

HOUSE BILL No. 6275

September 29, 2004, Introduced by Reps. Voorhees, Hoogendyk, Vander Veen, Emmons, Taub, Amos, Pastor, Pappageorge, Steil, Middaugh and Caul and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7cc (MCL 211.7cc), as amended by 2003 PA
247.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7cc. (1) A principal residence is exempt from the tax
2 levied by a local school district for school operating purposes
3 to the extent provided under section 1211 of the revised school
4 code, 1976 PA 451, MCL 380.1211, if an owner of that principal
5 residence claims an exemption as provided in this section.
6 Notwithstanding the tax day provided in section 2, the status of
7 property as a principal residence shall be determined on the date
8 an affidavit claiming an exemption is filed under subsection
9 (2).

10 (2) An owner of property may claim an exemption under this

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17 exemption on property in this state that is not rescinded or a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19 in another state that is not rescinded.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

1 (3) A husband and wife who are required to file or who do
2 file a joint Michigan income tax return are entitled to not more
3 than 1 exemption under this section. For taxes levied after
4 December 31, 2002, a person is not entitled to an exemption under
5 this section if any of the following conditions occur:

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

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

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

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

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

27 (i) That person has claimed an exemption under this section

1 for any other property for that tax year.

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

6 (4) Upon receipt of an affidavit filed under subsection (2)
7 and unless the claim is denied under this section, the assessor
8 shall exempt the property from the collection of the tax levied
9 by a local school district for school operating purposes to the
10 extent provided under section 1211 of the revised school code,
11 1976 PA 451, MCL 380.1211, as provided in subsection (1) until
12 December 31 of the year in which the property is transferred or
13 is no longer a principal residence as defined in section 7dd.

14 The local tax collecting unit shall forward copies of affidavits
15 to the department of treasury according to a schedule prescribed
16 by the department of treasury.

17 (5) Not more than 90 days after exempted property is no
18 longer used as a principal residence by the owner claiming an
19 exemption, that owner shall rescind the claim of exemption by
20 filing with the local tax collecting unit a rescission form
21 prescribed by the department of treasury. An owner who fails to
22 file a rescission as required by this subsection is subject to a
23 penalty of \$5.00 per day for each separate failure beginning
24 after the 90 days have elapsed, up to a maximum of \$200.00. This
25 penalty shall be collected under 1941 PA 122, MCL 205.1 to
26 205.31, and shall be deposited in the state school aid fund
27 established in section 11 of article IX of the state constitution

1 of 1963. This penalty may be waived by the department of
2 treasury.

3 (6) If the assessor of the local tax collecting unit believes
4 that the property for which an exemption is claimed is not the
5 principal residence of the owner claiming the exemption, the
6 assessor may deny a new or existing claim by notifying the owner
7 and the department of treasury in writing of the reason for the
8 denial and advising the owner that the denial may be appealed to
9 the residential and small claims division of the Michigan tax
10 tribunal within 35 days after the date of the notice. The
11 assessor may deny a claim for exemption for the current year and
12 for the 3 immediately preceding calendar years. If the assessor
13 denies an existing claim for exemption, the assessor shall remove
14 the exemption of the property and, if the tax roll is in the
15 local tax collecting unit's possession, amend the tax roll to
16 reflect the denial and the local treasurer shall within 30 days
17 of the date of the denial issue a corrected tax bill for any
18 additional taxes with interest at the rate of 1.25% per month or
19 fraction of a month and penalties computed from the date the
20 taxes were last payable without interest or penalty. If the tax
21 roll is in the county treasurer's possession, the tax roll shall
22 be amended to reflect the denial and the county treasurer shall
23 within 30 days of the date of the denial prepare and submit a
24 supplemental tax bill for any additional taxes, together with
25 interest at the rate of 1.25% per month or fraction of a month
26 and penalties computed from the date the taxes were last payable
27 without interest or penalty. Interest on any tax set forth in a

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

1 subsection is located in a county in which the county treasurer
2 or the county equalization director have elected to audit
3 exemptions under subsection (10), the assessor shall notify the
4 county treasurer or the county equalization director of the
5 denial under this subsection.

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

14 (8) The department of treasury shall determine if the
15 property is the principal residence of the owner claiming the
16 exemption. The department of treasury may review the validity of
17 exemptions for the current calendar year and for the 3
18 immediately preceding calendar years. If the department of
19 treasury determines that the property is not the principal
20 residence of the owner claiming the exemption, the department
21 shall send a notice of that determination to the local tax
22 collecting unit and to the owner of the property claiming the
23 exemption, indicating that the claim for exemption is denied,
24 stating the reason for the denial, and advising the owner
25 claiming the exemption of the right to appeal the determination
26 to the department of treasury and what those rights of appeal
27 are. The department of treasury may issue a notice denying a

1 claim if an owner fails to respond within 30 days of receipt of a
2 request for information from that department. An owner may
3 appeal the denial of a claim of exemption to the department of
4 treasury within 35 days of receipt of the notice of denial. An
5 appeal to the department of treasury shall be conducted according
6 to the provisions for an informal conference in section 21 of
7 1941 PA 122, MCL 205.21. Within 10 days after acknowledging an
8 appeal of a denial of a claim of exemption, the department of
9 treasury shall notify the assessor and the treasurer for the
10 county in which the property is located that an appeal has been
11 filed. Upon receipt of a notice that the department of treasury
12 has denied a claim for exemption, the assessor shall remove the
13 exemption of the property and, if the tax roll is in the local
14 tax collecting unit's possession, amend the tax roll to reflect
15 the denial and the local treasurer shall within 30 days of the
16 date of the denial issue a corrected tax bill for any additional
17 taxes with interest at the rate of 1.25% per month or fraction of
18 a month and penalties computed from the date the taxes were last
19 payable without interest and penalty. If the tax roll is in the
20 county treasurer's possession, the tax roll shall be amended to
21 reflect the denial and the county treasurer shall within 30 days
22 of the date of the denial prepare and submit a supplemental tax
23 bill for any additional taxes, together with interest at the rate
24 of 1.25% per month or fraction of a month and penalties computed
25 from the date the taxes were last payable without interest or
26 penalty. Interest on any tax set forth in a corrected or
27 supplemental tax bill shall again begin to accrue 60 days after

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

25 (9) The department of treasury may enter into an agreement
26 regarding the implementation or administration of subsection (8)
27 with the assessor of any local tax collecting unit in a county

1 that has not elected to audit exemptions claimed under this
2 section as provided in subsection (10). The agreement may
3 specify that for a period of time, not to exceed 120 days, the
4 department of treasury will not deny an exemption identified by
5 the department of treasury in the list provided under subsection
6 (11).

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

1 period for each local tax collecting unit in that county unless
2 the department of treasury has entered into an agreement with the
3 assessor for that local tax collecting unit under subsection
4 (9).

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

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

1 penalties shall not be a lien on the property and shall not be
2 billed to the bona fide purchaser, and the local tax collecting
3 unit if the local tax collecting unit has possession of the tax
4 roll or the county treasurer if the county has possession of the
5 tax roll shall notify the department of treasury of the amount of
6 tax due and interest through the date of that notification. The
7 department of treasury shall then assess the owner who claimed
8 the exemption under this section for the tax and interest plus
9 penalty accruing as a result of the denial of the claim for
10 exemption, if any, as for unpaid taxes provided under 1941 PA
11 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty
12 collected into the state school aid fund and shall distribute any
13 interest collected as provided in subsection (23). The
14 department of treasury shall annually provide the county
15 treasurer or his or her designee or the county equalization
16 director or his or her designee a list of parcels of property
17 located in that county for which an exemption may be erroneously
18 claimed. The county treasurer or his or her designee or the
19 county equalization director or his or her designee shall forward
20 copies of the list provided by the department of treasury to each
21 assessor in each local tax collecting unit in that county within
22 10 days of receiving the list.

23 (12) If a county elects to audit exemptions claimed under
24 this section as provided in subsection (10), the county treasurer
25 or the county equalization director may enter into an agreement
26 with the assessor of a local tax collecting unit in that county
27 regarding the implementation or administration of this section.

1 The agreement may specify that for a period of time, not to
2 exceed 120 days, the county will not deny an exemption identified
3 by the department of treasury in the list provided under
4 subsection (11).

5 (13) An owner may appeal a denial by the assessor of the
6 local tax collecting unit under subsection (6), a final decision
7 of the department of treasury under subsection (8), or a denial
8 by the county treasurer or his or her designee or the county
9 equalization director or his or her designee under subsection
10 (11) to the residential and small claims division of the Michigan
11 tax tribunal within 35 days of that decision. An owner is not
12 required to pay the amount of tax in dispute in order to appeal a
13 denial of a claim of exemption to the department of treasury or
14 to receive a final determination of the residential and small
15 claims division of the Michigan tax tribunal. However, interest
16 at the rate of 1.25% per month or fraction of a month and
17 penalties shall accrue and be computed from the date the taxes
18 were last payable without interest and penalty. If the
19 residential and small claims division of the Michigan tax
20 tribunal grants an owner's appeal of a denial and that owner has
21 paid the interest due as a result of a denial under subsection
22 (6), (8), or (11), the interest received after a distribution was
23 made under subsection (23) shall be refunded.

24 (14) For taxes levied after December 31, 2005, for each
25 county in which the county treasurer or the county equalization
26 director does not elect to audit the exemptions claimed under
27 this section as provided in subsection (10), the department of

1 treasury shall conduct an annual audit of exemptions claimed
2 under this section for the current calendar year.

3 (15) An affidavit filed by an owner for the exemption under
4 this section rescinds all previous exemptions filed by that owner
5 for any other property. The department of treasury shall notify
6 the assessor of the local tax collecting unit in which the
7 property for which a previous exemption was claimed is located
8 that the previous exemption is rescinded by the subsequent
9 affidavit. When an exemption is rescinded, the assessor of the
10 local tax collecting unit shall remove the exemption effective
11 December 31 of the year in which the affidavit was filed that
12 rescinded the exemption. For any year for which the rescinded
13 exemption has not been removed from the tax roll, the exemption
14 shall be denied as provided in this section. However, interest
15 and penalty shall not be imposed for a year for which a
16 rescission form has been timely filed under subsection (5).

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

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

5 (18) The department of treasury shall make available the
6 affidavit forms and the forms to rescind an exemption, which may
7 be on the same form, to all city and township assessors, county
8 equalization officers, county registers of deeds, and closing
9 agents. **The affidavit form shall state that if the affidavit is**
10 **filed after May 1 the property is not eligible for the exemption**
11 **under this section until the immediately succeeding year.** A
12 person who prepares a closing statement for the sale of property
13 shall provide affidavit and rescission forms to the buyer and
14 seller at the closing and, if requested by the buyer or seller
15 after execution by the buyer or seller, shall file the forms with
16 the local tax collecting unit in which the property is located.
17 **A person who prepares a closing statement for the sale of**
18 **property shall inform the purchaser that if the affidavit form**
19 **required under this section is filed after May 1 the property is**
20 **not eligible for the exemption under this section until the**
21 **immediately succeeding year.** If a closing statement preparer
22 fails to provide exemption affidavit and rescission forms to the
23 buyer and seller, or fails to file the affidavit and rescission
24 forms with the local tax collecting unit if requested by the
25 buyer or seller, the buyer may appeal to the department of
26 treasury within 30 days of notice to the buyer that an exemption
27 was not recorded. If the department of treasury determines that

1 the buyer qualifies for the exemption, the department of treasury
2 shall notify the assessor of the local tax collecting unit that
3 the exemption is granted and the assessor of the local tax
4 collecting unit or, if the tax roll is in the possession of the
5 county treasurer, the county treasurer shall correct the tax roll
6 to reflect the exemption. This subsection does not create a
7 cause of action at law or in equity against a closing statement
8 preparer who fails to provide exemption affidavit and rescission
9 forms to a buyer and seller, **who fails to inform a purchaser that if**
10 **the affidavit form required under this section is filed after May**
11 **1 the property is not eligible for the exemption under this**
12 **section until the immediately succeeding year,** or who fails to
13 file the affidavit and rescission forms with the local tax
14 collecting unit when requested to do so by the buyer or seller.

15 (19) An owner who owned and occupied a principal residence on
16 May 1 for which the exemption was not on the tax roll may file an
17 appeal with the July board of review or December board of review
18 in the year for which the exemption was claimed or the
19 immediately succeeding 3 years. If an appeal of a claim for
20 exemption that was not on the tax roll is received not later than
21 5 days prior to the date of the December board of review, the
22 local tax collecting unit shall convene a December board of
23 review and consider the appeal pursuant to this section and
24 section 53b.

25 (20) If the assessor or treasurer of the local tax collecting
26 unit believes that the department of treasury erroneously denied
27 a claim for exemption, the assessor or treasurer may submit

1 written information supporting the owner's claim for exemption to
2 the department of treasury within 35 days of the owner's receipt
3 of the notice denying the claim for exemption. If, after
4 reviewing the information provided, the department of treasury
5 determines that the claim for exemption was erroneously denied,
6 the department of treasury shall grant the exemption and the tax
7 roll shall be amended to reflect the exemption.

8 (21) If granting the exemption under this section results in
9 an overpayment of the tax, a rebate, including any interest paid,
10 shall be made to the taxpayer by the local tax collecting unit if
11 the local tax collecting unit has possession of the tax roll or
12 by the county treasurer if the county has possession of the tax
13 roll within 30 days of the date the exemption is granted. The
14 rebate shall be without interest.

15 (22) If an exemption under this section is erroneously
16 granted for an affidavit filed before October 1, 2003, an owner
17 may request in writing that the department of treasury withdraw
18 the exemption. The request to withdraw the exemption shall be
19 received not later than November 1, 2003. If an owner requests
20 that an exemption be withdrawn, the department of treasury shall
21 issue an order notifying the local assessor that the exemption
22 issued under this section has been denied based on the owner's
23 request. If an exemption is withdrawn, the property that had
24 been subject to that exemption shall be immediately placed on the
25 tax roll by the local tax collecting unit if the local tax
26 collecting unit has possession of the tax roll or by the county
27 treasurer if the county has possession of the tax roll as though

1 the exemption had not been granted. A corrected tax bill shall
2 be issued for the tax year being adjusted by the local tax
3 collecting unit if the local tax collecting unit has possession
4 of the tax roll or by the county treasurer if the county has
5 possession of the tax roll. Unless a denial has been issued
6 prior to July 1, 2003, if an owner requests that an exemption
7 under this section be withdrawn and that owner pays the corrected
8 tax bill issued under this subsection within 30 days after the
9 corrected tax bill is issued, that owner is not liable for any
10 penalty or interest on the additional tax. An owner who pays a
11 corrected tax bill issued under this subsection more than 30 days
12 after the corrected tax bill is issued is liable for the
13 penalties and interest that would have accrued if the exemption
14 had not been granted from the date the taxes were originally
15 levied.

16 (23) Subject to subsection (24), interest at the rate of
17 1.25% per month or fraction of a month collected under subsection
18 (6), (8), or (11) shall be distributed as follows:

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

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

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

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

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

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

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

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

2 (c) If the county treasurer or his or her designee or the
3 county equalization director or his or her designee denies the
4 exemption under this section, as follows:

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

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

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

8 (24) Interest distributed under subsection (23) is subject to
9 the following conditions:

10 (a) Interest distributed to a county shall be deposited into
11 a restricted fund to be used solely for the administration of
12 exemptions under this section. Money in that restricted fund
13 shall lapse to the county general fund on the December 31 in the
14 year 3 years after the first distribution of interest to the
15 county under subsection (23) and on each succeeding December 31
16 thereafter.

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

1 affidavits.

2 (25) Interest distributed under subsection (23) is in
3 addition to and shall not affect the levy or collection of the
4 county property tax administration fee established under this
5 act.

6 (26) A cooperative housing corporation is entitled to a full
7 or partial exemption under this section for the tax year in which
8 the cooperative housing corporation files all of the following
9 with the local tax collecting unit in which the cooperative
10 housing corporation is located if filed on or before May 1:

11 (a) An affidavit form.

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

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

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

26 (27) Before May 1, 2004 and before May 1, 2005, the treasurer
27 of each county shall forward to the department of education a

1 statement of the taxable value of each school district and
2 fraction of a school district within the county for the preceding
3 4 calendar years. This requirement is in addition to the
4 requirement set forth in section 151 of the state school aid act
5 of 1979, 1979 PA 94, MCL 388.1751.