

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7ss New construction on development property; tax exemption under MCL 380.1211; filing of affidavit; determination by assessor; rescission of exemption; failure to file rescission; penalty; appeal; denial or modification of existing exemption by assessor; erroneous granting of exemption; withdrawal; issuance of corrected tax bill; definitions.

Sec. 7ss.

(1) For taxes levied after November 1, 2012 through December 30, 2013, new construction on development property is eligible for exemption from the collection of the tax levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the new construction is no longer located on development property, whichever occurs first, as provided in this section.

(2) Beginning November 1, 2013 through December 30, 2015, development property on which is located new construction exempt under subsection (1) is exempt from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 2 years or until the property is no longer development property, whichever occurs first.

(3) Beginning December 31, 2013, eligible development property is exempt from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the property is no longer eligible development property, whichever occurs first.

(4) To claim an exemption under subsection (1), an owner of development property shall file an affidavit claiming the exemption with the local tax collecting unit on or before June 1, 2013 for the immediately succeeding summer tax levy and all applicable subsequent tax levies or on or before November 1, 2013 for the immediately succeeding winter tax levy and all applicable subsequent tax levies. The affidavit shall be on a form prescribed by the department of treasury.

(5) To claim an exemption under subsection (2), an owner of development property shall file an affidavit claiming the exemption with the local tax collecting unit on or before June 1 for the immediately preceding winter tax levy, immediately succeeding summer tax levy, and all applicable subsequent tax levies or on or before November 1 for the immediately succeeding winter tax levy and all applicable subsequent tax levies. The affidavit shall be on a form prescribed by the department of treasury.

(6) To claim an exemption under subsection (3), an owner of eligible development property shall file an affidavit claiming the exemption with the local tax collecting unit on or before June 1 for the immediately succeeding summer tax levy and all applicable subsequent tax levies or on or before November 1 for the immediately succeeding winter tax levy and all applicable subsequent tax levies. The affidavit shall be on a form prescribed by the department of treasury.

(7) Upon receipt of an affidavit filed under subsection (4), the assessor shall determine if the real property on which new construction is located is development property. If the real property is development property, the assessor shall exempt the new construction located on that development property from the collection of the tax levied under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the new construction is no longer located on development property, whichever occurs first.

(8) Upon receipt of an affidavit filed under subsection (5), the assessor shall determine if the real property on which new construction is located is development property. If the real property is development property, the assessor shall exempt the development property from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 2 years or until the property is no longer development property, whichever occurs first.

(9) Upon receipt of an affidavit filed under subsection (6), the assessor shall determine if the real property on which new construction is located is eligible development property. If the real property is eligible development property, the assessor shall exempt the eligible development property from the collection of the tax levied by a local school district for school operating purposes under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, to the same extent provided a principal residence under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, for 3 years or until the property is no longer eligible development property, whichever occurs first.

(10) Not more than 90 days after all or a portion of new construction exempt under subsection (1) is no longer located on development property, an owner shall rescind the exemption for the new construction by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(11) Not more than 90 days after all or a portion of the development property exempt under subsection (2) is no longer development property, an owner shall rescind the exemption for that development property by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(12) Not more than 90 days after all or a portion of eligible development property exempt under subsection (3) is no longer eligible development property, an owner shall rescind the exemption for that eligible development property by filing with the local tax collecting unit a rescission form. The rescission form shall be as prescribed by the department of treasury.

(13) An owner of exempted new construction, development property, or eligible development property who fails to file a rescission form as required under this section is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury.

(14) An owner of new construction that is located on development property or eligible development property for which an exemption was not on the tax roll may file an appeal with the July or December board of review in the year the exemption was claimed or the immediately succeeding year. If an exemption under this section was denied by the assessor in the year an affidavit was filed under this section, an owner may file an appeal with the July board of review for summer taxes or, if there is not a summer levy of school operating taxes, with the December board of review.

(15) If the assessor of the local tax collecting unit believes that an exemption has been granted for new construction, development property, or eligible development property not properly eligible for exemption under this section, the assessor may deny or modify an existing exemption by notifying the owner in writing at the time required for providing a notice under section 24c. A taxpayer may appeal the assessor's determination to the board of review meeting under section 30. A decision of the board of review may be appealed to the residential and small claims division of the Michigan tax tribunal.

(16) If an exemption under this section is erroneously granted, an owner may request in writing that the local tax collecting unit withdraw the exemption. If an owner requests that an exemption be withdrawn, the local assessor shall notify the owner that the exemption issued under this section has been denied based on that owner's request. If an exemption is withdrawn, the new construction, development property, or eligible development property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. If an owner requests that an exemption under this section be withdrawn before that owner is contacted in writing by the local assessor regarding that owner's eligibility for the exemption and that owner pays the corrected tax bill issued under this subsection within 30 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. An owner who pays a corrected tax bill issued under this subsection more than 30 days after the corrected tax bill is issued is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.

(17) As used in this section:

(a) "Development property" means real property on which a residential dwelling, condominium unit, or other residential structure is located, which residential dwelling, condominium unit, or other residential structure meets all of the following conditions:

(i) Is not occupied and has never been occupied.

(ii) Is available for sale.

(iii) Is not leased.

(iv) Is not used for any business or commercial purpose. This restriction does not apply to real property used as an on-site office in a specific development. However, in the case of a specific development that consists of multiple units, only 1 such unit is eligible for exclusion from this restriction as an on-site office.

(b) "Eligible development property" means all of the following real property not previously exempt under this section:

(i) A residential dwelling, condominium unit, or other residential structure that was new construction after December 30, 2012 and that meets all of the following conditions:

(A) Is not occupied and has never been occupied. In the case of a condominium or other residential structure that consists of multiple units, occupancy does not occur until all of the units are occupied. However, any unit that is occupied is not eligible for exemption under this section.

(B) Is available for sale.

(C) Is not leased.

(D) Is not used for any business or commercial purpose. This restriction does not apply to real property used as an on-site office in a specific development. However, in the case of a specific development that consists of multiple units, only 1 such unit is eligible for exclusion from this restriction as an on-site office.

(ii) The land on which the residential dwelling, condominium unit, or other residential structure identified in subparagraph (i) is located.

(c) "New construction" means that term as defined in section 34d.

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