

Act No. 176
Public Acts of 2023
Approved by the Governor
October 24, 2023
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October 24, 2023
EFFECTIVE DATE: December 31, 2023

**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023**

Introduced by Senator Hertel

ENROLLED SENATE BILL No. 331

AN ACT to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending sections 9o, 19, and 30 (MCL 211.9o, 211.19, and 211.30), section 9o as amended by 2021 PA 150, section 19 as amended by 2017 PA 261, and section 30 as amended by 2013 PA 153.

The People of the State of Michigan enact:

Sec. 9o. (1) Beginning December 31, 2013, eligible personal property for which an exemption has been properly claimed under this section is exempt from the collection of taxes under this act.

(2) An owner of eligible personal property shall claim the exemption under this section in 1 of the following ways, as applicable:

(a) For a claim of exemption as to eligible personal property under subsection (9)(c)(ii)(A), by filing a statement with the local tax collecting unit in which the eligible personal property is located not later than February 20 of the first year the exemption is claimed or, if February 20 of the first year the exemption is claimed is a Saturday, Sunday, or legal holiday, not later than the next day that is not a Saturday, Sunday, or legal holiday. For purposes of a statement delivered by the United States Postal Service, the filing is timely if the postmark date is on or before the filing deadline prescribed in this subdivision. If the statement is not timely filed with the local tax collecting unit, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subdivision. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice. A statement filed under this subdivision must be in a form prescribed by the state tax commission and must include any address where any property owned by, leased to, or in the possession of that owner or a related entity is located within that local tax collecting unit. In the statement, the owner shall attest that the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year is less than \$80,000.00. An exemption granted pursuant to a claim filed under this subdivision remains in effect if the property's owner subsequently files a claim for exemption under subdivision (b) and 1 of the following conditions is met:

(i) It is determined that the property does not qualify for the exemption under this section as eligible personal property under subsection (9)(c)(ii)(B) but instead continues to qualify for the exemption under this section as eligible personal property under subsection (9)(c)(ii)(A).

(ii) After having been granted exempt status as eligible personal property under subsection (9)(c)(ii)(B), it is determined that the property's exempt status has returned to eligible personal property under subsection (9)(c)(ii)(A).

(b) For a claim of exemption as to eligible personal property under subsection (9)(c)(ii)(B), by annually filing a statement of personal property under section 19 with the local tax collecting unit in which the eligible personal property is located. Together with the statement of personal property, the owner shall also file a statement, in a form and manner prescribed by the department of treasury, attesting to the combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of that owner or a related entity on December 31 of the immediately preceding year, and that this combined true cash value is equal to or greater than \$80,000.00 and less than \$180,000.00. Not later than April 1 of each year, local tax collecting units shall transmit to the department of treasury, in a form and manner prescribed by the department of treasury, summary information of all exemptions granted each year pursuant to filings made under this subdivision for purposes of providing the department of treasury with data needed to compensate municipalities for revenue lost as a result of those exemptions, as described in section 3a of the Michigan trust fund act, 2000 PA 489, MCL 12.253a. A claim of exemption filed under this subdivision must be treated as a claim of exemption filed under subdivision (a) if it is determined that the property for which the exemption is claimed qualifies for the exemption under this section as eligible personal property under subsection (9)(c)(ii)(A).

(3) If a statement claiming the exemption under subsection (2)(a) is filed as provided in subsection (2)(a), the owner of that eligible personal property is not required to file a statement under section 19.

(4) A person who claims an exemption for eligible personal property under this section shall maintain books and records and shall provide access to those books and records as provided in section 22. A local unit of government may develop and implement an audit program that includes, but is not limited to, the audit of all information submitted under subsection (2) for the current calendar year and the 3 calendar years immediately preceding the commencement of an audit. Any assessment as a result of an audit must be paid in full within 35 days of issuance and must include interest as described in subsection (5).

(5) All of the following apply to an exemption granted under this section pursuant to a claim of exemption filed under subsection (2)(a):

(a) Except as otherwise provided in subsection (2)(a), the exemption remains in effect until the personal property is no longer eligible personal property under subsection (9)(c)(ii)(A). An owner whose personal property is no longer eligible personal property under this subdivision shall do 1 of the following, as applicable:

(i) If the owner intends to claim that the property is eligible personal property under subsection (9)(c)(ii)(B), file for the exemption under subsection (2)(b).

(ii) If the owner does not intend to claim that the property is eligible personal property under subsection (9)(c)(ii)(B), file by February 20 of the year that the property is no longer eligible a rescission and the statement required under section 19. The rescission must be filed on a form prescribed by the department of treasury. Upon receipt of a rescission form, the local assessor shall immediately remove the exemption.

(b) An owner who fails to file a rescission and whose property is later determined to be ineligible for the exemption will be subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible personal property, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall within 30 days of the date of the discovery issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall within 30 days of the date of the removal prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(6) If the assessor of the local tax collecting unit believes that personal property for which a statement claiming an exemption is timely and properly filed under subsection (2) is not eligible personal property, the assessor may deny that claim for exemption by notifying the person that filed the statement in writing of the reason for the denial and advising the person that the denial may be appealed to the board of review under section 30 during that tax year.

(7) The assessor may deny a claim for exemption granted under this section pursuant to a claim of exemption filed under subsection (2)(a) or (b) for the current year and for the 3 immediately preceding calendar years. If the assessor denies a claim for exemption under this subsection, the assessor shall remove the exemption of that personal property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for any additional taxes with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month or fraction of a month and penalties computed from the date the taxes were last payable without interest or penalty. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

(8) If a person fraudulently claims an exemption for personal property under this section, that person is subject to the penalties provided for in section 21(2).

(9) As used in this section:

(a) "Commercial personal property" means personal property that is classified as commercial personal property under section 34c or would be classified as commercial personal property under section 34c if not exempt from the collection of taxes under this act under this section or section 9m or 9n.

(b) "Control", "controlled by", and "under common control with" mean the possession of the power to direct or cause the direction of the management and policies of a related entity, directly or indirectly, whether derived from a management position, official office, or corporate office held by an individual; by an ownership interest, beneficial interest, or equitable interest; or by contractual agreement or other similar arrangement. There is a rebuttable presumption that control exists if any person, directly or indirectly, owns, controls, or holds the power to vote, directly or by proxy, 10% or more of the ownership interest of any other person or has contributed more than 10% of the capital of the other person. Indirect ownership includes ownership through attribution or through 1 or more intermediary entities.

(c) "Eligible personal property" means property that meets all of the following conditions:

(i) Is industrial personal property or commercial personal property.

(ii) The combined true cash value of all industrial personal property and commercial personal property in that local tax collecting unit owned by, leased to, or in the possession of the person claiming an exemption under this section or a related entity on December 31 of the immediately preceding year is 1 of the following:

(A) Less than \$80,000.00.

(B) Equal to or greater than \$80,000.00 and less than \$180,000.00.

(iii) Is not leased to or used by a person that previously owned the property or a person that, directly or indirectly, controls, is controlled by, or is under common control with the person that previously owned the property.

(d) "Industrial personal property" means personal property that is classified as industrial personal property under section 34c or would be classified as industrial personal property under section 34c if not exempt from the collection of taxes under this act under this section or section 9m or 9n.

(e) "Person" means an individual, partnership, corporation, association, limited liability company, or any other legal entity.

(f) "Related entity" means a person that, directly or indirectly, controls, is controlled by, or is under common control with the person claiming an exemption under this section.

Sec. 19. (1) A supervisor or other assessing officer, as soon as possible after entering office or as required under the provisions of any charter that makes special provisions for the assessment of property, shall ascertain the taxable property in the assessing district, the person to whom it should be assessed, and that person's residence.

(2) Except as otherwise provided in section 9m, 9n, or 9o(3), the supervisor or other assessing officer shall require any person whom the supervisor or other assessing officer believes has possession of personal property to make a statement of all the personal property of that person whether owned by that person or held for the use of another to be completed and delivered to the supervisor or assessor by February 20 of each year, or, if February 20 of a year is a Saturday, Sunday, or legal holiday, the next day that is not a Saturday, Sunday, or legal holiday of that year. For purposes of a statement delivered by the United States Postal Service, the delivery is timely if the postmark date is on or before the delivery deadline prescribed in this subsection. If the statement is not timely delivered to the supervisor or other assessing officer, a late submission may be filed directly with the March board of review before its final adjournment by submitting the statement prescribed in this subsection. The board of review shall not accept a filing after adjournment of its March meeting. An appeal of a denial by the March board of review may be made by filing a petition with the Michigan tax tribunal within 35 days of the denial notice. A notice the supervisor or other assessing officer provides regarding the statement required under this subsection must also do all of the following:

(a) Notify the person to whom such notice is given of the exemptions available under sections 9m, 9n, and 9o.

(b) Explain where information about those exemptions, the forms and requirements for claiming those exemptions, and the forms for the statement otherwise required under this section are available.

(c) Be sent or delivered by not later than January 10 of each year.

(3) If a supervisor, an assessing officer, a county tax or equalization department provided for in section 34, or the state tax commission considers it necessary to require from any person a statement of real property assessable to that person, it shall notify the person, and that person shall submit the statement.

(4) A local tax collecting unit may provide for the electronic filing of the statement required under subsection (2) or (3).

(5) A statement under subsection (2) or (3) must be in a form prescribed by the state tax commission. If a local tax collecting unit has provided for electronic filing of the statement under subsection (4), the filing format must be as prescribed by the state tax commission. The state tax commission shall not prescribe more than 1 format for electronically filing a statement under subsection (2) or more than 1 format for electronically filing a statement under subsection (3).

(6) A statement under subsection (2) or (3) must be signed manually, by facsimile, or electronically. A supervisor or assessor shall not require that a statement required under subsection (2) or (3) be filed by February 20 of each year.

(7) A supervisor or assessor shall not accept a statement under subsection (2) or (3) as final or sufficient if that statement is not in the proper form or does not contain a manual, facsimile, or electronic signature. A supervisor or assessor shall preserve a statement that is not in the proper form or is not signed as in other cases, and that statement may be used to make the assessment and as evidence in any proceeding regarding the assessment of the person furnishing that statement.

(8) An electronic or facsimile signature for a statement required under this section, a statement required under section 9o(2)(a) or (b), or a combined document required under section 9m or 9n or under section 7 of the state essential services assessment act, 2014 PA 92, MCL 211.1057, must be accepted by a local tax collecting unit.

(9) The department of treasury's use of a statement, or information on a statement, provided under this subsection is subject to section 28(1)(f) of 1941 PA 122, MCL 205.28.

Sec. 30. (1) Except as otherwise provided in subsection (2), the board of review shall meet on the second Monday in March.

(2) The governing body of the city or township may authorize, by adoption of an ordinance or resolution, alternative starting dates in March when the board of review shall initially meet, which alternative starting dates must be the Tuesday or Wednesday following the second Monday of March.

(3) The first meeting of the board of review must start not earlier than 9 a.m. and not later than 3 p.m. and last for at least 6 hours. The board of review shall also meet for at least 6 hours during the remainder of that week. Persons or their agents who have appeared to file a protest before the board of review at a scheduled meeting or at a scheduled appointment must be afforded an opportunity to be heard by the board of review. The board of review shall schedule a final meeting after the board of review makes a change in the assessed value or tentative taxable value of property, adds property to the assessment roll, or exempts personal property under section 9m, 9n, or 9o and removes it from the assessment roll. The board of review shall hold at least 3 hours of its required sessions for review of assessment rolls during the week of the second Monday in March after 6 p.m.

(4) A board of review shall meet a total of at least 12 hours during the week beginning the second Monday in March to hear protests. At the request of a person whose property is assessed on the assessment roll or of that person's agent, and if sufficient cause is shown, the board of review shall correct the assessed value or tentative taxable value of the property in a manner that will make the valuation of the property relatively just and proper under this act. For the appeal of a denial of a claim of exemption for personal property under section 9m, 9n, or 9o, if an exemption is approved, the board of review shall remove the personal property from the assessment roll. The board of review may examine under oath the person making the application, or any other person concerning the matter. A member of the board of review may administer the oath. A nonresident taxpayer may file an appearance, protest, and papers in support of the protest by letter, and the nonresident taxpayer's personal appearance is not required. The board of review, on its own motion, may change assessed values or tentative taxable values or add to the roll property omitted from the roll that is liable to assessment if the person who is assessed for the altered valuation or for the omitted property is promptly notified and granted an opportunity to file objections to the change at the meeting or at a subsequent meeting. An objection to a change in assessed value or tentative taxable value or to the addition of property to the tax roll must be promptly heard and determined. Each person who makes a request, protest, or application to the board of review for the correction of the assessed value or tentative taxable value of the person's property or for the exemption of that person's personal property under section 9m, 9n, or 9o must be notified in writing, not later than the first Monday in June, of the board of review's action on the request, protest, or application, of the state equalized valuation or tentative taxable value of the property, and of information regarding the right of further appeal to the tax tribunal. Information regarding the right of further appeal to the tax tribunal must include, but is not limited to, a statement of the right to appeal to the tax tribunal, the address of the tax tribunal, and the final date for filing an appeal with the tax tribunal.

(5) If an exemption for personal property under section 9m, 9n, or 9o is approved, the board of review shall file an affidavit with the proper officials involved in the assessment and collection of taxes and all affected official records must be corrected. If the board of review does not approve an exemption under section 9m, 9n, or 9o, the person claiming the exemption for that personal property may appeal that decision in writing to the Michigan tax tribunal. A correction under this subsection that approves an exemption under section 9o may be made for the year in which the appeal was filed and the immediately preceding 3 tax years. A correction under this subsection that approves an exemption under section 9m or 9n may be made only for the year in which the appeal was filed.

(6) After the board of review completes the review of the assessment roll, a majority of the board of review shall indorse the roll and sign a statement to the effect that the roll is the assessment roll for the year in which it has been prepared and approved by the board of review.

(7) The appropriate assessing officer shall deliver the completed assessment roll to the county equalization director not later than the tenth day after the adjournment of the board of review, or the Wednesday following the first Monday in April, whichever date occurs first.

(8) The governing body of the township or city may authorize, by adoption of an ordinance or resolution, a resident taxpayer to file a protest before the board of review by letter without a personal appearance by the taxpayer or the taxpayer's agent. If that ordinance or resolution is adopted, the township or city shall include a statement notifying taxpayers of this option in each assessment notice under section 24c and on each notice or publication of the meeting of the board of review.

Enacting section 1. This amendatory act takes effect December 31, 2023.

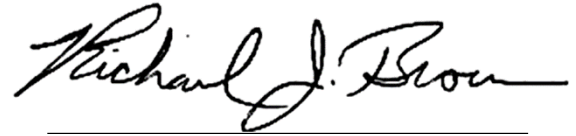
Enacting section 2. This amendatory act does not take effect unless all of the following bills of the 102nd Legislature are enacted into law:

- (a) House Bill No. 4553.
- (b) House Bill No. 4554.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor

Compiler's note: House Bill No. 4553, referred to in enacting section 2, was filed with the Secretary of State October 24, 2023, and became 2023 PA 174, Imd. Eff. Oct. 24, 2023.

House Bill No. 4554, also referred to in enacting section 2, was filed with the Secretary of State October 24, 2023, and became 2023 PA 175, Imd. Eff. Oct. 24, 2023.