

# HOUSE BILL No. 4189

February 11, 2003, Introduced by Reps. Stakoe, Brandenburg, Ward, Stahl, Nofs and Hune and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7u, 7cc, 7dd, 24c, 27d, and 120 (MCL 211.7u, 211.7cc, 211.7dd, 211.24c, 211.27d, and 211.120), sections 7u and 24c as amended by 2002 PA 620, section 7cc as amended by 2002 PA 624, section 7dd as amended and section 27d as added by 1996 PA 476, and section 120 as added by 1995 PA 74.

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

1           Sec. 7u. (1) The ~~homestead~~ **principal residence** of persons  
2 who, in the judgment of the supervisor and board of review, by  
3 reason of poverty, are unable to contribute toward the public  
4 charges is eligible for exemption in whole or in part from  
5 taxation under this act. This section does not apply to the  
6 property of a corporation.

7           (2) To be eligible for exemption under this section, a person

1 shall do all of the following on an annual basis:

2 (a) Be an owner of and occupy as a ~~homestead~~ **principal**  
3 **residence** the property for which an exemption is requested.

4 (b) File a claim with the supervisor or board of review on a  
5 form provided by the local assessing unit, accompanied by federal  
6 and state income tax returns for all persons residing in the  
7 ~~homestead~~ **principal residence**, including any property tax  
8 credit returns, filed in the immediately preceding year or in the  
9 current year. The filing of a claim under this subsection  
10 constitutes an appearance before the board of review for the  
11 purpose of preserving the claimant's right to appeal the decision  
12 of the board of review regarding the claim.

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

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

19 (e) Meet the federal poverty guidelines updated annually in  
20 the federal register by the United States department of health  
21 and human services under authority of section 673 of subtitle B  
22 of title VI of the omnibus budget reconciliation act of 1981,  
23 Public Law 97-35, 42 U.S.C. 9902, or alternative guidelines  
24 adopted by the governing body of the local assessing unit  
25 provided the alternative guidelines do not provide income  
26 eligibility requirements less than the federal guidelines.

27 (3) The application for an exemption under this section shall

1 be filed after January 1 but before the day prior to the last day  
2 of the board of review.

3 (4) The governing body of the local assessing unit shall  
4 determine and make available to the public the policy and  
5 guidelines the local assessing unit uses for the granting of  
6 exemptions under this section. The guidelines shall include but  
7 not be limited to the specific income and asset levels of the  
8 claimant and total household income and assets.

9 (5) The board of review shall follow the policy and  
10 guidelines of the local assessing unit in granting or denying an  
11 exemption under this section unless the board of review  
12 determines there are substantial and compelling reasons why there  
13 should be a deviation from the policy and guidelines and the  
14 substantial and compelling reasons are communicated in writing to  
15 the claimant.

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

20 (7) As used in this section, ~~"homestead" means homestead~~  
21 **"principal residence" means principal residence** or qualified  
22 agricultural property as those terms are defined in section 7dd.

23 Sec. 7cc. (1) A ~~homestead~~ **principal residence** 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, 1976 PA 451, MCL 380.1211, if an owner  
27 of that ~~homestead~~ **principal residence** claims an exemption as

1 provided in this section. Notwithstanding the tax day provided  
2 in section 2, the status of property as a ~~homestead~~ **principal**  
3 **residence** shall be determined on the date an affidavit claiming  
4 an exemption is filed under subsection (2).

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

24 (3) A husband and wife who are required to file or who do  
25 file a joint Michigan income tax return are entitled to not more  
26 than 1 ~~homestead~~ exemption **under this section**.

27 (4) Upon receipt of an affidavit filed under subsection (2)

1 and unless the claim is denied under subsection (6), the assessor  
2 shall exempt the property from the collection of the tax levied  
3 by a local school district for school operating purposes to the  
4 extent provided under section 1211 of the revised school code,  
5 1976 PA 451, MCL 380.1211, as provided in subsection (1) until  
6 December 31 of the year in which the property is transferred or  
7 is no longer a ~~homestead~~ **principal residence** as defined in  
8 section 7dd. The local tax collecting unit shall forward copies  
9 of affidavits to the department of treasury according to a  
10 schedule prescribed by the department of treasury.

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

24 (6) If the assessor of the local tax collecting unit believes  
25 that the property for which an exemption is claimed is not the  
26 ~~homestead~~ **principal residence** of the owner claiming the  
27 exemption, effective for taxes levied after 1994 the assessor may

1 deny a new or existing claim by notifying the owner and the  
2 department of treasury in writing of the reason for the denial  
3 and advising the owner that the denial may be appealed to the  
4 department of treasury within 35 days after the date of the  
5 notice. The denial shall be made on a form prescribed by the  
6 department of treasury. If the assessor of the local tax  
7 collecting unit believes that the property for which the  
8 exemption is claimed is not the ~~homestead~~ **principal residence**  
9 of the owner claiming the exemption, for taxes levied in 1994 the  
10 assessor may send a recommendation for denial for any affidavit  
11 that is forwarded to the department of treasury stating the  
12 reasons for the recommendation. If the assessor of the local tax  
13 collecting unit believes that the property for which the  
14 exemption is claimed is not the ~~homestead~~ **principal residence**  
15 of the owner claiming the exemption and has not denied the claim,  
16 for taxes levied after 1994 the assessor shall include a  
17 recommendation for denial with any affidavit that is forwarded to  
18 the department of treasury or, for an existing claim, shall send  
19 a recommendation for denial to the department of treasury,  
20 stating the reasons for the recommendation.

21 (7) The department of treasury shall determine if the  
22 property is the ~~homestead~~ **principal residence** of the owner  
23 claiming the exemption. The department of treasury may review  
24 the validity of exemptions for the current calendar year and for  
25 the 3 immediately preceding calendar years. If the department of  
26 treasury determines that the property is not the ~~homestead~~  
27 **principal residence** of the owner claiming the exemption, the

1 department shall send a notice of that determination to the local  
2 tax collecting unit and to the owner of the property claiming the  
3 exemption, indicating that the claim for exemption is denied,  
4 stating the reason for the denial, and advising the owner  
5 claiming the exemption of the right to appeal the determination  
6 to the department of treasury and what those rights of appeal  
7 are. The department of treasury may issue a notice denying a  
8 claim if an owner fails to respond within 30 days of receipt of a  
9 request for information from that department. An owner may  
10 appeal the denial of a claim of exemption to the department of  
11 treasury within 35 days of receipt of the notice of denial. An  
12 appeal to the department of treasury shall be conducted according  
13 to the provisions for an informal conference in section 21 of  
14 1941 PA 122, MCL 205.21. Within 10 days after acknowledging an  
15 appeal of a denial of a claim of exemption, the department of  
16 treasury shall notify the assessor and the treasurer for the  
17 county in which the property is located that an appeal has been  
18 filed. Upon receipt of a notice that the department of treasury  
19 has denied a claim for exemption, the assessor shall remove the  
20 exemption of the property and, if the tax roll is in the local  
21 tax collecting unit's possession, amend the tax roll to reflect  
22 the denial and the local treasurer shall issue a corrected tax  
23 bill for previously unpaid taxes with interest and penalties  
24 computed based on the interest and penalties that would have  
25 accrued from the date the taxes were originally levied if there  
26 had not been an exemption. If the tax roll is in the county  
27 treasurer's possession, the tax roll shall be amended to reflect

1 the denial and the county treasurer shall prepare and submit a  
2 supplemental tax bill for any additional taxes, together with any  
3 interest and penalties. For taxes levied in 1994 only, the  
4 county treasurer shall waive any interest and penalties due if  
5 the owner pays the supplemental tax bill not more than 30 days  
6 after the owner receives the supplemental tax bill. Interest and  
7 penalties shall not be assessed for any period before  
8 February 14, 1995. However, if the property has been transferred  
9 to a bona fide purchaser before additional taxes were billed to  
10 the seller as a result of the denial of a claim for exemption,  
11 the taxes, interest, and penalties shall not be billed to the  
12 bona fide purchaser, and the local tax collecting unit if the  
13 local tax collecting unit has possession of the tax roll or the  
14 county treasurer if the county has possession of the tax roll  
15 shall notify the department of treasury of the amount of tax due  
16 and interest through the date of that notification. The  
17 department of treasury shall then assess the owner who claimed  
18 the ~~homestead property tax~~ exemption **under this section** for the  
19 tax and interest plus penalty accruing as a result of the denial  
20 of the claim for exemption, if any, as for unpaid taxes provided  
21 under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any  
22 tax, interest, or penalty collected into the state school aid  
23 fund.

24 (8) An owner may appeal a final decision of the department of  
25 treasury to the residential and small claims division of the  
26 Michigan tax tribunal within 35 days of that decision. An  
27 assessor may appeal a final decision of the department of

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

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

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

27 (10) An owner of property for which a claim of exemption is

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

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

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

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

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

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

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

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

1 (18) For tax years beginning on and after January 1, 1994, a  
2 cooperative housing corporation is entitled to a full or partial  
3 exemption under this section for the tax year in which the  
4 cooperative housing corporation files all of the following with  
5 the local tax collecting unit in which the cooperative housing  
6 corporation is located if filed on or before May 1 of the tax  
7 year, or for the tax year following the year in which all of the  
8 following are filed if filed after May 1 of the tax year:

9 (a) An affidavit form.

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

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

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

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

25 ~~(a) "Homestead" means that portion of a dwelling or unit in~~  
26 ~~a multiple-unit dwelling that is subject to ad valorem taxes and~~  
27 ~~is owned and occupied as a principal residence by an owner of the~~

~~1 dwelling or unit. Homestead also includes all of an owner's  
2 unoccupied property classified as residential that is adjoining  
3 or contiguous to the dwelling subject to ad valorem taxes and  
4 that is owned and occupied as a principal residence by the  
5 owner. Contiguity is not broken by a road, a right-of-way, or  
6 property purchased or taken under condemnation proceedings by a  
7 public utility for power transmission lines if the 2 parcels  
8 separated by the purchased or condemned property were a single  
9 parcel prior to the sale or condemnation. Homestead also  
10 includes any portion of a principal residence of an owner that is  
11 rented or leased to another person as a residence as long as that  
12 portion of the principal residence that is rented or leased is  
13 less than 50% of the total square footage of living space in that  
14 principal residence. Homestead also includes a life care  
15 facility registered under the living care disclosure act, Act  
16 No. 440 of the Public Acts of 1976, being sections 554.801 to  
17 554.844 of the Michigan Compiled Laws. Homestead also includes  
18 property owned by a cooperative housing corporation and occupied  
19 as a principal residence by tenant stockholders.~~

20       **(a)** ~~-(b)-~~ "Owner" means any of the following:

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

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

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

27       (iv) A person who owns or is purchasing a dwelling on leased

1 land.

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

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

6 (vii) A cooperative housing corporation.

7 (viii) A facility registered under ~~Act No. 440 of the Public~~  
8 ~~Acts of 1976~~ **the living care disclosure act, 1976 PA 440, MCL**  
9 **554.801 to 554.844.**

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

15 (c) ~~(d)~~ "Principal residence" means the 1 place where a  
16 person has his or her true, fixed, and permanent home to which,  
17 whenever absent, he or she intends to return and that shall  
18 continue as a principal residence until another principal  
19 residence is established. **Principal residence includes only that**  
20 **portion of a dwelling or unit in a multiple-unit dwelling that is**  
21 **subject to ad valorem taxes and that is owned and occupied by an**  
22 **owner of the dwelling or unit. Principal residence also includes**  
23 **all of an owner's unoccupied property classified as residential**  
24 **that is adjoining or contiguous to the dwelling subject to ad**  
25 **valorem taxes and that is owned and occupied by the owner.**  
26 **Contiguity is not broken by a road, a right-of-way, or property**  
27 **purchased or taken under condemnation proceedings by a public**

1 utility for power transmission lines if the 2 parcels separated  
2 by the purchased or condemned property were a single parcel prior  
3 to the sale or condemnation. Principal residence also includes  
4 any portion of a dwelling or unit of an owner that is rented or  
5 leased to another person as a residence as long as that portion  
6 of the dwelling or unit that is rented or leased is less than 50%  
7 of the total square footage of living space in that dwelling or  
8 unit. Principal residence also includes a life care facility  
9 registered under the living care disclosure act, 1976 PA 440, MCL  
10 554.801 to 554.844. Principal residence also includes property  
11 owned by a cooperative housing corporation and occupied by tenant  
12 stockholders.

13 (d) ~~(e)~~ "Qualified agricultural property" means unoccupied  
14 property and related buildings classified as agricultural, or  
15 other unoccupied property and related buildings located on that  
16 property devoted primarily to agricultural use as defined in  
17 section 36101 of ~~part 361 (farmland and open space preservation)~~  
18 ~~of~~ the natural resources and environmental protection act, ~~Act~~  
19 ~~No. 451 of the Public Acts of 1994, being section 324.36101 of~~  
20 ~~the Michigan Compiled Laws 1994 PA 451, MCL 324.36101.~~ Related  
21 buildings include a residence occupied by a person employed in or  
22 actively involved in the agricultural use and who has not claimed  
23 a ~~homestead~~ **principal residence** exemption on other property.  
24 Property used for commercial storage, commercial processing,  
25 commercial distribution, commercial marketing, or commercial  
26 shipping operations or other commercial or industrial purposes is  
27 not qualified agricultural property. A parcel of property is

1 devoted primarily to agricultural use only if more than 50% of  
2 the parcel's acreage is devoted to agricultural use. An owner  
3 shall not receive an exemption for that portion of the total  
4 state equalized valuation of the property that is used for a  
5 commercial or industrial purpose or that is a residence that is  
6 not a related building.

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

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

21       (a) The state equalized valuation for the immediately  
22 preceding year.

23       (b) The tentative state equalized valuation for the current  
24 year.

25       (c) The net change between the tentative state equalized  
26 valuation for the current year and the state equalized valuation  
27 for the immediately preceding year.

1 (d) The classification of the property as defined by section  
2 34c.

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

5 (f) A statement provided by the state tax commission  
6 explaining the relationship between state equalized valuation and  
7 taxable value. Beginning in 1996, if the assessor believes that  
8 a transfer of ownership has occurred in the immediately preceding  
9 year, the statement shall state that the ownership was  
10 transferred and that the taxable value of that property is the  
11 same as the state equalized valuation of that property.

12 (3) When required by the income tax act of 1967, 1967 PA 281,  
13 MCL 206.1 to 206.532, the assessment notice shall include or be  
14 accompanied by information or forms prescribed by the income tax  
15 act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

16 (4) The assessment notice shall be addressed to the owner  
17 according to the records of the assessor and mailed not less than  
18 10 days before the meeting of the board of review. The failure  
19 to send or receive an assessment notice does not invalidate an  
20 assessment roll or an assessment on that property.

21 (5) The tentative state equalized valuation shall be  
22 calculated by multiplying the assessment by the tentative  
23 equalized valuation multiplier. If the assessor has made  
24 assessment adjustments that would have changed the tentative  
25 multiplier, the assessor may recalculate the multiplier for use  
26 in the notice.

27 (6) The state tax commission shall prepare a model assessment

1 notice form that shall be made available to local units of  
2 government.

3 (7) Beginning in 1995, the assessment notice under subsection  
4 (1) shall include the following statement:

5 "If you purchased your ~~homestead~~ **principal**  
6 **residence** after May 1 last year, to claim the  
7 ~~homestead~~ **principal residence** exemption, if you  
8 have not already done so, you are required to file an  
9 affidavit before May 1."

10 (8) For taxes levied after December 31, 2003, the assessment  
11 notice under subsection (1) shall separately state the state  
12 equalized valuation and taxable value for any leasehold  
13 improvements.

14 Sec. 27d. Not later than the fourth Monday in June in each  
15 year, the county equalization director for each county shall  
16 report all of the following to the state tax commission on a form  
17 prepared by the state tax commission:

18 (a) Total taxable value of all property in the county as of  
19 the fourth Monday in May in that year.

20 (b) Taxable value for each separately equalized class of  
21 property.

22 (c) Total taxable value of all property in the county for  
23 which a ~~homestead~~ **principal residence** exemption is granted  
24 under section 7cc or a qualified agricultural property exemption  
25 is granted under section 7ee.

26 (d) Total taxable value of all property in the county for  
27 which a ~~homestead~~ **principal residence** exemption has not been

1 granted under section 7cc and a qualified agricultural property  
2 exemption has not been granted under section 7ee.

3 Sec. 120. (1) A person claiming an exemption under  
4 section 7cc shall not do any of the following:

5 (a) Make a false or fraudulent affidavit claiming an  
6 exemption or a false statement on an affidavit claiming an  
7 exemption.

8 (b) Aid, abet, or assist another in an attempt to wrongfully  
9 obtain an exemption.

10 (c) Make or permit to be made for himself or herself or for  
11 any other person a false affidavit claiming an exemption or a  
12 false statement on an affidavit claiming an exemption, either in  
13 whole or in part.

14 (d) Fail to rescind an exemption after the property subject  
15 to that exemption is no longer a ~~homestead~~ **principal residence**  
16 as defined in section 7dd.

17 (2) A person who violates a provision of subsection (1) with  
18 the intent to wrongfully obtain or attempt to obtain an exemption  
19 under section 7cc is guilty of a misdemeanor punishable by  
20 imprisonment of not more than 1 year and punishable by a fine of  
21 not more than \$5,000.00 or public service of not more than 1,500  
22 hours, or both.

23 (3) In addition to the penalties provided in subsection (2),  
24 a person who knowingly swears to or verifies an affidavit  
25 claiming an exemption under section 7cc, or an affidavit claiming  
26 any exemption under section 7cc that contains a false or  
27 fraudulent statement, with the intent to aid, abet, or assist in

1 defrauding this state or a political subdivision of this state,  
2 is guilty of perjury, a misdemeanor punishable by imprisonment of  
3 not more than 1 year and punishable by a fine of not more than  
4 \$5,000.00 or public service of not more than 1,500 hours, or  
5 both.

6 (4) A person who does not violate a provision of  
7 subsection (1), but who knowingly violates any other provision of  
8 this act with the intent to defraud this state or a political  
9 subdivision of this state, is guilty of a misdemeanor punishable  
10 by a fine of not more than \$1,000.00 or public service of not  
11 more than 500 hours, or both.

12 (5) The attorney general and the prosecuting attorney of each  
13 county of this state have concurrent power to enforce this act.

14 (6) The penalty provisions set forth in subsections (2), (3),  
15 and (4) do not apply to a violation of subsection (1) or any  
16 other provision of this act occurring before December 31, 1995.

17 Enacting section 1. This amendatory act does not take  
18 effect unless all of the following bills of the 92nd Legislature  
19 are enacted into law:

20 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 4190 (request  
21 no. 01070'03 a).

22 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 4191 (request  
23 no. 01070'03 b).

24 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 4192 (request  
25 no. 01070'03 c).

26 (d) Senate Bill No. \_\_\_\_\_ or House Bill No. 4193 (request  
27 no. 01070'03 d).

1 (e) Senate Bill No. \_\_\_\_\_ or House Bill No. 4194 (request  
2 no. 01070'03 e).

3 (f) Senate Bill No. \_\_\_\_\_ or House Bill No. 4195 (request  
4 no. 01070'03 f).

5 (g) Senate Bill No. \_\_\_\_\_ or House Bill No. 4196 (request  
6 no. 01070'03 g).