

HOUSE BILL No. 4119

February 1, 2005, Introduced by Reps. Acciavatti, Sheltroun, Palmer, Robertson, Pavlov, Gosselin, LaJoy, Nitz and Gaffney 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 to
3 the extent provided under section 1211 of the revised school code,
4 1976 PA 451, MCL 380.1211, if an owner of that principal residence
5 claims an exemption as provided in this section. Notwithstanding
6 the tax day provided in section 2, the status of property as a
7 principal residence shall be determined on the date an affidavit
8 claiming an exemption is filed under subsection (2).

9 (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.

3 (3) AN OWNER OF PROPERTY WHO IS ABSENT FROM HIS OR HER
4 PRINCIPAL RESIDENCE WHILE ON ACTIVE DUTY IN THE ARMED FORCES OF THE
5 UNITED STATES MAY CLAIM AN EXEMPTION UNDER THIS SECTION FOR HIS OR
6 HER PRINCIPAL RESIDENCE IF THAT OWNER DOES NOT CLAIM AN EXEMPTION
7 FOR OTHER PROPERTY UNDER THIS SECTION AND FILES THE AFFIDAVIT
8 REQUIRED UNDER THIS SECTION. AN OWNER OF PROPERTY IS ELIGIBLE FOR
9 AN EXEMPTION UNDER THIS SECTION IF THAT OWNER LEASES ALL OR A
10 PORTION OF HIS OR HER PRINCIPAL RESIDENCE WHILE ABSENT FROM HIS OR
11 HER PRINCIPAL RESIDENCE BECAUSE HE OR SHE IS ON ACTIVE DUTY IN THE
12 ARMED FORCES OF THE UNITED STATES.

13 (4) The affidavit **REQUIRED UNDER THIS SECTION** shall state that
14 the property is owned and occupied as a principal residence by that
15 owner of the property on the date that the affidavit is signed. The
16 affidavit shall be on a form prescribed by the department of
17 treasury. One copy of the affidavit shall be retained by the owner,
18 1 copy shall be retained by the local tax collecting unit until any
19 appeal or audit period under this act has expired, and 1 copy shall
20 be forwarded to the department of treasury pursuant to subsection
21 ~~(4)~~ (6), together with all information submitted under subsection
22 ~~(26)~~ (28) for a cooperative housing corporation. The affidavit
23 shall require the owner claiming the exemption to indicate if that
24 owner or that owner's spouse has claimed another exemption on
25 property in this state that is not rescinded or a substantially
26 similar exemption, deduction, or credit on property in another
27 state that is not rescinded. If the affidavit requires an owner to

1 include a social security number, that owner's number is subject to
2 the disclosure restrictions in 1941 PA 122, MCL 205.1 to 205.31. If
3 an owner of property filed an affidavit for an exemption under this
4 section before January 1, 2004, that affidavit shall be considered
5 the affidavit required under this subsection for a principal
6 residence exemption and that exemption shall remain in effect until
7 rescinded as provided in this section.

8 (5) ~~-(3)-~~ A husband and wife who are required to file or who
9 do file a joint Michigan income tax return are entitled to not more
10 than 1 exemption under this section. For taxes levied after
11 December 31, 2002, a person is not entitled to an exemption under
12 this section if any of the following conditions occur:

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

16 (b) Subject to subdivision (a), that person or his or her
17 spouse owns property in a state other than this state for which
18 that person or his or her spouse claims an exemption, deduction, or
19 credit substantially similar to the exemption provided under this
20 section, unless that person and his or her spouse file separate
21 income tax returns.

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

25 (d) That person has filed an income tax return in a state
26 other than this state as a resident, except active duty military
27 personnel stationed in this state with his or her principal

1 residence in this state.

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

7 (i) That person has claimed an exemption under this section for
8 any other property for that tax year.

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

13 (6) ~~-(4)-~~ Upon receipt of an affidavit filed under subsection
14 (2) and unless the claim is denied under this section, the assessor
15 shall exempt the property from the collection of the tax levied by
16 a local school district for school operating purposes to the extent
17 provided under section 1211 of the revised school code, 1976 PA
18 451, MCL 380.1211, as provided in subsection (1) until December 31
19 of the year in which the property is transferred or is no longer a
20 principal residence as defined in section 7dd. The local tax
21 collecting unit shall forward copies of affidavits to the
22 department of treasury according to a schedule prescribed by the
23 department of treasury.

24 (7) ~~-(5)-~~ Not more than 90 days after exempted property is no
25 longer used as a principal residence by the owner claiming an
26 exemption, that owner shall rescind the claim of exemption by
27 filing with the local tax collecting unit a rescission form

1 prescribed by the department of treasury. An owner who fails to
2 file a rescission as required by this subsection is subject to a
3 penalty of \$5.00 per day for each separate failure beginning after
4 the 90 days have elapsed, up to a maximum of \$200.00. This penalty
5 shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and
6 shall be deposited in the state school aid fund established in
7 section 11 of article IX of the state constitution of 1963. This
8 penalty may be waived by the department of treasury.

9 (8) ~~-(6)-~~ If the assessor of the local tax collecting unit
10 believes that the property for which an exemption is claimed is not
11 the principal residence of the owner claiming the exemption, the
12 assessor may deny a new or existing claim by notifying the owner
13 and the department of treasury in writing of the reason for the
14 denial and advising the owner that the denial may be appealed to
15 the residential and small claims division of the Michigan tax
16 tribunal within 35 days after the date of the notice. The assessor
17 may deny a claim for exemption for the current year and for the 3
18 immediately preceding calendar years. If the assessor denies an
19 existing claim for exemption, the assessor shall remove the
20 exemption of the property and, if the tax roll is in the local tax
21 collecting unit's possession, amend the tax roll to reflect the
22 denial and the local treasurer shall within 30 days of the date of
23 the denial issue a corrected tax bill for any additional taxes with
24 interest at the rate of 1.25% per month or fraction of a month and
25 penalties computed from the date the taxes were last payable
26 without interest or penalty. 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 within 30 days of the
2 date of the denial prepare and submit a supplemental tax bill for
3 any additional taxes, together with interest at the rate of 1.25%
4 per month or fraction of a month and penalties computed from the
5 date the taxes were last payable without interest or penalty.
6 Interest on any tax set forth in a corrected or supplemental tax
7 bill shall again begin to accrue 60 days after the date the
8 corrected or supplemental tax bill is issued at the rate of 1.25%
9 per month or fraction of a month. Taxes levied in a corrected or
10 supplemental tax bill shall be returned as delinquent on the March
11 1 in the year immediately succeeding the year in which the
12 corrected or supplemental tax bill is issued. If the assessor
13 denies an existing claim for exemption, the interest due shall be
14 distributed as provided in subsection ~~-(23)-~~ (25). However, if the
15 property has been transferred to a bona fide purchaser before
16 additional taxes were billed to the seller as a result of the
17 denial of a claim for exemption, the taxes, interest, and penalties
18 shall not be a lien on the property and shall not be billed to the
19 bona fide purchaser, and the local tax collecting unit if the local
20 tax collecting unit has possession of the tax roll or the county
21 treasurer if the county has possession of the tax roll shall notify
22 the department of treasury of the amount of tax due, interest, and
23 penalties through the date of that notification. The department of
24 treasury shall then assess the owner who claimed the exemption
25 under this section for the tax, interest, and penalties accruing as
26 a result of the denial of the claim for exemption, if any, as for
27 unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and

1 shall deposit any tax or penalty collected into the state school
2 aid fund and shall distribute any interest collected as provided in
3 subsection ~~-(23)-~~ (25). The denial shall be made on a form
4 prescribed by the department of treasury. If the property for which
5 the assessor has denied a claim for exemption under this subsection
6 is located in a county in which the county treasurer or the county
7 equalization director have elected to audit exemptions under
8 subsection ~~-(10)-~~ (12), the assessor shall notify the county
9 treasurer or the county equalization director of the denial under
10 this subsection.

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

19 (10) ~~-(8)-~~ The department of treasury shall determine if the
20 property is the principal residence of the owner claiming the
21 exemption. The department of treasury may review the validity of
22 exemptions for the current calendar year and for the 3 immediately
23 preceding calendar years. If the department of treasury determines
24 that the property is not the principal residence of the owner
25 claiming the exemption, the department shall send a notice of that
26 determination to the local tax collecting unit and to the owner of
27 the property claiming the exemption, indicating that the claim for

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

1 fraction of a month and penalties computed from the date the taxes
2 were last payable without interest or penalty. Interest on any tax
3 set forth in a corrected or supplemental tax bill shall again begin
4 to accrue 60 days after the date the corrected or supplemental tax
5 bill is issued at the rate of 1.25% per month or fraction of a
6 month. Taxes levied in a corrected or supplemental tax bill shall
7 be returned as delinquent on the March 1 in the year immediately
8 succeeding the year in which the corrected or supplemental tax bill
9 is issued. If the department of treasury denies an existing claim
10 for exemption, the interest due shall be distributed as provided in
11 subsection ~~-(23)-~~ (25). However, if the property has been
12 transferred to a bona fide purchaser before additional taxes were
13 billed to the seller as a result of the denial of a claim for
14 exemption, the taxes, interest, and penalties shall not be a lien
15 on the property and shall not be billed to the bona fide purchaser,
16 and the local tax collecting unit if the local tax collecting unit
17 has possession of the tax roll or the county treasurer if the
18 county has possession of the tax roll shall notify the department
19 of treasury of the amount of tax due and interest through the date
20 of that notification. The department of treasury shall then assess
21 the owner who claimed the exemption under this section for the tax
22 and interest plus penalty accruing as a result of the denial of the
23 claim for exemption, if any, as for unpaid taxes provided under
24 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or
25 penalty collected into the state school aid fund and shall
26 distribute any interest collected as provided in subsection ~~-(23)-~~
27 (25).

1 **(11)** ~~-(9)-~~ The department of treasury may enter into an
2 agreement regarding the implementation or administration of
3 subsection ~~-(8)-~~ **(10)** with the assessor of any local tax collecting
4 unit in a county that has not elected to audit exemptions claimed
5 under this section as provided in subsection ~~-(10)-~~ **(12)**. The
6 agreement may specify that for a period of time, not to exceed 120
7 days, the department of treasury will not deny an exemption
8 identified by the department of treasury in the list provided under
9 subsection ~~-(11)-~~ **(13)**.

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

1 under this section as provided in this subsection, the department
2 of treasury shall conduct an audit of exemptions claimed under this
3 section in the initial 2-year audit period for each local tax
4 collecting unit in that county unless the department of treasury
5 has entered into an agreement with the assessor for that local tax
6 collecting unit under subsection ~~-(9)-~~ (11).

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

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

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

23 **(14)** ~~-(12)-~~ If a county elects to audit exemptions claimed
24 under this section as provided in subsection ~~-(10)-~~ **(12)**, the
25 county treasurer or the county equalization director may enter into
26 an agreement with the assessor of a local tax collecting unit in
27 that county regarding the implementation or administration of this

1 section. The agreement may specify that for a period of time, not
2 to exceed 120 days, the county will not deny an exemption
3 identified by the department of treasury in the list provided under
4 subsection ~~(11)~~ **(13)**.

5 **(15)** ~~(13)~~ An owner may appeal a denial by the assessor of
6 the local tax collecting unit under subsection ~~(6)~~ **(8)**, a final
7 decision of the department of treasury under subsection ~~(8)~~ **(10)**,
8 or a denial by the county treasurer or his or her designee or the
9 county equalization director or his or her designee under
10 subsection ~~(11)~~ **(13)** to the residential and small claims division
11 of the Michigan tax tribunal within 35 days of that decision. An
12 owner is not required to pay the amount of tax in dispute in order
13 to appeal a denial of a claim of exemption to the department of
14 treasury or to receive a final determination of the residential and
15 small claims division of the Michigan tax tribunal. However,
16 interest 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 were
18 last payable without interest and penalty. If the residential and
19 small claims division of the Michigan tax tribunal grants an
20 owner's appeal of a denial and that owner has paid the interest due
21 as a result of a denial under subsection ~~(6), (8), or (11)~~ **(8),**
22 **(10), OR (13)**, the interest received after a distribution was made
23 under subsection ~~(23)~~ **(25)** shall be refunded.

24 **(16)** ~~(14)~~ For taxes levied after December 31, 2005, for
25 each county in which the county treasurer or the county
26 equalization director does not elect to audit the exemptions
27 claimed under this section as provided in subsection ~~(10)~~ **(12)**,

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

4 (17) ~~-(15)-~~ An affidavit filed by an owner for the exemption
5 under this section rescinds all previous exemptions filed by that
6 owner for any other property. The department of treasury shall
7 notify the assessor of the local tax collecting unit in which the
8 property for which a previous exemption was claimed is located that
9 the previous exemption is rescinded by the subsequent affidavit.
10 When an exemption is rescinded, the assessor of the local tax
11 collecting unit shall remove the exemption effective December 31 of
12 the year in which the affidavit was filed that rescinded the
13 exemption. For any year for which the rescinded exemption has not
14 been removed from the tax roll, the exemption shall be denied as
15 provided in this section. However, interest and penalty shall not
16 be imposed for a year for which a rescission form has been timely
17 filed under subsection ~~-(5)-~~ (7).

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

1 treasury.

2 (19) ~~-(17)-~~ When a county register of deeds records a
3 transfer of ownership of a property, he or she shall notify the
4 local tax collecting unit in which the property is located of the
5 transfer.

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

1 statement preparer who fails to provide exemption affidavit and
2 rescission forms to a buyer and seller or who fails to file the
3 affidavit and rescission forms with the local tax collecting unit
4 when requested to do so by the buyer or seller.

5 (21) ~~-(19)-~~ An owner who owned and occupied a principal
6 residence on May 1 for which the exemption was not on the tax roll
7 may file an appeal with the July board of review or December board
8 of review in the year for which the exemption was claimed or the
9 immediately succeeding 3 years. If an appeal of a claim for
10 exemption that was not on the tax roll is received not later than 5
11 days prior to the date of the December board of review, the local
12 tax collecting unit shall convene a December board of review and
13 consider the appeal pursuant to this section and section 53b.

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

24 (23) ~~-(21)-~~ If granting the exemption under this section
25 results in an overpayment of the tax, a rebate, including any
26 interest paid, shall be made to the taxpayer by the local tax
27 collecting unit if the local tax collecting unit has possession of

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

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

1 the penalties and interest that would have accrued if the exemption
 2 had not been granted from the date the taxes were originally
 3 levied.

4 **(25)** ~~-(23)-~~ Subject to subsection ~~-(24)-~~ **(26)**, interest at
 5 the rate of 1.25% per month or fraction of a month collected under
 6 subsection ~~-(6), (8), or (11)-~~ **(8), (10), OR (13)** shall be
 7 distributed as follows:

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

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

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

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

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

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

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

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

18 (c) If the county treasurer or his or her designee or the
 19 county equalization director or his or her designee denies the
 20 exemption under this section, as follows:

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

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

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

24 **(26)** ~~-(24)-~~ Interest distributed under subsection ~~-(23)-~~ **(25)**
 25 is subject to the following conditions:

26 (a) Interest distributed to a county shall be deposited into a
 27 restricted fund to be used solely for the administration of

1 exemptions under this section. Money in that restricted fund shall
2 lapse to the county general fund on the December 31 in the year 3
3 years after the first distribution of interest to the county under
4 subsection ~~-(23)-~~ **(25)** and on each succeeding December 31
5 thereafter.

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

18 **(27)** ~~-(25)-~~ Interest distributed under subsection ~~-(23)-~~ **(25)**
19 is in addition to and shall not affect the levy or collection of
20 the county property tax administration fee established under this
21 act.

22 **(28)** ~~-(26)-~~ A cooperative housing corporation is entitled to
23 a full or partial exemption under this section for the tax year in
24 which the cooperative housing corporation files all of the
25 following with the local tax collecting unit in which the
26 cooperative housing corporation is located if filed on or before
27 May 1:

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 the
10 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 **(29)** ~~-(27)-~~ Before May 1, 2004 and before May 1, 2005, the
17 treasurer of each county shall forward to the department of
18 education a statement of the taxable value of each school district
19 and fraction of a school district within the county for the
20 preceding 4 calendar years. This requirement is in addition to the
21 requirement set forth in section 151 of the state school aid act of
22 1979, 1979 PA 94, MCL 388.1751.