

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 520

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 7cc, 7ee, 24c, and 53b (MCL 211.7cc,  
211.7ee, 211.24c, and 211.53b), sections 7cc and 53b as amended  
by 2002 PA 624, section 7ee as amended by 1996 PA 476, and  
section 24c as amended by 2002 PA 620.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7cc. (1) A homestead is exempt from the tax levied by  
2 a local school district for school operating purposes to the  
3 extent provided under section 1211 of the revised school code,  
4 1976 PA 451, MCL 380.1211, if an owner of that homestead claims  
5 an exemption as provided in this section. Notwithstanding the  
6 tax day provided in section 2, **for taxes levied before January 1,**  
7 **2004,** the status of property as a homestead shall be determined  
8 on the date an affidavit claiming an exemption is filed under

1 subsection (2). **For taxes levied after December 31, 2003, the**  
 2 **status of property as a homestead shall be determined on the tax**  
 3 **day provided in section 2.**

4 (2) An owner of property may claim an exemption under this  
 5 section by filing an affidavit on or before May 1 **for taxes**  
 6 **levied before January 1, 2004 and the tax day as provided in**  
 7 **section 2 for taxes levied after December 31, 2003** with the local  
 8 tax collecting unit in which the property is located. The  
 9 affidavit shall state that the property is owned and occupied as  
 10 a homestead by that owner of the property on the date that the  
 11 affidavit is signed. The affidavit shall be on a form prescribed  
 12 by the department of treasury. ~~Beginning in 1995, 1~~ **One** copy  
 13 of the affidavit shall be retained by the owner, 1 copy shall be  
 14 retained by the local tax collecting unit until any appeal or  
 15 audit period under this act has expired, and 1 copy shall be  
 16 forwarded to the department of treasury pursuant to subsection  
 17 (4), together with all information submitted under subsection  
 18 ~~(18)~~ **(27)** for a cooperative housing corporation. ~~Beginning in~~  
 19 ~~1995, the~~ **The** affidavit shall require the owner claiming the  
 20 exemption to indicate if that owner **or that owner's spouse** has  
 21 claimed another exemption on property in this state that is not  
 22 rescinded **or a substantially similar exemption, deduction, or**  
 23 **credit on property in another state that is not rescinded.** If  
 24 the affidavit requires an owner to include a social security  
 25 number, that owner's number is subject to the disclosure  
 26 restrictions in 1941 PA 122, MCL 205.1 to 205.31.

27 (3) A husband and wife who are required to file or who do

1 file a joint Michigan income tax return are entitled to not more  
2 than 1 homestead exemption. **A person is not entitled to a**  
3 **homestead exemption under this section if any of the following**  
4 **conditions occur:**

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

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

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

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

21 (4) Upon receipt of an affidavit filed under subsection (2)  
22 and unless the claim is denied under ~~subsection (6)~~ **this**  
23 **section**, the assessor shall exempt the property from the  
24 collection of the tax levied by a local school district for  
25 school operating purposes to the extent provided under section  
26 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as  
27 provided in subsection (1) until December 31 of the year in which

1 the property is transferred or is no longer a homestead as  
2 defined in section 7dd. The local tax collecting unit shall  
3 forward copies of affidavits to the department of treasury  
4 according to a schedule prescribed by the department of  
5 treasury.

6 (5) Not more than 90 days after exempted property is no  
7 longer used as a homestead by the owner claiming an exemption,  
8 that owner shall rescind the claim of exemption by filing with  
9 the local tax collecting unit a rescission form prescribed by the  
10 department of treasury. ~~Beginning October 1, 1994, an~~ **An** owner  
11 who fails to file a rescission as required by this subsection is  
12 subject to a penalty of \$5.00 per day for each separate failure  
13 beginning after the 90 days have elapsed, up to a maximum of  
14 \$200.00. This penalty shall be collected under 1941 PA 122, MCL  
15 205.1 to 205.31, and shall be deposited in the state school aid  
16 fund established in section 11 of article IX of the state  
17 constitution of 1963. This penalty may be waived by the  
18 department of treasury.

19 (6) If the assessor of the local tax collecting unit believes  
20 that the property for which an exemption is claimed is not the  
21 homestead of the owner claiming the exemption, ~~effective for~~  
22 ~~taxes levied after 1994~~ the assessor may deny a new or existing  
23 claim by notifying the owner and the department of treasury in  
24 writing of the reason for the denial and advising the owner that  
25 the denial may be appealed to the ~~department of treasury~~  
26 **residential and small claims division of the Michigan tax**  
27 **tribunal** within 35 days after the date of the notice. **The**

1 assessor may deny a claim for exemption for the current year and  
2 for the 3 immediately preceding calendar years. If the assessor  
3 denies an existing claim for exemption, the assessor shall remove  
4 the exemption of the property and, if the tax roll is in the  
5 local tax collecting unit's possession, amend the tax roll to  
6 reflect the denial and the local treasurer shall within 30 days  
7 of the date of the denial issue a corrected tax bill for  
8 previously unpaid taxes with interest at the rate of 1.25% per  
9 month and penalties computed from the date the taxes were last  
10 payable without interest or penalty. If the tax roll is in the  
11 county treasurer's possession, the tax roll shall be amended to  
12 reflect the denial and the county treasurer shall within 30 days  
13 of the date of the denial prepare and submit a supplemental tax  
14 bill for any additional taxes, together with interest at the rate  
15 of 1.25% per month and penalties computed from the date the taxes  
16 were last payable without interest or penalty. Additional  
17 interest on any tax set forth in a corrected or supplemental tax  
18 bill shall begin to accrue 60 days after the date the corrected  
19 or supplemental tax bill is issued at the rate of 1.25% per  
20 month. Taxes levied in a corrected or supplemental tax bill  
21 shall be returned as delinquent on the March 1 in the year  
22 immediately succeeding the year in which the corrected or  
23 supplemental tax bill is issued. If the assessor denies an  
24 existing claim for exemption, the interest due shall be  
25 distributed as provided in subsection (24). However, if the  
26 property has been transferred to a bona fide purchaser before  
27 additional taxes were billed to the seller as a result of the

1 denial of a claim for exemption, the taxes, interest, and  
2 penalties shall not be a lien on the property and shall not be  
3 billed to the bona fide purchaser, and the local tax collecting  
4 unit if the local tax collecting unit has possession of the tax  
5 roll or the county treasurer if the county has possession of the  
6 tax roll shall notify the department of treasury of the amount of  
7 tax due, interest, and penalties through the date of that  
8 notification. The department of treasury shall then assess the  
9 owner who claimed the homestead property tax exemption for the  
10 tax, interest, and penalties accruing as a result of the denial  
11 of the claim for exemption, if any, as for unpaid taxes provided  
12 under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax  
13 or penalty collected into the state school aid fund and shall  
14 distribute any interest collected as provided in subsection (24).  
15 The denial shall be made on a form prescribed by the department  
16 of treasury. ~~If the assessor of the local tax collecting unit  
17 believes that the property for which the exemption is claimed is  
18 not the homestead of the owner claiming the exemption, for taxes  
19 levied in 1994 the assessor may send a recommendation for denial  
20 for any affidavit that is forwarded to the department of treasury  
21 stating the reasons for the recommendation. If the property for  
22 which the assessor has denied a claim for exemption under this  
23 subsection is located in a county in which the county treasurer  
24 or the county equalization director have elected to audit  
25 exemptions under subsection (10), the assessor shall notify the  
26 county treasurer or the county equalization director of the  
27 denial under this subsection.~~

1           (7) If the assessor of the local tax collecting unit believes  
2 that the property for which the exemption is claimed is not the  
3 homestead of the owner claiming the exemption and has not denied  
4 the claim, ~~for taxes levied after 1994~~ the assessor shall  
5 include a recommendation for denial with any affidavit that is  
6 forwarded to the department of treasury or, for an existing  
7 claim, shall send a recommendation for denial to the department  
8 of treasury, stating the reasons for the recommendation.

9           (8) ~~(7)~~ The department of treasury shall determine if the  
10 property is the homestead of the owner claiming the exemption.  
11 The department of treasury may review the validity of exemptions  
12 for the current calendar year and for the 3 immediately preceding  
13 calendar years. If the department of treasury determines that  
14 the property is not the homestead of the owner claiming the  
15 exemption, the department shall send a notice of that  
16 determination to the local tax collecting unit and to the owner  
17 of the property claiming the exemption, indicating that the claim  
18 for exemption is denied, stating the reason for the denial, and  
19 advising the owner claiming the exemption of the right to appeal  
20 the determination to the department of treasury and what those  
21 rights of appeal are. The department of treasury may issue a  
22 notice denying a claim if an owner fails to respond within 30  
23 days of receipt of a request for information from that  
24 department. An owner may appeal the denial of a claim of  
25 exemption to the department of treasury within 35 days of receipt  
26 of the notice of denial. An appeal to the department of treasury  
27 shall be conducted according to the provisions for an informal

1 conference in section 21 of 1941 PA 122, MCL 205.21. Within 10  
2 days after acknowledging an appeal of a denial of a claim of  
3 exemption, the department of treasury shall notify the assessor  
4 and the treasurer for the county in which the property is located  
5 that an appeal has been filed. Upon receipt of a notice that the  
6 department of treasury has denied a claim for exemption, the  
7 assessor shall remove the exemption of the property and, if the  
8 tax roll is in the local tax collecting unit's possession, amend  
9 the tax roll to reflect the denial and the local treasurer shall  
10 **within 30 days of the date of the denial** issue a corrected tax  
11 bill for previously unpaid taxes with interest **at the rate of**  
12 **1.25% per month** and penalties computed ~~based on the interest and~~  
13 ~~penalties that would have accrued~~ from the date the taxes were  
14 ~~originally levied if there had not been an exemption~~ **last**  
15 **payable without interest and penalty.** If the tax roll is in the  
16 county treasurer's possession, the tax roll shall be amended to  
17 reflect the denial and the county treasurer shall **within 30 days**  
18 **of the date of the denial** prepare and submit a supplemental tax  
19 bill for any additional taxes, together with ~~any interest and~~  
20 ~~penalties~~ **interest at the rate of 1.25% per month and penalties**  
21 **computed from the date the taxes were last payable without**  
22 **interest or penalty.** ~~For taxes levied in 1994 only, the county~~  
23 ~~treasurer shall waive any interest and penalties due if the owner~~  
24 ~~pays the supplemental tax bill not more than 30 days after the~~  
25 ~~owner receives the supplemental tax bill. Interest and penalties~~  
26 ~~shall not be assessed for any period before February 14, 1995.~~  
27 **Additional interest on any tax set forth in a corrected or**



1 supplemental tax bill shall begin to accrue 60 days after the  
2 date the corrected or supplemental tax bill is issued at the rate  
3 of 1.25% per month. Taxes levied in a corrected or supplemental  
4 tax bill shall be returned as delinquent on the March 1 in the  
5 year immediately succeeding the year in which the corrected or  
6 supplemental tax bill is issued. If the department of treasury  
7 denies an existing claim for exemption, the interest due shall be  
8 distributed as provided in subsection (24). However, if the  
9 property has been transferred to a bona fide purchaser before  
10 additional taxes were billed to the seller as a result of the  
11 denial of a claim for exemption, the taxes, interest, and  
12 penalties **shall not be a lien on the property and** shall not be  
13 billed to the bona fide purchaser, and the local tax collecting  
14 unit if the local tax collecting unit has possession of the tax  
15 roll or the county treasurer if the county has possession of the  
16 tax roll shall notify the department of treasury of the amount of  
17 tax due and interest through the date of that notification. The  
18 department of treasury shall then assess the owner who claimed  
19 the homestead property tax exemption for the tax and interest  
20 plus penalty accruing as a result of the denial of the claim for  
21 exemption, if any, as for unpaid taxes provided under 1941 PA  
22 122, MCL 205.1 to 205.31, and shall deposit any tax ~~, interest,~~  
23 or penalty collected into the state school aid fund **and shall**  
24 **distribute any interest collected as provided in subsection**  
25 **(24).**

26 ~~(8) An owner may appeal a final decision of the department~~  
27 ~~of treasury to the residential and small claims division of the~~

~~1 Michigan tax tribunal within 35 days of that decision. An  
2 assessor may appeal a final decision of the department of  
3 treasury to the residential and small claims division of the  
4 Michigan tax tribunal within 35 days of that decision if the  
5 assessor denied the exemption under subsection (6), or, for taxes  
6 levied in 1994 only, the assessor forwarded a recommendation for  
7 denial to the department of treasury under subsection (6). An  
8 owner is not required to pay the amount of tax in dispute in  
9 order to appeal a denial of a claim of exemption to the  
10 department of treasury or to receive a final determination of the  
11 residential and small claims division of the Michigan tax  
12 tribunal. However, interest and penalties except as provided in  
13 subsection (7), if any, shall accrue and be computed based on the  
14 interest and penalties that would have accrued from the date the  
15 taxes were originally levied as if there had not been an  
16 exemption.~~

17       (9) The department of treasury may enter into an agreement  
18 regarding the implementation or administration of subsection (8)  
19 with the assessor of any local tax collecting unit in a county  
20 that has not elected to audit exemptions claimed under this  
21 section as provided in subsection (10). The agreement may  
22 specify that for a period of time, not to exceed 120 days, the  
23 department of treasury will not deny an exemption identified by  
24 the department of treasury in the list provided under subsection  
25 (11).

26       (10) A county may elect to audit the exemptions claimed under  
27 this section in all local tax collecting units located in that

1 county as provided in this subsection. The election to audit  
2 exemptions shall be made by the county treasurer, or by the  
3 county equalization director with the concurrence by resolution  
4 of the county board of commissioners. The initial election to  
5 audit exemptions shall require an audit period of 2 years.

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

23 (11) If a county elects to audit the exemptions claimed under  
24 this section as provided in subsection (10) and the county  
25 treasurer or his or her designee or the county equalization  
26 director or his or her designee believes that the property for  
27 which an exemption is claimed is not the homestead of the owner

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

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

1 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty  
2 collected into the state school aid fund and shall distribute any  
3 interest collected as provided in subsection (24). The  
4 department of treasury shall annually provide the county  
5 treasurer or his or her designee or the county equalization  
6 director or his or her designee a list of parcels of property  
7 located in that county for which an exemption may be erroneously  
8 claimed. The county treasurer or his or her designee or the  
9 county equalization director or his or her designee shall forward  
10 copies of the list provided by the department of treasury to each  
11 assessor in each local tax collecting unit in that county within  
12 10 days of receiving the list.

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

22 (13) An owner may appeal a denial by the assessor of the  
23 local tax collecting unit under subsection (6), a final decision  
24 of the department of treasury under subsection (8), or a denial  
25 by the county treasurer or his or her designee or the county  
26 equalization director or his or her designee under subsection  
27 (11) to the residential and small claims division of the Michigan

1 tax tribunal within 35 days of that decision. An owner is not  
2 required to pay the amount of tax in dispute in order to appeal a  
3 denial of a claim of exemption to the department of treasury or  
4 to receive a final determination of the residential and small  
5 claims division of the Michigan tax tribunal. However, interest  
6 at the rate of 1.25% per month and penalties shall accrue and be  
7 computed from the date the taxes were last payable without  
8 interest and penalty. If the residential and small claims  
9 division of the Michigan tax tribunal grants an owner's appeal of  
10 a denial and that owner has paid the interest due as a result of  
11 a denial under subsection (6), (8), or (11), the interest  
12 received after a distribution was made under subsection (24)  
13 shall be refunded.

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

20 (15) ~~-(9)-~~ An affidavit filed by an owner for a homestead  
21 rescinds all previous exemptions filed by that owner for any  
22 other homestead. The department of treasury shall notify the  
23 assessor of the local tax collecting unit in which the property  
24 for which a previous exemption was claimed is located that the  
25 previous exemption is rescinded by the subsequent affidavit.  
26 Upon receipt of notice that an exemption is rescinded, the  
27 assessor of the local tax collecting unit shall remove the

1 exemption effective December 31 of the year in which the property  
2 is transferred or is no longer a homestead as defined in section  
3 7dd. The assessor of the local tax collecting unit in which that  
4 property is located shall notify the treasurer in possession of  
5 the tax roll for a year for which the exemption is rescinded. If  
6 the tax roll is in the local tax collecting unit's possession,  
7 the tax roll shall be amended to reflect the rescission and the  
8 local treasurer shall prepare and issue a corrected tax bill for  
9 previously unpaid taxes with interest and penalties computed  
10 based on the interest and penalties that would have accrued from  
11 the date the taxes were originally levied if there had not been  
12 an exemption for that year. If the tax roll is in the county  
13 treasurer's possession, the tax roll shall be amended to reflect  
14 the rescission and the county treasurer shall prepare and submit  
15 a supplemental tax bill for any additional taxes, together with  
16 any interest and penalties. However, if the property has been  
17 transferred to a bona fide purchaser, the taxes, interest, and  
18 penalties shall not be billed to the bona fide purchaser, and the  
19 local tax collecting unit if the local tax collecting unit has  
20 possession of the tax roll or the county treasurer if the county  
21 has possession of the tax roll shall notify the department of  
22 treasury of the amount of tax due and interest through the date  
23 of that notification. The department of treasury shall then  
24 assess the owner who received the homestead property tax  
25 exemption when the property was not a homestead as defined in  
26 section 7dd for the tax and interest plus penalty accruing, if  
27 any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to



1 205.31, and shall deposit any tax, interest, or penalty collected  
2 into the state school aid fund.

3       **(16)** ~~-(10)-~~ An owner of property for which a claim of  
4 exemption is rescinded may appeal that rescission with either the  
5 July or December board of review in either the year for which the  
6 exemption is rescinded or in the immediately succeeding year. If  
7 an appeal of a rescission of a claim for exemption is received  
8 not later than 5 days prior to the date of the December board of  
9 review, the local tax collecting unit shall convene a December  
10 board of review and consider the appeal pursuant to this section  
11 and section 53b. An owner of property for which a claim of  
12 exemption is rescinded may appeal the decision of the board of  
13 review to the residential and small claims division of the  
14 Michigan tax tribunal within 35 days of that decision.

15       **(17)** ~~-(11)-~~ If the homestead is part of a unit in a  
16 multiple-unit dwelling or a dwelling unit in a multiple-purpose  
17 structure, an owner shall claim an exemption for only that  
18 portion of the total taxable value of the property used as the  
19 homestead of that owner in a manner prescribed by the department  
20 of treasury. If a portion of a parcel for which the owner claims  
21 an exemption is used for a purpose other than as a homestead, the  
22 owner shall claim an exemption for only that portion of the  
23 taxable value of the property used as the homestead of that owner  
24 in a manner prescribed by the department of treasury.

25       **(18)** ~~-(12)-~~ When a county register of deeds records a  
26 transfer of ownership of a property, he or she shall notify the  
27 local tax collecting unit in which the property is located of the

1 transfer.

2       **(19)** ~~-(13)-~~ The department of treasury shall make available  
3 the affidavit forms and the forms to rescind an exemption, which  
4 may be on the same form, to all city and township assessors,  
5 county equalization officers, county registers of deeds, and  
6 closing agents. A person who prepares a closing statement for  
7 the sale of property shall provide affidavit and rescission forms  
8 to the buyer and seller at the closing and, if requested by the  
9 buyer or seller after execution by the buyer or seller, shall  
10 file the forms with the local tax collecting unit in which the  
11 property is located. If a closing statement preparer fails to  
12 provide homestead exemption affidavit and rescission forms to the  
13 buyer and seller, or fails to file the affidavit and rescission  
14 forms with the local tax collecting unit if requested by the  
15 buyer or seller, the buyer may appeal to the department of  
16 treasury within 30 days of notice to the buyer that an exemption  
17 was not recorded. If the department of treasury determines that  
18 the buyer qualifies for the exemption, the department of treasury  
19 shall notify the assessor of the local tax collecting unit that  
20 the exemption is granted and the assessor of the local tax  
21 collecting unit or, if the tax roll is in the possession of the  
22 county treasurer, the county treasurer shall correct the tax roll  
23 to reflect the exemption. This subsection does not create a  
24 cause of action at law or in equity against a closing statement  
25 preparer who fails to provide homestead exemption affidavit and  
26 rescission forms to a buyer and seller or who fails to file the  
27 affidavit and rescission forms with the local tax collecting unit

1 when requested to do so by the buyer or seller.

2       **(20)** ~~-(14)-~~ An owner who owned and occupied a homestead on  
3 May 1 **for taxes levied before January 1, 2004 and the tax day as**  
4 **provided in section 2 for taxes levied after December 31, 2003**  
5 for which the exemption was not on the tax roll may file an  
6 appeal with the July board of review or December board of review  
7 in the year for which the exemption was claimed or the  
8 immediately succeeding 3 years. If an appeal of a claim for  
9 exemption that was not on the tax roll is received not later than  
10 5 days prior to the date of the December board of review, the  
11 local tax collecting unit shall convene a December board of  
12 review and consider the appeal pursuant to this section and  
13 section 53b.

14       **(21)** ~~-(15)-~~ If the assessor or treasurer of the local tax  
15 collecting unit believes that the department of treasury  
16 erroneously denied a claim for exemption, the assessor or  
17 treasurer may submit written information supporting the owner's  
18 claim for exemption to the department of treasury within 35 days  
19 of the owner's receipt of the notice denying the claim for  
20 exemption. If, after reviewing the information provided, the  
21 department of treasury determines that the claim for exemption  
22 was erroneously denied, the department of treasury shall grant  
23 the exemption and the tax roll shall be amended to reflect the  
24 exemption.

25       **(22)** ~~-(16)-~~ If granting the exemption under this section  
26 results in an overpayment of the tax, a rebate, including any  
27 interest paid, shall be made to the taxpayer by the local tax

1 collecting unit if the local tax collecting unit has possession  
2 of the tax roll or by the county treasurer if the county has  
3 possession of the tax roll within 30 days of the date the  
4 exemption is granted. The rebate shall be without interest.

5 **(23) ~~(17)~~** If an exemption under this section is erroneously  
6 granted **for an affidavit filed before October 1, 2003**, an owner  
7 may request in writing that the department of treasury withdraw  
8 the exemption. **The request to withdraw the exemption shall be**  
9 **received not later than November 1, 2003.** If an owner requests  
10 that an exemption be withdrawn, the department of treasury shall  
11 issue an order notifying the local assessor that the exemption  
12 issued under this section has been denied based on the owner's  
13 request. If an exemption is withdrawn, the property that had  
14 been subject to that exemption shall be immediately placed on the  
15 tax roll by the local tax collecting unit if the local tax  
16 collecting unit has possession of the tax roll or by the county  
17 treasurer if the county has possession of the tax roll as though  
18 the exemption had not been granted. A corrected tax bill shall  
19 be issued for the tax year being adjusted by the local tax  
20 collecting unit if the local tax collecting unit has possession  
21 of the tax roll or by the county treasurer if the county has  
22 possession of the tax roll. ~~If~~ **Unless a denial has been issued**  
23 **prior to July 1, 2003, if** an owner requests that an exemption  
24 under this section be withdrawn ~~before that owner is contacted~~  
25 ~~in writing by either the local assessor or the department of~~  
26 ~~treasury regarding that owner's eligibility for the exemption~~  
27 and that owner pays the corrected tax bill issued under this

1 subsection within 30 days after the corrected tax bill is issued,  
2 that owner is not liable for any penalty or interest on the  
3 additional tax. An owner who pays a corrected tax bill issued  
4 under this subsection more than 30 days after the corrected tax  
5 bill is issued is liable for the penalties and interest that  
6 would have accrued if the exemption had not been granted from the  
7 date the taxes were originally levied.

8 (24) Subject to subsection (25), interest at the rate of  
9 1.25% per month collected under subsection (6), (8), or (11)  
10 shall be distributed as follows:

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

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

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

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

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

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

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

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

21 (c) If the county treasurer or his or her designee or the  
22 county equalization director or his or her designee denies the  
23 exemption under this section, as follows:

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

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

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

27 (25) Interest distributed under subsection (24) is subject to

1 the following conditions:

2 (a) Interest distributed to a county shall be deposited into  
3 a restricted fund to be used solely for the administration of  
4 homestead property tax exemptions. Money in that restricted fund  
5 shall lapse to the county general fund on the December 31 in the  
6 year 3 years after the first distribution of interest to the  
7 county under subsection (24) and on each succeeding December 31  
8 thereafter.

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

21 (26) Interest distributed under subsection (24) is in  
22 addition to and shall not affect the levy or collection of the  
23 county property tax administration fee established under this  
24 act.

25 (27) ~~-(18) For tax years beginning on and after January 1,~~  
26 ~~1994,~~ a A cooperative housing corporation is entitled to a full  
27 or partial exemption under this section for the tax year in which

1 the cooperative housing corporation files all of the following  
2 with the local tax collecting unit in which the cooperative  
3 housing corporation is located if filed on or before May 1 ~~of~~  
4 ~~the tax year, or for the tax year following the year in which all~~  
5 ~~of the following are filed if filed after May 1 of the tax year~~  
6 **for taxes levied before January 1, 2004 and the tax day as**  
7 **provided in section 2 for taxes levied after December 31, 2003:**

8 (a) An affidavit form.

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

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

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

23 **(28) Before May 1, 2004 and before May 1, 2005, the treasurer**  
24 **of each county shall forward to the department of education a**  
25 **statement of the taxable value of each school district and**  
26 **fraction of a school district within the county for the preceding**  
27 **4 calendar years. This requirement is in addition to the**

1 requirement set forth in section 151 of the state school aid act  
2 of 1979, 1979 PA 94, MCL 388.1751.

3 Sec. 7ee. (1) Qualified agricultural property is exempt  
4 from the tax levied by a local school district for school  
5 operating purposes to the extent provided under section 1211 of  
6 the revised school code, ~~Act No. 451 of the Public Acts of 1976,~~  
7 ~~being section 380.1211 of the Michigan Compiled Laws~~ **1976 PA**  
8 **451, MCL 380.1211**, according to the provisions of this section.

9 (2) Qualified agricultural property that is classified as  
10 agricultural under section 34c is exempt under subsection (1) and  
11 the owner is not required to file an affidavit claiming an  
12 exemption with the local tax collecting unit unless requested by  
13 the assessor to determine whether the property includes  
14 structures that are not exempt under this section. To claim an  
15 exemption under subsection (1) for qualified agricultural  
16 property that is not classified as agricultural under section  
17 34c, the owner shall file an affidavit claiming the exemption  
18 with the local tax collecting unit by May 1 **for taxes levied**  
19 **before January 1, 2004 and the tax day as provided in section 2**  
20 **for taxes levied after December 31, 2003.** ~~However, if an~~  
21 ~~affidavit claiming a homestead exemption on qualified~~  
22 ~~agricultural property not classified as agricultural was not~~  
23 ~~filed by May 1 in 1994, the owner shall file an affidavit under~~  
24 ~~this section by June 1, 1994.~~

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

27 (4) For property classified as agricultural, and upon receipt



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

10 (5) Not more than 90 days after all or a portion of the  
11 exempted property is no longer qualified agricultural property,  
12 the owner shall rescind the exemption for the applicable portion  
13 of the property by filing with the local tax collecting unit a  
14 rescission form prescribed by the department of treasury.  
15 ~~Beginning October 1, 1994, an~~ **An** owner who fails to file a  
16 rescission as required by this subsection is subject to a penalty  
17 of \$5.00 per day for each separate failure beginning after the 90  
18 days have elapsed, up to a maximum of \$200.00. This penalty  
19 shall be collected under ~~Act No. 122 of the Public Acts of 1941,~~  
20 ~~being sections 205.1 to 205.31 of the Michigan Compiled Laws~~  
21 **1941 PA 122, MCL 205.1 to 205.31**, and shall be deposited in the  
22 state school aid fund established in section 11 of article IX of  
23 the state constitution of 1963. This penalty may be waived by  
24 the department of treasury.

25 (6) An owner of property that is qualified agricultural  
26 property on May 1 **for taxes levied before January 1, 2004 and the**  
27 **tax day as provided in section 2 for taxes levied after December**

1 31, 2003 for which an exemption was not on the tax roll may file  
2 an appeal with the July or December board of review in the year  
3 the exemption was claimed or the immediately succeeding year. An  
4 owner of property that is qualified agricultural property on  
5 May 1 **for taxes levied before January 1, 2004 and the tax day as**  
6 **provided in section 2 for taxes levied after December 31, 2003**  
7 for which an exemption was denied by the assessor in the year the  
8 affidavit was filed, may file an appeal with the July board of  
9 review for summer taxes or, if there is not a summer levy of  
10 school operating taxes, with the December board of review.

11 (7) If the assessor of the local tax collecting unit believes  
12 that the property for which an exemption has been granted is not  
13 qualified agricultural property, ~~effective for taxes levied~~  
14 ~~after 1994,~~ the assessor may deny or modify an existing  
15 exemption by notifying the owner in writing at the time required  
16 for providing a notice under section 24c. A taxpayer may appeal  
17 the assessor's determination to the board of review meeting under  
18 section 30. A decision of the board of review may be appealed to  
19 the residential and small claims division of the Michigan tax  
20 tribunal.

21 (8) If an exemption under this section is erroneously  
22 granted, an owner may request in writing that the local tax  
23 collecting unit withdraw the exemption. If an owner requests  
24 that an exemption be withdrawn, the local assessor shall notify  
25 the owner that the exemption issued under this section has been  
26 denied based on that owner's request. If an exemption is  
27 withdrawn, the property that had been subject to that exemption

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

20 ~~(9) An owner of qualified agricultural property for which an~~  
21 ~~exemption was on the tax roll in 1995 and each year after 1995~~  
22 ~~and for which an exemption was not on the tax roll in 1994 may~~  
23 ~~appeal to the July or December board of review in 1997 to have an~~  
24 ~~exemption placed on the 1994 tax roll if all of the following~~  
25 ~~conditions are satisfied:~~

26 ~~—— (a) The qualified agricultural property was qualified~~  
27 ~~agricultural property in 1994 and has been qualified agricultural~~

1 ~~property since 1994.~~

2 ~~—— (b) The owner owned that qualified agricultural property on~~  
3 ~~May 1, 1994.~~

4 ~~—— (c) If a claim of exemption was denied in 1994, the owner did~~  
5 ~~not timely appeal that denial as provided in this section.~~

6 ~~—— (d) The owner has owned that qualified agricultural property~~  
7 ~~since 1994.~~

8 ~~—— (10) If the July or December board of review in 1997 grants a~~  
9 ~~claim of exemption for 1994 under subsection (9), the county~~  
10 ~~treasurer with possession of the tax roll being adjusted shall~~  
11 ~~amend the 1994 tax roll to reflect the exemption and shall issue~~  
12 ~~a corrected tax bill exempting that qualified agricultural~~  
13 ~~property from the tax levied in 1994 for school operating~~  
14 ~~purposes to the extent provided under section 1211 of Act No. 451~~  
15 ~~of the Public Acts of 1976 pursuant to subsection (1).~~

16 ~~(11) If the July or December board of review in 1997 denies~~  
17 ~~a claim of exemption for 1994 under subsection (9), an owner may~~  
18 ~~appeal that denial to the residential and small claims division~~  
19 ~~of the Michigan tax tribunal within 35 days of that denial.~~

20 Sec. 24c. (1) The assessor shall give to each owner or  
21 person or persons listed on the assessment roll of the property a  
22 notice by first-class mail of an increase in the tentative state  
23 equalized valuation or the tentative taxable value for the year.  
24 The notice shall specify each parcel of property, the tentative  
25 taxable value for the current year, and ~~—, beginning in 1996,~~  
26 the taxable value for the immediately preceding year. The notice  
27 shall also specify the time and place of the meeting of the board

1 of review. ~~Beginning in 1996, the~~ **The** notice shall also  
2 specify the difference between the property's tentative taxable  
3 value in the current year and the property's taxable value in the  
4 immediately preceding year.

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

7 (a) The state equalized valuation for the immediately  
8 preceding year.

9 (b) The tentative state equalized valuation for the current  
10 year.

11 (c) The net change between the tentative state equalized  
12 valuation for the current year and the state equalized valuation  
13 for the immediately preceding year.

14 (d) The classification of the property as defined by section  
15 34c.

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

18 (f) A statement provided by the state tax commission  
19 explaining the relationship between state equalized valuation and  
20 taxable value. ~~Beginning in 1996, if~~ **If** the assessor believes  
21 that a transfer of ownership has occurred in the immediately  
22 preceding year, the statement shall state that the ownership was  
23 transferred and that the taxable value of that property is the  
24 same as the state equalized valuation of that property.

25 (3) When required by the income tax act of 1967, 1967 PA 281,  
26 MCL 206.1 to 206.532, the assessment notice shall include or be  
27 accompanied by information or forms prescribed by the income tax

1 act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

2 (4) The assessment notice shall be addressed to the owner  
3 according to the records of the assessor and mailed not less than  
4 10 days before the meeting of the board of review. The failure  
5 to send or receive an assessment notice does not invalidate an  
6 assessment roll or an assessment on that property.

7 (5) The tentative state equalized valuation shall be  
8 calculated by multiplying the assessment by the tentative  
9 equalized valuation multiplier. If the assessor has made  
10 assessment adjustments that would have changed the tentative  
11 multiplier, the assessor may recalculate the multiplier for use  
12 in the notice.

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

16 (7) Beginning in 1995 **through 2003**, the assessment notice  
17 under subsection (1) shall include the following statement:

18 "If you purchased your homestead after May 1 last  
19 year, to claim the homestead exemption, if you have  
20 not already done so, you are required to file an  
21 affidavit before May 1."

22 (8) **Beginning in 2004, the assessment notice under subsection**  
23 **(1) shall include the following statement:**

24 "If you purchased your homestead after December 31  
25 last year, to claim the homestead exemption for next

1        **year, if you have not already done so, you are**  
2        **required to file an affidavit on or before**  
3        **December 31 this year."**.

4        **(9) —(8)—** For taxes levied after December 31, 2003, the  
5 assessment notice under subsection (1) shall separately state the  
6 state equalized valuation and taxable value for any leasehold  
7 improvements.

8        Sec. 53b. (1) If there has been a clerical error or a  
9 mutual mistake of fact relative to the correct assessment  
10 figures, the rate of taxation, or the mathematical computation  
11 relating to the assessing of taxes, the clerical error or mutual  
12 mistake of fact shall be verified by the local assessing officer  
13 and approved by the board of review at a meeting held for the  
14 purposes of this section on Tuesday following the second Monday  
15 in December and, for summer property taxes, on Tuesday following  
16 the third Monday in July. If there is not a levy of summer  
17 property taxes, the board of review may meet for the purposes of  
18 this section on Tuesday following the third Monday in July. If  
19 approved, the board of review shall file an affidavit within 30  
20 days relative to the clerical error or mutual mistake of fact  
21 with the proper officials who are involved with the assessment  
22 figures, rate of taxation, or mathematical computation and all  
23 affected official records shall be corrected. If the clerical  
24 error or mutual mistake of fact results in an overpayment or  
25 underpayment, the rebate, including any interest paid, shall be  
26 made to the taxpayer or the taxpayer shall be notified and  
27 payment made within 30 days of the notice. A rebate shall be

1 without interest. The county treasurer may deduct the rebate  
2 from the appropriate tax collecting unit's subsequent  
3 distribution of taxes. The county treasurer shall bill to the  
4 appropriate tax collecting unit the tax collecting unit's share  
5 of taxes rebated. Except as otherwise provided in subsection  
6 (6), a correction under this subsection may be made in the year  
7 in which the error was made or in the following year only.

8 (2) Action pursuant to this section may be initiated by the  
9 taxpayer or the assessing officer.

10 (3) The board of review meeting in July and December shall  
11 meet only for the purpose described in subsection (1) and to hear  
12 appeals provided for in sections 7u, 7cc, and 7ee. If an  
13 exemption under section 7u is approved, the board of review shall  
14 file an affidavit with the proper officials involved in the  
15 assessment and collection of taxes and all affected official  
16 records shall be corrected. If an appeal under section 7cc or  
17 7ee results in a determination that an overpayment has been made,  
18 the board of review shall file an affidavit and a rebate shall be  
19 made at the times and in the manner provided in subsection (1).  
20 Except as otherwise provided in sections 7cc and 7ee, a  
21 correction under this subsection shall be made for the year in  
22 which the appeal is made only. If the board of review grants an  
23 exemption or provides a rebate for property under section 7cc or  
24 7ee as provided in this subsection, the board of review shall  
25 require the owner to execute the affidavit provided for in  
26 section 7cc or 7ee and shall forward a copy of any section 7cc  
27 affidavits to the department of treasury.



1           (4) If an exemption under section 7cc is granted by the board  
2 of review under this section, the provisions of section 7cc(6)  
3 through ~~(8)~~ **(11)** apply. If an exemption under section 7cc is  
4 not granted by the board of review under this section, the owner  
5 may appeal that decision in writing to the department of treasury  
6 within 35 days of the board of review's denial and the appeal  
7 shall be conducted as provided in section 7cc(7).

8           (5) An owner or assessor may appeal a decision of the board  
9 of review under this section regarding an exemption under section  
10 7ee to the residential and small claims division of the Michigan  
11 tax tribunal. An owner is not required to pay the amount of tax  
12 in dispute in order to receive a final determination of the  
13 residential and small claims division of the Michigan tax  
14 tribunal. However, interest and penalties, if any, shall accrue  
15 and be computed based on interest and penalties that would have  
16 accrued from the date the taxes were originally levied as if  
17 there had not been an exemption.

18           (6) A correction under this section that grants a homestead  
19 exemption pursuant to section ~~7ee(14)~~ **7cc(21)** may be made for  
20 the year in which the appeal was filed and the 3 immediately  
21 preceding tax years.