

# HOUSE BILL No. 5413

November 8, 2005, Introduced by Reps. Baxter, Gosselin, Garfield, Palmer, Farhat, Adamini, Hildenbrand, Hoogendyk, Stahl, Marleau and Mortimer and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.157) by adding section 7jj.

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

1           SEC. 7JJ. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2004, NEW  
2 CONSTRUCTION ON RESIDENTIAL DEVELOPMENT PROPERTY IS EXEMPT FROM THE  
3 COLLECTION OF TAXES UNDER THIS ACT FOR 1 YEAR AFTER AN AFFIDAVIT  
4 CLAIMING THE EXEMPTION IS FILED UNDER SUBSECTION (2) OR UNTIL A  
5 RESCISSION FORM IS FILED UNDER SUBSECTION (4), WHICHEVER OCCURS  
6 FIRST.

7           (2) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1), AN OWNER OF  
8 RESIDENTIAL DEVELOPMENT PROPERTY SHALL FILE AN AFFIDAVIT CLAIMING  
9 THE EXEMPTION WITH THE LOCAL TAX COLLECTING UNIT BY MAY 1. THE

1 AFFIDAVIT SHALL BE ON A FORM PRESCRIBED BY THE DEPARTMENT OF  
2 TREASURY.

3 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2),  
4 THE ASSESSOR SHALL DETERMINE IF THE REAL PROPERTY ON WHICH NEW  
5 CONSTRUCTION IS LOCATED IS RESIDENTIAL DEVELOPMENT PROPERTY. IF THE  
6 REAL PROPERTY IS RESIDENTIAL DEVELOPMENT PROPERTY, THE ASSESSOR  
7 SHALL EXEMPT THE NEW CONSTRUCTION LOCATED ON THAT RESIDENTIAL  
8 DEVELOPMENT PROPERTY FROM THE COLLECTION OF TAXES UNDER THIS ACT  
9 FOR 1 YEAR AFTER AN AFFIDAVIT CLAIMING THE EXEMPTION IS FILED UNDER  
10 SUBSECTION (2) OR UNTIL A RESCISSION FORM IS FILED UNDER SUBSECTION  
11 (4), WHICHEVER OCCURS FIRST.

12 (4) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE  
13 EXEMPTED NEW CONSTRUCTION IS NO LONGER LOCATED ON RESIDENTIAL  
14 DEVELOPMENT PROPERTY, AN OWNER SHALL RESCIND THE EXEMPTION FOR THE  
15 NEW CONSTRUCTION BY FILING WITH THE LOCAL TAX COLLECTING UNIT A  
16 RESCISSION FORM. THE RESCISSION FORM SHALL BE AS PRESCRIBED BY THE  
17 DEPARTMENT OF TREASURY.

18 (5) AN OWNER OF EXEMPTED NEW CONSTRUCTION THAT IS NO LONGER  
19 LOCATED ON RESIDENTIAL DEVELOPMENT PROPERTY WHO FAILS TO FILE A  
20 RESCISSION FORM AS REQUIRED UNDER SUBSECTION (4) IS SUBJECT TO A  
21 PENALTY OF \$5.00 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER  
22 THE 90 DAYS HAVE ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY  
23 SHALL BE COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND  
24 SHALL BE DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN  
25 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS  
26 PENALTY MAY BE WAIVED BY THE DEPARTMENT OF TREASURY.

27 (6) AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON

1 RESIDENTIAL DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION  
2 WAS NOT ON THE TAX ROLL MAY FILE AN APPEAL WITH THE JULY OR  
3 DECEMBER BOARD OF REVIEW IN THE YEAR THE EXEMPTION WAS CLAIMED OR  
4 THE IMMEDIATELY SUCCEEDING YEAR. AN OWNER OF NEW CONSTRUCTION THAT  
5 IS LOCATED ON RESIDENTIAL DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH  
6 AN EXEMPTION WAS DENIED BY THE ASSESSOR IN THE YEAR THE AFFIDAVIT  
7 WAS FILED MAY FILE AN APPEAL WITH THE JULY BOARD OF REVIEW FOR  
8 SUMMER TAXES OR, IF THERE IS NOT A SUMMER LEVY OF SCHOOL OPERATING  
9 TAXES, WITH THE DECEMBER BOARD OF REVIEW.

10 (7) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES  
11 THAT NEW CONSTRUCTION FOR WHICH AN EXEMPTION HAS BEEN GRANTED IS  
12 NOT LOCATED ON RESIDENTIAL DEVELOPMENT PROPERTY, THE ASSESSOR MAY  
13 DENY OR MODIFY AN EXISTING EXEMPTION BY NOTIFYING THE OWNER IN  
14 WRITING AT THE TIME REQUIRED FOR PROVIDING A NOTICE UNDER SECTION  
15 24C. A TAXPAYER MAY APPEAL THE ASSESSOR'S DETERMINATION TO THE  
16 BOARD OF REVIEW MEETING UNDER SECTION 30. A DECISION OF THE BOARD  
17 OF REVIEW MAY BE APPEALED TO THE RESIDENTIAL AND SMALL CLAIMS  
18 DIVISION OF THE MICHIGAN TAX TRIBUNAL.

19 (8) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,  
20 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT  
21 WITHDRAW THE EXEMPTION. IF AN OWNER REQUESTS THAT AN EXEMPTION BE  
22 WITHDRAWN, THE LOCAL ASSESSOR SHALL NOTIFY THE OWNER THAT THE  
23 EXEMPTION ISSUED UNDER THIS SECTION HAS BEEN DENIED BASED ON THAT  
24 OWNER'S REQUEST. IF AN EXEMPTION IS WITHDRAWN, THE NEW CONSTRUCTION  
25 THAT HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED  
26 ON THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX  
27 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY

1   TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH  
2   THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE  
3   ISSUED FOR THE TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING  
4   UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX  
5   ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE  
6   TAX ROLL. IF AN OWNER REQUESTS THAT AN EXEMPTION UNDER THIS SECTION  
7   BE WITHDRAWN BEFORE THAT OWNER IS CONTACTED IN WRITING BY THE LOCAL  
8   ASSESSOR REGARDING THAT OWNER'S ELIGIBILITY FOR THE EXEMPTION AND  
9   THAT OWNER PAYS THE CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION  
10  WITHIN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED, THAT OWNER  
11  IS NOT LIABLE FOR ANY PENALTY OR INTEREST ON THE ADDITIONAL TAX. AN  
12  OWNER WHO PAYS A CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION  
13  MORE THAN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED IS LIABLE  
14  FOR THE PENALTIES AND INTEREST THAT WOULD HAVE ACCRUED IF THE  
15  EXEMPTION HAD NOT BEEN GRANTED FROM THE DATE THE TAXES WERE  
16  ORIGINALLY LEVIED.

17       (9) AS USED IN THIS SECTION:

18       (A) "CONTIGUOUS" MEANS BEING IN CONTACT ALONG A BOUNDARY OR A  
19  POINT. CONTIGUITY IS NOT BROKEN BY A ROAD, A RIGHT-OF-WAY, OR  
20  PROPERTY PURCHASED OR TAKEN UNDER CONDEMNATION PROCEEDINGS BY A  
21  PUBLIC UTILITY FOR POWER TRANSMISSION LINES IF THE 2 PARCELS  
22  SEPARATED BY THE PURCHASED OR CONDEMNED PROPERTY WERE A SINGLE  
23  PARCEL PRIOR TO THE SALE OR CONDEMNATION.

24       (B) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION  
25  34D.

26       (C) "RESIDENTIAL DEVELOPMENT PROPERTY" MEANS REAL PROPERTY  
27  THAT MEETS ALL OF THE FOLLOWING CRITERIA:

1 (i) IS CLASSIFIED AS RESIDENTIAL REAL PROPERTY UNDER SECTION  
2 34C.

3 (ii) IS SUBJECT TO 1 OF THE FOLLOWING CONDITIONS OR IS  
4 CONTIGUOUS TO AND ASSOCIATED WITH PROPERTY THAT IS SUBJECT TO 1 OF  
5 THE FOLLOWING CONDITIONS:

6 (A) A FINAL PLAT FOR THE REAL PROPERTY IS RECORDED PURSUANT TO  
7 THE LAND DIVISION ACT, 1967 PA 288, MCL 560.101 TO 560.293, AFTER  
8 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

9 (B) A CONDOMINIUM SUBDIVISION PLAN IS COMPLETED AND A MASTER  
10 DEED FOR ALL OR A PORTION OF THE REAL PROPERTY IS RECORDED PURSUANT  
11 TO THE CONDOMINIUM ACT, 1978 PA 59, MCL 559.101 TO 559.276, AFTER  
12 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

13 (C) THE REAL PROPERTY IS INCLUDED IN A PLANNED UNIT  
14 DEVELOPMENT APPROVED UNDER SECTION 16C OF THE COUNTY ZONING ACT,  
15 1943 PA 183, MCL 125.216C, SECTION 16C OF THE TOWNSHIP ZONING ACT,  
16 1943 PA 184, MCL 125.286C, OR SECTION 4B OF THE CITY AND VILLAGE  
17 ZONING ACT, 1921 PA 207, MCL 125.584B.

18 (D) THE REAL PROPERTY IS INCLUDED IN A DEVELOPMENT UNDER AN  
19 OPEN SPACE PRESERVATION PROVISION OR SIMILAR ZONING ORDINANCE  
20 PROVISION DESCRIBED IN SECTION 16H OF THE COUNTY ZONING ACT, 1943  
21 PA 183, MCL 125.216H, SECTION 16H OF THE TOWNSHIP ZONING ACT, 1943  
22 PA 184, MCL 125.286H, OR SECTION 4F OF THE CITY AND VILLAGE ZONING  
23 ACT, 1921 PA 207, MCL 125.584F.

24 (iii) A RESIDENTIAL DWELLING OR CONDOMINIUM UNIT THAT IS  
25 OCCUPIED OR THAT HAS EVER BEEN OCCUPIED IS NOT LOCATED ON THE REAL  
26 PROPERTY.

27 (iv) A RESIDENTIAL DWELLING OR CONDOMINIUM UNIT THAT IS LOCATED

- 1 ON THE REAL PROPERTY THAT HAS NOT BEEN SOLD TO A PERSON WHO INTENDS
- 2 TO OCCUPY THE RESIDENTIAL DWELLING OR CONDOMINIUM UNIT.