

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)~~ **(25)** 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22 rescinded **or a substantially similar exemption, deduction, or**  
23 **credit on property in another state that is not rescinded.** If  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.

16 (d) That person has filed an income tax return in a state  
17 other than this state as a resident.

18 (4) Upon receipt of an affidavit filed under subsection (2)  
19 and unless the claim is denied under ~~subsection (6)~~ **this**  
20 **section**, the assessor shall exempt the property from the  
21 collection of the tax levied by a local school district for  
22 school operating purposes to the extent provided under section  
23 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as  
24 provided in subsection (1) until December 31 of the year in which  
25 the property is transferred or is no longer a homestead as  
26 defined in section 7dd. The local tax collecting unit shall  
27 forward copies of affidavits to the department of treasury

1 according to a schedule prescribed by the department of  
2 treasury.

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

16 (6) If the assessor of the local tax collecting unit believes  
17 that the property for which an exemption is claimed is not the  
18 homestead of the owner claiming the exemption, ~~effective for~~  
19 ~~taxes levied after 1994~~ the assessor may deny a new or existing  
20 claim by notifying the owner and the department of treasury in  
21 writing of the reason for the denial and advising the owner that  
22 the denial may be appealed to the ~~department of treasury~~  
23 **residential and small claims division of the Michigan tax**  
24 **tribunal** within 35 days after the date of the notice. **The**  
25 **assessor may deny a claim for exemption for the current year and**  
26 **for the 3 immediately preceding calendar years. If the assessor**  
27 **denies an existing claim for exemption, the assessor shall remove**

1 the exemption of the property and, if the tax roll is in the  
2 local tax collecting unit's possession, amend the tax roll to  
3 reflect the denial and the local treasurer shall issue a  
4 corrected tax bill for previously unpaid taxes with interest at  
5 the rate of 1.25% per month and penalties computed from the date  
6 the taxes were last payable without interest or penalty. If the  
7 tax roll is in the county treasurer's possession, the tax roll  
8 shall be amended to reflect the denial and the county treasurer  
9 shall prepare and submit a supplemental tax bill for any  
10 additional taxes, together with interest at the rate of 1.25% per  
11 month and penalties computed from the date the taxes were last  
12 payable without interest or penalty. Additional interest on any  
13 tax set forth in a corrected or supplemental tax bill shall begin  
14 to accrue 60 days after the date the corrected or supplemental  
15 tax bill is issued at the rate of 1.25% per month. Taxes levied  
16 in a corrected or supplemental tax bill shall be returned as  
17 delinquent on the March 1 in the year immediately succeeding the  
18 year in which the corrected or supplemental tax bill is issued.  
19 If the assessor denies an existing claim for exemption, the  
20 interest due shall be distributed as provided in subsection  
21 (22). However, if the property has been transferred to a bona  
22 fide purchaser before additional taxes were billed to the seller  
23 as a result of the denial of a claim for exemption, the taxes,  
24 interest, and penalties shall not be billed to the bona fide  
25 purchaser, and the local tax collecting unit if the local tax  
26 collecting unit has possession of the tax roll or the county  
27 treasurer if the county has possession of the tax roll shall

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

23 (7) If the assessor of the local tax collecting unit believes  
24 that the property for which the exemption is claimed is not the  
25 homestead of the owner claiming the exemption and has not denied  
26 the claim, ~~for taxes levied after 1994~~ the assessor shall  
27 include a recommendation for denial with any affidavit that is

1 forwarded to the department of treasury or, for an existing  
2 claim, shall send a recommendation for denial to the department  
3 of treasury, stating the reasons for the recommendation.

4       **(8)** ~~-(7)-~~ The department of treasury shall determine if the  
5 property is the homestead of the owner claiming the exemption.  
6 The department of treasury may review the validity of exemptions  
7 for the current calendar year and for the 3 immediately preceding  
8 calendar years. If the department of treasury determines that  
9 the property is not the homestead of the owner claiming the  
10 exemption, the department shall send a notice of that  
11 determination to the local tax collecting unit and to the owner  
12 of the property claiming the exemption, indicating that the claim  
13 for exemption is denied, stating the reason for the denial, and  
14 advising the owner claiming the exemption of the right to appeal  
15 the determination to the department of treasury and what those  
16 rights of appeal are. The department of treasury may issue a  
17 notice denying a claim if an owner fails to respond within 30  
18 days of receipt of a request for information from that  
19 department. An owner may appeal the denial of a claim of  
20 exemption to the department of treasury within 35 days of receipt  
21 of the notice of denial. An appeal to the department of treasury  
22 shall be conducted according to the provisions for an informal  
23 conference in section 21 of 1941 PA 122, MCL 205.21. Within 10  
24 days after acknowledging an appeal of a denial of a claim of  
25 exemption, the department of treasury shall notify the assessor  
26 and the treasurer for the county in which the property is located  
27 that an appeal has been filed. Upon receipt of a notice that the

1 department of treasury has denied a claim for exemption, the  
2 assessor shall remove the exemption of the property and, if the  
3 tax roll is in the local tax collecting unit's possession, amend  
4 the tax roll to reflect the denial and the local treasurer shall  
5 issue a corrected tax bill for previously unpaid taxes with  
6 interest **at the rate of 1.25% per month** and penalties computed  
7 ~~based on the interest and penalties that would have accrued~~  
8 from the date the taxes were ~~originally levied if there had not~~  
9 ~~been an exemption~~ **last payable without interest and penalty.** If  
10 the tax roll is in the county treasurer's possession, the tax  
11 roll shall be amended to reflect the denial and the county  
12 treasurer shall prepare and submit a supplemental tax bill for  
13 any additional taxes, together with ~~any interest and penalties~~  
14 **interest at the rate of 1.25% per month and penalties computed**  
15 **from the date the taxes were last payable without interest or**  
16 **penalty.** ~~For taxes levied in 1994 only, the county treasurer~~  
17 ~~shall waive any interest and penalties due if the owner pays the~~  
18 ~~supplemental tax bill not more than 30 days after the owner~~  
19 ~~receives the supplemental tax bill. Interest and penalties shall~~  
20 ~~not be assessed for any period before February 14, 1995.~~  
21 **Additional interest on any tax set forth in a corrected or**  
22 **supplemental tax bill shall begin to accrue 60 days after the**  
23 **date the corrected or supplemental tax bill is issued at the rate**  
24 **of 1.25% per month. Taxes levied in a corrected or supplemental**  
25 **tax bill shall be returned as delinquent on the March 1 in the**  
26 **year immediately succeeding the year in which the corrected or**  
27 **supplemental tax bill is issued. If the department of treasury**



1 **denies an existing claim for exemption, the interest due shall be**  
2 **distributed as provided in subsection (22).** However, if the  
3 property has been transferred to a bona fide purchaser before  
4 additional taxes were billed to the seller as a result of the  
5 denial of a claim for exemption, the taxes, interest, and  
6 penalties shall not be billed to the bona fide purchaser, and the  
7 local tax collecting unit if the local tax collecting unit has  
8 possession of the tax roll or the county treasurer if the county  
9 has possession of the tax roll shall notify the department of  
10 treasury of the amount of tax due and interest through the date  
11 of that notification. The department of treasury shall then  
12 assess the owner who claimed the homestead property tax exemption  
13 for the tax and interest plus penalty accruing as a result of the  
14 denial of the claim for exemption, if any, as for unpaid taxes  
15 provided under 1941 PA 122, MCL 205.1 to 205.31, and shall  
16 deposit any tax ~~—, interest,—~~ or penalty collected into the state  
17 school aid fund **and shall distribute any interest collected as**  
18 **provided in subsection (22).**

19 ~~(8) An owner may appeal a final decision of the department~~  
20 ~~of treasury to the residential and small claims division of the~~  
21 ~~Michigan tax tribunal within 35 days of that decision. An~~  
22 ~~assessor may appeal a final decision of the department of~~  
23 ~~treasury to the residential and small claims division of the~~  
24 ~~Michigan tax tribunal within 35 days of that decision if the~~  
25 ~~assessor denied the exemption under subsection (6), or, for taxes~~  
26 ~~levied in 1994 only, the assessor forwarded a recommendation for~~  
27 ~~denial to the department of treasury under subsection (6). An~~

~~1 owner is not required to pay the amount of tax in dispute in  
2 order to appeal a denial of a claim of exemption to the  
3 department of treasury or to receive a final determination of the  
4 residential and small claims division of the Michigan tax  
5 tribunal. However, interest and penalties except as provided in  
6 subsection (7), if any, shall accrue and be computed based on the  
7 interest and penalties that would have accrued from the date the  
8 taxes were originally levied as if there had not been an  
9 exemption.~~

10 (9) A county may elect to audit the exemptions claimed under  
11 this section in all local tax collecting units located in that  
12 county as provided in this subsection. The election to audit  
13 exemptions shall be made by the county treasurer, or by the  
14 county equalization director with the concurrence by resolution  
15 of the county board of commissioners. The initial election to  
16 audit exemptions shall require an audit period of 2 years.  
17 Subsequent elections to audit exemptions shall be made every 2  
18 years and shall require 2 annual audit periods. An election to  
19 audit exemptions shall be made by submitting an election to audit  
20 form to the assessor of each local tax collecting unit in that  
21 county and to the department of treasury not later than October 1  
22 in the year in which an election to audit is made. The election  
23 to audit form required under this subsection shall be in a form  
24 prescribed by the department of treasury. If a county elects to  
25 audit the exemptions claimed under this section, the department  
26 of treasury may continue to review the validity of exemptions as  
27 provided in subsection (8).

1           (10) If a county elects to audit the exemptions claimed under  
2 this section as provided in subsection (9) and the county  
3 treasurer or his or her designee or the county equalization  
4 director or his or her designee believes that the property for  
5 which an exemption is claimed is not the homestead of the owner  
6 claiming the exemption, the county treasurer or his or her  
7 designee or the county equalization director or his or her  
8 designee may deny an existing claim by notifying the owner, the  
9 assessor of the local tax collecting unit, and the department of  
10 treasury in writing of the reason for the denial and advising the  
11 owner that the denial may be appealed to the residential and  
12 small claims division of the Michigan tax tribunal within 35 days  
13 after the date of the notice. The county treasurer or his or her  
14 designee or the county equalization director or his or her  
15 designee may deny a claim for exemption for the current year and  
16 for the 3 immediately preceding calendar years. If the county  
17 treasurer or his or her designee or the county equalization  
18 director or his or her designee denies an existing claim for  
19 exemption, the county treasurer or his or her designee or the  
20 county equalization director or his or her designee shall direct  
21 the assessor of the local tax collecting unit in which the  
22 property is located to remove the exemption of the property from  
23 the assessment roll and, if the tax roll is in the local tax  
24 collecting unit's possession, direct the assessor of the local  
25 tax collecting unit to amend the tax roll to reflect the denial  
26 and the treasurer of the local tax collecting unit shall issue a  
27 corrected tax bill for previously unpaid taxes with interest at

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

1 the homestead property tax exemption for the tax and interest  
2 plus penalty accruing as a result of the denial of the claim for  
3 exemption, if any, as for unpaid taxes provided under 1941 PA  
4 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty  
5 collected into the state school aid fund and shall distribute any  
6 interest collected as provided in subsection (22). The  
7 department of treasury shall annually provide the county  
8 treasurer or his or her designee or the county equalization  
9 director or his or her designee a list of parcels of property  
10 located in that county for which an exemption may be erroneously  
11 claimed. The county treasurer or his or her designee or the  
12 county equalization director or his or her designee shall forward  
13 copies of the list provided by the department of treasury to each  
14 assessor in each local tax collecting unit in that county within  
15 10 days of receiving the list.

16 (11) An owner may appeal a denial by the assessor of the  
17 local tax collecting unit under subsection (6), a final decision  
18 of the department of treasury under subsection (8), or a denial  
19 by the county treasurer or his or her designee or the county  
20 equalization director or his or her designee under subsection  
21 (10) to the residential and small claims division of the Michigan  
22 tax tribunal within 35 days of that decision. An owner is not  
23 required to pay the amount of tax in dispute in order to appeal a  
24 denial of a claim of exemption to the department of treasury or  
25 to receive a final determination of the residential and small  
26 claims division of the Michigan tax tribunal. However, interest  
27 at the rate of 1.25% per month and penalties shall accrue and be

1 computed from the date the taxes were last payable without  
2 interest and penalty. If the residential and small claims  
3 division of the Michigan tax tribunal grants an owner's appeal of  
4 a denial and that owner has paid the interest due as a result of  
5 a denial under subsection (6), (8), or (10), the interest  
6 received after a distribution was made under subsection (22)  
7 shall be refunded.

8 (12) For taxes levied after December 31, 2005, for each  
9 county in which the county treasurer or the county equalization  
10 director does not elect to audit the exemptions claimed under  
11 this section as provided in subsection (9), the department of  
12 treasury shall conduct an annual audit of exemptions claimed  
13 under this section for the current calendar year.

14 (13) ~~-(9)-~~ An affidavit filed by an owner for a homestead  
15 rescinds all previous exemptions filed by that owner for any  
16 other homestead. The department of treasury shall notify the  
17 assessor of the local tax collecting unit in which the property  
18 for which a previous exemption was claimed is located that the  
19 previous exemption is rescinded by the subsequent affidavit.  
20 Upon receipt of notice that an exemption is rescinded, the  
21 assessor of the local tax collecting unit shall remove the  
22 exemption effective December 31 of the year in which the property  
23 is transferred or is no longer a homestead as defined in section  
24 7dd. The assessor of the local tax collecting unit in which that  
25 property is located shall notify the treasurer in possession of  
26 the tax roll for a year for which the exemption is rescinded. If  
27 the tax roll is in the local tax collecting unit's possession,

1 the tax roll shall be amended to reflect the rescission and the  
2 local treasurer shall prepare and issue a corrected tax bill for  
3 previously unpaid taxes with interest and penalties computed  
4 based on the interest and penalties that would have accrued from  
5 the date the taxes were originally levied if there had not been  
6 an exemption for that year. If the tax roll is in the county  
7 treasurer's possession, the tax roll shall be amended to reflect  
8 the rescission and the county treasurer shall prepare and submit  
9 a supplemental tax bill for any additional taxes, together with  
10 any interest and penalties. However, if the property has been  
11 transferred to a bona fide purchaser, the taxes, interest, and  
12 penalties shall not be billed to the bona fide purchaser, and the  
13 local tax collecting unit if the local tax collecting unit has  
14 possession of the tax roll or the county treasurer if the county  
15 has possession of the tax roll shall notify the department of  
16 treasury of the amount of tax due and interest through the date  
17 of that notification. The department of treasury shall then  
18 assess the owner who received the homestead property tax  
19 exemption when the property was not a homestead as defined in  
20 section 7dd for the tax and interest plus penalty accruing, if  
21 any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to  
22 205.31, and shall deposit any tax, interest, or penalty collected  
23 into the state school aid fund.

24       **(14)** ~~-(10)-~~ An owner of property for which a claim of  
25 exemption is rescinded may appeal that rescission with either the  
26 July or December board of review in either the year for which the  
27 exemption is rescinded or in the immediately succeeding year. If

1 an appeal of a rescission of a claim for exemption is received  
2 not later than 5 days prior to the date of the December board of  
3 review, the local tax collecting unit shall convene a December  
4 board of review and consider the appeal pursuant to this section  
5 and section 53b. An owner of property for which a claim of  
6 exemption is rescinded may appeal the decision of the board of  
7 review to the residential and small claims division of the  
8 Michigan tax tribunal within 35 days of that decision.

9       (15) ~~-(11)-~~ If the homestead is part of a unit in a  
10 multiple-unit dwelling or a dwelling unit in a multiple-purpose  
11 structure, an owner shall claim an exemption for only that  
12 portion of the total taxable value of the property used as the  
13 homestead of that owner in a manner prescribed by the department  
14 of treasury. If a portion of a parcel for which the owner claims  
15 an exemption is used for a purpose other than as a homestead, the  
16 owner shall claim an exemption for only that portion of the  
17 taxable value of the property used as the homestead of that owner  
18 in a manner prescribed by the department of treasury.

19       (16) ~~-(12)-~~ When a county register of deeds records a  
20 transfer of ownership of a property, he or she shall notify the  
21 local tax collecting unit in which the property is located of the  
22 transfer.

23       (17) ~~-(13)-~~ The department of treasury shall make available  
24 the affidavit forms and the forms to rescind an exemption, which  
25 may be on the same form, to all city and township assessors,  
26 county equalization officers, county registers of deeds, and  
27 closing agents. A person who prepares a closing statement for



1 the sale of property shall provide affidavit and rescission forms  
2 to the buyer and seller at the closing and, if requested by the  
3 buyer or seller after execution by the buyer or seller, shall  
4 file the forms with the local tax collecting unit in which the  
5 property is located. If a closing statement preparer fails to  
6 provide homestead exemption affidavit and rescission forms to the  
7 buyer and seller, or fails to file the affidavit and rescission  
8 forms with the local tax collecting unit if requested by the  
9 buyer or seller, the buyer may appeal to the department of  
10 treasury within 30 days of notice to the buyer that an exemption  
11 was not recorded. If the department of treasury determines that  
12 the buyer qualifies for the exemption, the department of treasury  
13 shall notify the assessor of the local tax collecting unit that  
14 the exemption is granted and the assessor of the local tax  
15 collecting unit or, if the tax roll is in the possession of the  
16 county treasurer, the county treasurer shall correct the tax roll  
17 to reflect the exemption. This subsection does not create a  
18 cause of action at law or in equity against a closing statement  
19 preparer who fails to provide homestead exemption affidavit and  
20 rescission forms to a buyer and seller or who fails to file the  
21 affidavit and rescission forms with the local tax collecting unit  
22 when requested to do so by the buyer or seller.

23       **(18) —(14)—** An owner who owned and occupied a homestead on  
24 **May 1 for taxes levied before January 1, 2004 and the tax day as**  
25 **provided in section 2 for taxes levied after December 31, 2003**  
26 for which the exemption was not on the tax roll may file an  
27 appeal with the July board of review or December board of review

1 in the year for which the exemption was claimed or the  
2 immediately succeeding 3 years. If an appeal of a claim for  
3 exemption that was not on the tax roll is received not later than  
4 5 days prior to the date of the December board of review, the  
5 local tax collecting unit shall convene a December board of  
6 review and consider the appeal pursuant to this section and  
7 section 53b.

8       (19) ~~-(15)-~~ If the assessor or treasurer of the local tax  
9 collecting unit believes that the department of treasury  
10 erroneously denied a claim for exemption, the assessor or  
11 treasurer may submit written information supporting the owner's  
12 claim for exemption to the department of treasury within 35 days  
13 of the owner's receipt of the notice denying the claim for  
14 exemption. If, after reviewing the information provided, the  
15 department of treasury determines that the claim for exemption  
16 was erroneously denied, the department of treasury shall grant  
17 the exemption and the tax roll shall be amended to reflect the  
18 exemption.

19       (20) ~~-(16)-~~ If granting the exemption under this section  
20 results in an overpayment of the tax, a rebate, including any  
21 interest paid, shall be made to the taxpayer by the local tax  
22 collecting unit if the local tax collecting unit has possession  
23 of the tax roll or by the county treasurer if the county has  
24 possession of the tax roll within 30 days of the date the  
25 exemption is granted. The rebate shall be without interest.

26       (21) ~~-(17)-~~ If an exemption under this section is erroneously  
27 granted **for an affidavit filed before October 1, 2003**, an owner

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

1           (22) Subject to subsection (23), interest at the rate of  
2 1.25% per month collected under subsection (6), (8), or (10)  
3 shall be distributed as follows:

4           (a) If the assessor of the local tax collecting unit denies  
5 the exemption under subsection (6), as follows:

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

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

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

9           (b) If the department of treasury denies the exemption under  
10 subsection (8), as follows:

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

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

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

14           (c) If the county treasurer or his or her designee or the  
15 county equalization director or his or her designee denies the  
16 exemption under subsection (10), as follows:

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

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

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

20           (23) Interest distributed under subsection (22) is subject to  
21 the following conditions:

22           (a) Interest distributed to a county shall be deposited into  
23 a restricted fund to be used solely for the administration of  
24 homestead property tax exemptions. Money in that restricted fund  
25 shall lapse to the county general fund on the December 31 in the  
26 year 3 years after the first distribution of interest to the  
27 county under subsection (22) and on each succeeding December 31

1 thereafter.

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

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

18 (25) ~~(18) For tax years beginning on and after January 1,~~  
19 ~~1994, a~~ A cooperative housing corporation is entitled to a full  
20 or partial exemption under this section for the tax year in which  
21 the cooperative housing corporation files all of the following  
22 with the local tax collecting unit in which the cooperative  
23 housing corporation is located if filed on or before May 1 ~~of~~  
24 ~~the tax year, or for the tax year following the year in which all~~  
25 ~~of the following are filed if filed after May 1 of the tax year~~  
26 for taxes levied before January 1, 2004 and the tax day as  
27 provided in section 2 for taxes levied after December 31, 2003:

1 (a) An affidavit form.

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

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

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

16 **(26) Before May 1, 2004 and before May 1, 2005, the treasurer**  
17 **of each county shall forward to the department of education a**  
18 **statement of the taxable value of each school district and**  
19 **fraction of a school district within the county for the preceding**  
20 **4 calendar years. This requirement is in addition to the**  
21 **requirement set forth in section 151 of the state school aid act**  
22 **of 1979, 1979 PA 94, MCL 388.1751.**

23 Sec. 7ee. (1) Qualified agricultural property is exempt  
24 from the tax levied by a local school district for school  
25 operating purposes to the extent provided under section 1211 of  
26 the revised school code, ~~Act No. 451 of the Public Acts of 1976,~~  
27 ~~being section 380.1211 of the Michigan Compiled Laws 1976 PA~~

1 451, MCL 380.1211, according to the provisions of this section.

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

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

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

1 exemption on the same property as requested by the assessor under  
2 subsection (2).

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

18 (6) An owner of property that is qualified agricultural  
19 property on May 1 **for taxes levied before January 1, 2004 and the**  
20 **tax day as provided in section 2 for taxes levied after December**  
21 **31, 2003** for which an exemption was not on the tax roll may file  
22 an appeal with the July or December board of review in the year  
23 the exemption was claimed or the immediately succeeding year. An  
24 owner of property that is qualified agricultural property on  
25 May 1 **for taxes levied before January 1, 2004 and the tax day as**  
26 **provided in section 2 for taxes levied after December 31, 2003**  
27 for which an exemption was denied by the assessor in the year the



1 affidavit was filed, may file an appeal with the July board of  
2 review for summer taxes or, if there is not a summer levy of  
3 school operating taxes, with the December board of review.

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

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

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

13 ~~(9) An owner of qualified agricultural property for which an~~  
14 ~~exemption was on the tax roll in 1995 and each year after 1995~~  
15 ~~and for which an exemption was not on the tax roll in 1994 may~~  
16 ~~appeal to the July or December board of review in 1997 to have an~~  
17 ~~exemption placed on the 1994 tax roll if all of the following~~  
18 ~~conditions are satisfied:~~

19 ~~—— (a) The qualified agricultural property was qualified~~  
20 ~~agricultural property in 1994 and has been qualified agricultural~~  
21 ~~property since 1994.~~

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

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

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

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

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

13 Sec. 24c. (1) The assessor shall give to each owner or  
14 person or persons listed on the assessment roll of the property a  
15 notice by first-class mail of an increase in the tentative state  
16 equalized valuation or the tentative taxable value for the year.  
17 The notice shall specify each parcel of property, the tentative  
18 taxable value for the current year, and ~~—, beginning in 1996,~~  
19 the taxable value for the immediately preceding year. The notice  
20 shall also specify the time and place of the meeting of the board  
21 of review. ~~—Beginning in 1996, the~~ **The** notice shall also  
22 specify the difference between the property's tentative taxable  
23 value in the current year and the property's taxable value in the  
24 immediately preceding year.

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

27 (a) The state equalized valuation for the immediately

1 preceding year.

2 (b) The tentative state equalized valuation for the current  
3 year.

4 (c) The net change between the tentative state equalized  
5 valuation for the current year and the state equalized valuation  
6 for the immediately preceding year.

7 (d) The classification of the property as defined by section  
8 34c.

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

11 (f) A statement provided by the state tax commission  
12 explaining the relationship between state equalized valuation and  
13 taxable value. ~~Beginning in 1996, if~~ **If** the assessor believes  
14 that a transfer of ownership has occurred in the immediately  
15 preceding year, the statement shall state that the ownership was  
16 transferred and that the taxable value of that property is the  
17 same as the state equalized valuation of that property.

18 (3) When required by the income tax act of 1967, 1967 PA 281,  
19 MCL 206.1 to 206.532, the assessment notice shall include or be  
20 accompanied by information or forms prescribed by the income tax  
21 act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

22 (4) The assessment notice shall be addressed to the owner  
23 according to the records of the assessor and mailed not less than  
24 10 days before the meeting of the board of review. The failure  
25 to send or receive an assessment notice does not invalidate an  
26 assessment roll or an assessment on that property.

27 (5) The tentative state equalized valuation shall be

1 calculated by multiplying the assessment by the tentative  
2 equalized valuation multiplier. If the assessor has made  
3 assessment adjustments that would have changed the tentative  
4 multiplier, the assessor may recalculate the multiplier for use  
5 in the notice.

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

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

11 "If you purchased your homestead after May 1 last  
12 year, to claim the homestead exemption, if you have  
13 not already done so, you are required to file an  
14 affidavit before May 1."

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

17 "If you purchased your homestead after December 31  
18 last year, to claim the homestead exemption for next  
19 year, if you have not already done so, you are  
20 required to file an affidavit on or before  
21 December 31."

22 (9) ~~(8)~~ For taxes levied after December 31, 2003, the  
23 assessment notice under subsection (1) shall separately state the  
24 state equalized valuation and taxable value for any leasehold  
25 improvements.

1           Sec. 53b. (1) If there has been a clerical error or a  
2 mutual mistake of fact relative to the correct assessment  
3 figures, the rate of taxation, or the mathematical computation  
4 relating to the assessing of taxes, the clerical error or mutual  
5 mistake of fact shall be verified by the local assessing officer  
6 and approved by the board of review at a meeting held for the  
7 purposes of this section on Tuesday following the second Monday  
8 in December and, for summer property taxes, on Tuesday following  
9 the third Monday in July. If there is not a levy of summer  
10 property taxes, the board of review may meet for the purposes of  
11 this section on Tuesday following the third Monday in July. If  
12 approved, the board of review shall file an affidavit within 30  
13 days relative to the clerical error or mutual mistake of fact  
14 with the proper officials who are involved with the assessment  
15 figures, rate of taxation, or mathematical computation and all  
16 affected official records shall be corrected. If the clerical  
17 error or mutual mistake of fact results in an overpayment or  
18 underpayment, the rebate, including any interest paid, shall be  
19 made to the taxpayer or the taxpayer shall be notified and  
20 payment made within 30 days of the notice. A rebate shall be  
21 without interest. The county treasurer may deduct the rebate  
22 from the appropriate tax collecting unit's subsequent  
23 distribution of taxes. The county treasurer shall bill to the  
24 appropriate tax collecting unit the tax collecting unit's share  
25 of taxes rebated. Except as otherwise provided in subsection  
26 (6), a correction under this subsection may be made in the year  
27 in which the error was made or in the following year only.

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

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

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

1           (5) An owner or assessor may appeal a decision of the board  
2 of review under this section regarding an exemption under section  
3 7ee to the residential and small claims division of the Michigan  
4 tax tribunal. An owner is not required to pay the amount of tax  
5 in dispute in order to receive a final determination of the  
6 residential and small claims division of the Michigan tax  
7 tribunal. However, interest and penalties, if any, shall accrue  
8 and be computed based on interest and penalties that would have  
9 accrued from the date the taxes were originally levied as if  
10 there had not been an exemption.

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