A claim of exemption under this subsection must be filed with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by supporting documentation establishing eligibility for the exemption for the immediately preceding tax year and any additional supporting documentation as may be required by the state tax commission. The local assessing unit shall notify the department of treasury, in a form and manner prescribed by the department of treasury, of each exemption granted under this subsection by the board of review for the immediately preceding tax year.

(11) 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;—Am. 2023, Act 191, Imd. Eff. Nov. 7, 2023.

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 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 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 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 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 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 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 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 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 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 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:

(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.

(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. 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 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 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; definitions.

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 125.2670, 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(o)(iv)(B) 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 clean title act before 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).

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

(5) As used in this section:

(a) "Land bank fast track act" means the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(b) "Land bank fast track authority" means a land bank fast track authority created under the land bank fast track act.

(c) "Tax reverted clean title act" means the tax reverted clean title act, 2003 PA 260, MCL 211.1021 to 211.1025a.

History: Add. 2003, Act 261, Imd. Eff. Jan. 5, 2004;—Am. 2023, Act 91, Imd. Eff. July 19, 2023.

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 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 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 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 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 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 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 other personal use.

(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 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 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 (1) 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 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

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

Sec. 700. 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 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 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 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.

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