

# SENATE BILL No. 1038

September 10, 2014, Introduced by Senator CASWELL and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7b, 7u, 7cc, 7ee, 24c, 28, 29, 30, 34c, 53b, 53c, and 154 (MCL 211.7b, 211.7u, 211.7cc, 211.7ee, 211.24c, 211.28, 211.29, 211.30, 211.34c, 211.53b, 211.53c, and 211.154), section 7b as amended by 2013 PA 161, section 7u as amended by 2012 PA 135, section 7cc as amended by 2014 PA 40, sections 7ee and 154 as amended by 2003 PA 247, section 24c as amended by 2010 PA 332, section 28 as amended by 2006 PA 143, sections 30 and 53b as amended by 2013 PA 153, section 34c as amended by 2012 PA 409, and section 53c as added by 1995 PA 74, and by adding section 53e.

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

1           Sec. 7b. (1) Real property used and owned as a homestead by a  
2 disabled veteran who was discharged from the armed forces of the

1 United States under honorable conditions or by an individual  
2 described in subsection (2) is exempt from the collection of taxes  
3 under this act. To obtain the exemption, an affidavit showing the  
4 facts required by this section and a description of the real  
5 property shall be filed by the property owner or his or her legal  
6 designee with the supervisor or other assessing officer during the  
7 period beginning with the tax day for each year and ending at the  
8 time of the final adjournment of the ~~local~~**DECEMBER** board of  
9 review. The affidavit when filed shall be open to inspection. The  
10 county treasurer shall cancel taxes subject to collection under  
11 this act for any year in which a disabled veteran eligible for the  
12 exemption under this section has acquired title to real property  
13 exempt under this section. Upon granting the exemption under this  
14 section, each local taxing unit shall bear the loss of its portion  
15 of the taxes upon which the exemption has been granted.

16 (2) If a disabled veteran who is otherwise eligible for the  
17 exemption under this section dies, either before or after the  
18 exemption under this section is granted, the exemption shall remain  
19 available to or shall continue for his or her unremarried surviving  
20 spouse. The surviving spouse shall comply with the requirements of  
21 subsection (1) and shall indicate on the affidavit that he or she  
22 is the surviving spouse of a disabled veteran entitled to the  
23 exemption under this section. The exemption shall continue as long  
24 as the surviving spouse remains unremarried.

25 **(3) A PERSON CLAIMING AN EXEMPTION UNDER THIS SECTION MAY**  
26 **APPEAL THE DECISION OF THE MARCH BOARD OF REVIEW TO THE MICHIGAN**  
27 **TAX TRIBUNAL NOT LATER THAN JULY 31 IN THAT YEAR. A PERSON CLAIMING**

1 AN EXEMPTION UNDER THIS SECTION MAY APPEAL THE DECISION OF THE JULY  
2 OR DECEMBER BOARD OF REVIEW TO THE MICHIGAN TAX TRIBUNAL NOT LATER  
3 THAN 60 DAYS AFTER THE DATE OF THAT DECISION. AN APPEAL OF THE  
4 DENIAL OF A CLAIM OF EXEMPTION UNDER THIS SECTION MAY BE FOR THE  
5 CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS; HOWEVER, AN  
6 APPEAL MAY NOT BE TAKEN FOR A YEAR PRIOR TO 2014.

7 (4) ~~(3)~~—As used in this section, "disabled veteran" means a  
8 person who is a resident of this state and who meets 1 of the  
9 following criteria:

10 (a) Has been determined by the United States department of  
11 veterans affairs to be permanently and totally disabled as a result  
12 of military service and entitled to veterans' benefits at the 100%  
13 rate.

14 (b) Has a certificate from the United States veterans'  
15 administration, or its successors, certifying that he or she is  
16 receiving or has received pecuniary assistance due to disability  
17 for specially adapted housing.

18 (c) Has been rated by the United States department of veterans  
19 affairs as individually unemployable.

20 Sec. 7u. (1) The principal residence of persons who, in the  
21 judgment of the supervisor and board of review, by reason of  
22 poverty, are unable to contribute toward the public charges is  
23 eligible for exemption in whole or in part from taxation under this  
24 act. This section does not apply to the property of a corporation.

25 (2) To be eligible for exemption under this section, a person  
26 shall do all of the following on an annual basis:

27 (a) Be an owner of and occupy as a principal residence the

1 property for which an exemption is requested.

2 (b) File a claim with the supervisor or board of review on a  
3 form provided by the local assessing unit, accompanied by federal  
4 and state income tax returns for all persons residing in the  
5 principal residence, including any property tax credit returns,  
6 filed in the immediately preceding year or in the current year.  
7 Federal and state income tax returns are not required for a person  
8 residing in the principal residence if that person was not required  
9 to file a federal or state income tax return in the tax year in  
10 which the exemption under this section is claimed or in the  
11 immediately preceding tax year. If a person was not required to  
12 file a federal or state income tax return in the tax year in which  
13 the exemption under this section is claimed or in the immediately  
14 preceding tax year, an affidavit in a form prescribed by the state  
15 tax commission may be accepted in place of the federal or state  
16 income tax return. The filing of a claim under this subsection  
17 constitutes an appearance before the board of review for the  
18 purpose of preserving the claimant's right to appeal the decision  
19 of the board of review regarding the claim.

20 (c) Produce a valid driver's license or other form of  
21 identification if requested by the supervisor or board of review.

22 (d) Produce a deed, land contract, or other evidence of  
23 ownership of the property for which an exemption is requested if  
24 required by the supervisor or board of review.

25 (e) Meet the federal poverty guidelines updated annually in  
26 the federal register by the United States department of health and  
27 human services under authority of ~~section 673 of subtitle B of~~

1 ~~title VI of the omnibus budget reconciliation act of 1981, Public~~  
2 ~~Law 97-35, 42 USC 9902 ,~~ or alternative guidelines adopted by the  
3 governing body of the local assessing unit provided the alternative  
4 guidelines do not provide income eligibility requirements less than  
5 the federal guidelines.

6 (3) The application for an exemption under this section shall  
7 be filed after January 1 but before the day prior to the last day  
8 of the **DECEMBER** board of review.

9 (4) The governing body of the local assessing unit shall  
10 determine and make available to the public the policy and  
11 guidelines the local assessing unit uses for the granting of  
12 exemptions under this section. The guidelines shall include but not  
13 be limited to the specific income and asset levels of the claimant  
14 and total household income and assets.

15 (5) The board of review shall follow the policy and guidelines  
16 of the local assessing unit in granting or denying an exemption  
17 under this section unless the board of review determines there are  
18 substantial and compelling reasons why there should be a deviation  
19 from the policy and guidelines and the substantial and compelling  
20 reasons are communicated in writing to the claimant.

21 (6) A person who files a claim under this section is not  
22 prohibited from also appealing the assessment on the property for  
23 which that claim is made before the board of review in the same  
24 year.

25 **(7) A PERSON CLAIMING AN EXEMPTION UNDER THIS SECTION MAY**  
26 **APPEAL THE DECISION OF THE MARCH BOARD OF REVIEW TO THE MICHIGAN**  
27 **TAX TRIBUNAL NOT LATER THAN JULY 31 IN THAT YEAR. A PERSON CLAIMING**

1 AN EXEMPTION UNDER THIS SECTION MAY APPEAL THE DECISION OF THE JULY  
2 OR DECEMBER BOARD OF REVIEW TO THE MICHIGAN TAX TRIBUNAL NOT LATER  
3 THAN 60 DAYS AFTER THE DATE OF THAT DECISION.

4 (8) ~~(7)~~—As used in this section, "principal residence" means  
5 principal residence or qualified agricultural property as those  
6 terms are defined in section 7dd.

7 Sec. 7cc. (1) A principal residence is exempt from the tax  
8 levied by a local school district for school operating purposes to  
9 the extent provided under section 1211 of the revised school code,  
10 1976 PA 451, MCL 380.1211, if an owner of that principal residence  
11 claims an exemption as provided in this section. Notwithstanding  
12 the tax day provided in section 2, the status of property as a  
13 principal residence shall be determined on the date an affidavit  
14 claiming an exemption is filed under subsection (2).

15 (2) Except as otherwise provided in subsection (5), an owner  
16 of property may claim 1 exemption under this section by filing an  
17 affidavit on or before May 1 for taxes levied before January 1,  
18 2012 or, for taxes levied after December 31, 2011, on or before  
19 June 1 for the immediately succeeding summer tax levy and all  
20 subsequent tax levies or on or before November 1 for the  
21 immediately succeeding winter tax levy and all subsequent tax  
22 levies with the local tax collecting unit in which the property is  
23 located. The affidavit shall state that the property is owned and  
24 occupied as a principal residence by that owner of the property on  
25 the date that the affidavit is signed. The affidavit shall be on a  
26 form prescribed by the department of treasury. One copy of the  
27 affidavit shall be retained by the owner, 1 copy shall be retained

1 by the local tax collecting unit until any appeal or audit period  
2 under this act has expired, and 1 copy shall be forwarded to the  
3 department of treasury pursuant to subsection (4), together with  
4 all information submitted under subsection ~~(28)~~ (27) for a  
5 cooperative housing corporation. The affidavit shall require the  
6 owner claiming the exemption to indicate if that owner or that  
7 owner's spouse has claimed another exemption on property in this  
8 state that is not rescinded or a substantially similar exemption,  
9 deduction, or credit on property in another state that is not  
10 rescinded. If the affidavit requires an owner to include a social  
11 security number, that owner's number is subject to the disclosure  
12 restrictions in 1941 PA 122, MCL 205.1 to 205.31. If an owner of  
13 property filed an affidavit for an exemption under this section  
14 before January 1, 2004, that affidavit shall be considered the  
15 affidavit required under this subsection for a principal residence  
16 exemption and that exemption shall remain in effect until rescinded  
17 as provided in this section.

18 (3) Except as otherwise provided in subsection (5), a husband  
19 and wife who are required to file or who do file a joint Michigan  
20 income tax return are entitled to not more than 1 exemption under  
21 this section. For taxes levied after December 31, 2002, a person is  
22 not entitled to an exemption under this section if any of the  
23 following conditions occur:

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

27 (b) Subject to subdivision (a), that person or his or her

1 spouse owns property in a state other than this state for which  
2 that person or his or her spouse claims an exemption, deduction, or  
3 credit substantially similar to the exemption provided under this  
4 section, unless that person and his or her spouse file separate  
5 income tax returns.

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

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

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

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

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

24 (4) Upon receipt of an affidavit filed under subsection (2)  
25 and unless the claim is denied under this section, the assessor  
26 shall exempt the property from the collection of the tax levied by  
27 a local school district for school operating purposes to the extent

1 provided under section 1211 of the revised school code, 1976 PA  
2 451, MCL 380.1211, as provided in subsection (1) until December 31  
3 of the year in which the property is transferred or, except as  
4 otherwise provided in subsection (5), is no longer a principal  
5 residence as defined in section 7dd. The local tax collecting unit  
6 shall forward copies of affidavits to the department of treasury  
7 according to a schedule prescribed by the department of treasury.

8 (5) Except as otherwise provided in this subsection, not more  
9 than 90 days after exempted property is no longer used as a  
10 principal residence by the owner claiming an exemption, that owner  
11 shall rescind the claim of exemption by filing with the local tax  
12 collecting unit a rescission form prescribed by the department of  
13 treasury. If an owner is eligible for and claims an exemption for  
14 that owner's current principal residence, that owner may retain an  
15 exemption for not more than 3 tax years on property previously  
16 exempt as his or her principal residence if that property is not  
17 occupied, is for sale, is not leased, and is not used for any  
18 business or commercial purpose by filing a conditional rescission  
19 form prescribed by the department of treasury with the local tax  
20 collecting unit within the time period prescribed in subsection  
21 (2). Beginning in the 2012 tax year, subject to the payment  
22 requirement set forth in this subsection, if a land contract  
23 vendor, bank, credit union, or other lending institution owns  
24 property as a result of a foreclosure or forfeiture of a recorded  
25 instrument under chapter 31, 32, or 57 of the revised judicature  
26 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701  
27 to 600.5759, or through deed or conveyance in lieu of a foreclosure

1 or forfeiture on that property and that property had been exempt  
2 under this section immediately preceding the foreclosure, that land  
3 contract vendor, bank, credit union, or other lending institution  
4 may retain an exemption on that property at the same percentage of  
5 exemption that the property previously had under this section if  
6 that property is not occupied other than by the person who claimed  
7 the exemption under this section immediately preceding the  
8 foreclosure or forfeiture, is for sale, is not leased to any person  
9 other than the person who claimed the exemption under this section  
10 immediately preceding the foreclosure, and is not used for any  
11 business or commercial purpose. A land contract vendor, bank,  
12 credit union, or other lending institution may claim an exemption  
13 under this subsection by filing a conditional rescission form  
14 prescribed by the department of treasury with the local tax  
15 collecting unit within the time period prescribed in subsection  
16 (2). Property is eligible for a conditional rescission if that  
17 property is available for lease and all other conditions under this  
18 subsection are met. A copy of a conditional rescission form shall  
19 be forwarded to the department of treasury according to a schedule  
20 prescribed by the department of treasury. An owner or a land  
21 contract vendor, bank, credit union, or other lending institution  
22 that files a conditional rescission form shall annually verify to  
23 the assessor of the local tax collecting unit on or before December  
24 31 that the property for which the principal residence exemption is  
25 retained is not occupied other than by the person who claimed the  
26 exemption under this section immediately preceding the foreclosure  
27 or forfeiture, is for sale, is not leased except as otherwise

1 provided in this section, and is not used for any business or  
2 commercial purpose. The land contract vendor, bank, credit union,  
3 or other lending institution may retain the exemption authorized  
4 under this section for not more than 3 tax years. If an owner or a  
5 land contract vendor, bank, credit union, or other lending  
6 institution does not annually verify by December 31 that the  
7 property for which the principal residence exemption is retained is  
8 not occupied other than by the person who claimed the exemption  
9 under this section immediately preceding the foreclosure or  
10 forfeiture, is for sale, is not leased except as otherwise provided  
11 in this section, and is not used for any business or commercial  
12 purpose, the assessor of the local tax collecting unit shall deny  
13 the principal residence exemption on that property. Except as  
14 otherwise provided in this section, if property subject to a  
15 conditional rescission is leased, the local tax collecting unit  
16 shall deny that conditional rescission and that denial is  
17 retroactive and is effective on December 31 of the year immediately  
18 preceding the year in which the property subject to the conditional  
19 rescission is leased. An owner who fails to file a rescission as  
20 required by this subsection is subject to a penalty of \$5.00 per  
21 day for each separate failure beginning after the 90 days have  
22 elapsed, up to a maximum of \$200.00. This penalty shall be  
23 collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be  
24 deposited in the state school aid fund established in section 11 of  
25 article IX of the state constitution of 1963. This penalty may be  
26 waived by the department of treasury. If a land contract vendor,  
27 bank, credit union, or other lending institution retains an

1 exemption on property under this subsection, that land contract  
2 vendor, bank, credit union, or other lending institution shall pay  
3 an amount equal to the additional amount that land contract vendor,  
4 bank, credit union, or other lending institution would have paid  
5 under section 1211 of the revised school code, 1976 PA 451, MCL  
6 380.1211, if an exemption had not been retained on that property,  
7 together with an administration fee equal to the property tax  
8 administration fee imposed under section 44. The payment required  
9 under this subsection shall be collected by the local tax  
10 collecting unit at the same time and in the same manner as taxes  
11 collected under this act. The administration fee shall be retained  
12 by the local tax collecting unit. The amount collected that the  
13 land contract vendor, bank, credit union, or other lending  
14 institution would have paid under section 1211 of the revised  
15 school code, 1976 PA 451, MCL 380.1211, if an exemption had not  
16 been retained on that property is an amount that is not captured by  
17 any authority as tax increment revenues and shall be distributed to  
18 the department of treasury monthly for deposit into the state  
19 school aid fund established in section 11 of article IX of the  
20 state constitution of 1963. If a land contract vendor, bank, credit  
21 union, or other lending institution transfers ownership of property  
22 for which an exemption is retained under this subsection, that land  
23 contract vendor, bank, credit union, or other lending institution  
24 shall rescind the exemption as provided in this section and shall  
25 notify the treasurer of the local tax collecting unit of that  
26 transfer of ownership. If a land contract vendor, bank, credit  
27 union, or other lending institution fails to make the payment

1 required under this subsection for any property within the period  
2 for which property taxes are due and payable without penalty, the  
3 local tax collecting unit shall deny that conditional rescission  
4 and that denial is retroactive and is effective on December 31 of  
5 the immediately preceding year. If the local tax collecting unit  
6 denies a conditional rescission, the local tax collecting unit  
7 shall remove the exemption of the property and the amount due from  
8 the land contract vendor, bank, credit union, or other lending  
9 institution shall be a tax so that the additional taxes, penalties,  
10 and interest shall be collected as provided for in this section. If  
11 payment of the tax under this subsection is not made by the March 1  
12 following the levy of the tax, the tax shall be turned over to the  
13 county treasurer and collected in the same manner as delinquent  
14 taxes under this act. A person who previously occupied property as  
15 his or her principal residence but now resides in a nursing home or  
16 assisted living facility may retain an exemption on that property  
17 if the owner manifests an intent to return to that property by  
18 satisfying all of the following conditions:

19 (a) The owner continues to own that property while residing in  
20 the nursing home or assisted living facility.

21 (b) The owner has not established a new principal residence.

22 (c) The owner maintains or provides for the maintenance of  
23 that property while residing in the nursing home or assisted living  
24 facility.

25 (d) That property is not occupied, is not leased, and is not  
26 used for any business or commercial purpose.

27 (6) Except as otherwise provided in subsection (5), if the

1 assessor of the local tax collecting unit believes that the  
2 property for which an exemption is claimed is not the principal  
3 residence of the owner claiming the exemption, the assessor may  
4 deny a new or existing claim by notifying the owner and the  
5 department of treasury in writing of the reason for the denial and  
6 advising the owner that the denial may be appealed to the  
7 residential **PROPERTY** and small claims division of the Michigan tax  
8 tribunal within ~~35~~—60 days after the date **OF MAILING** of the notice  
9 **OF DENIAL**. The assessor may deny a claim for exemption for the  
10 current year and for the 3 immediately preceding calendar years. If  
11 the assessor denies an existing claim for exemption, the assessor  
12 shall remove the exemption of the property and, if the tax roll is  
13 in the local tax collecting unit's possession, amend the tax roll  
14 to reflect the denial and the local treasurer shall within 30 days  
15 of the date of the denial issue a corrected tax bill for any  
16 additional taxes with interest at the rate of 1.25% per month or  
17 fraction of a month and penalties computed from the date the taxes  
18 were last payable without interest or penalty. If the tax roll is  
19 in the county treasurer's possession, the tax roll shall be amended  
20 to reflect the denial and the county treasurer shall within 30 days  
21 of the date of the denial prepare and submit a supplemental tax  
22 bill for any additional taxes, together with interest at the rate  
23 of 1.25% per month or fraction of a month and penalties computed  
24 from the date the taxes were last payable without interest or  
25 penalty. Interest on any tax set forth in a corrected or  
26 supplemental tax bill shall again begin to accrue 60 days after the  
27 date the corrected or supplemental tax bill is issued at the rate

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

1 the county equalization director of the denial under this  
2 subsection.

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

11 (8) The department of treasury shall determine if the property  
12 is the principal residence of the owner claiming the exemption.  
13 Except as otherwise provided in subsection (21), the department of  
14 treasury may review the validity of exemptions for the current  
15 calendar year and for the 3 immediately preceding calendar years.  
16 Except as otherwise provided in subsection (5), if the department  
17 of treasury determines that the property is not the principal  
18 residence of the owner claiming the exemption, the department shall  
19 send a notice of that determination to the local tax collecting  
20 unit and to the owner of the property claiming the exemption,  
21 indicating that the claim for exemption is denied, stating the  
22 reason for the denial, and advising the owner claiming the  
23 exemption ~~of the right to appeal the determination to the~~  
24 ~~department of treasury and what those rights of appeal are.~~ **THAT**  
25 **THE DENIAL MAY BE APPEALED TO THE RESIDENTIAL PROPERTY AND SMALL**  
26 **CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL WITHIN 60 DAYS AFTER**  
27 **THE DATE OF MAILING OF THE NOTICE OF DENIAL.** The department of

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

1 set forth in a corrected or supplemental tax bill shall again begin  
2 to accrue 60 days after the date the corrected or supplemental tax  
3 bill is issued at the rate of 1.25% per month or fraction of a  
4 month. The department of treasury may waive interest on any tax set  
5 forth in a corrected or supplemental tax bill for the current tax  
6 year and the immediately preceding 3 tax years if the assessor of  
7 the local tax collecting unit files with the department of treasury  
8 a sworn affidavit in a form prescribed by the department of  
9 treasury stating that the tax set forth in the corrected or  
10 supplemental tax bill is a result of the assessor's classification  
11 error or other error or the assessor's failure to rescind the  
12 exemption after the owner requested in writing that the exemption  
13 be rescinded. Taxes levied in a corrected or supplemental tax bill  
14 shall be returned as delinquent on the March 1 in the year  
15 immediately succeeding the year in which the corrected or  
16 supplemental tax bill is issued. If the department of treasury  
17 denies an existing claim for exemption, the interest due shall be  
18 distributed as provided in subsection ~~(25)~~—(24). However, if the  
19 property has been transferred to a bona fide purchaser before  
20 additional taxes were billed to the seller as a result of the  
21 denial of a claim for exemption, the taxes, interest, and penalties  
22 shall not be a lien on the property and shall not be billed to the  
23 bona fide purchaser, and the local tax collecting unit if the local  
24 tax collecting unit has possession of the tax roll or the county  
25 treasurer if the county has possession of the tax roll shall notify  
26 the department of treasury of the amount of tax due and interest  
27 through the date of that notification. The department of treasury

1 shall then assess the owner who claimed the exemption under this  
2 section for the tax and interest plus penalty accruing as a result  
3 of the denial of the claim for exemption, if any, as for unpaid  
4 taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall  
5 deposit any tax or penalty collected into the state school aid fund  
6 and shall distribute any interest collected as provided in  
7 subsection ~~(25)~~-(24).

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

16 (10) A county may elect to audit the exemptions claimed under  
17 this section in all local tax collecting units located in that  
18 county as provided in this subsection. The election to audit  
19 exemptions shall be made by the county treasurer, or by the county  
20 equalization director with the concurrence by resolution of the  
21 county board of commissioners. The initial election to audit  
22 exemptions shall require an audit period of 2 years. Before 2009,  
23 subsequent elections to audit exemptions shall be made every 2  
24 years and shall require 2 annual audit periods. Beginning in 2009,  
25 an election to audit exemptions shall be made every 5 years and  
26 shall require 5 annual audit periods. An election to audit  
27 exemptions shall be made by submitting an election to audit form to

1 the assessor of each local tax collecting unit in that county and  
2 to the department of treasury not later than April 1 preceding the  
3 October 1 in the year in which an election to audit is made. The  
4 election to audit form required under this subsection shall be in a  
5 form prescribed by the department of treasury. If a county elects  
6 to audit the exemptions claimed under this section, the department  
7 of treasury may continue to review the validity of exemptions as  
8 provided in subsection (8). If a county does not elect to audit the  
9 exemptions claimed under this section as provided in this  
10 subsection, the department of treasury shall conduct an audit of  
11 exemptions claimed under this section in the initial 2-year audit  
12 period for each local tax collecting unit in that county unless the  
13 department of treasury has entered into an agreement with the  
14 assessor for that local tax collecting unit under subsection (9).

15 (11) If a county elects to audit the exemptions claimed under  
16 this section as provided in subsection (10) and the county  
17 treasurer or his or her designee or the county equalization  
18 director or his or her designee believes that the property for  
19 which an exemption is claimed is not the principal residence of the  
20 owner claiming the exemption, the county treasurer or his or her  
21 designee or the county equalization director or his or her designee  
22 may, except as otherwise provided in subsection (5), deny an  
23 existing claim by notifying the owner, the assessor of the local  
24 tax collecting unit, and the department of treasury in writing of  
25 the reason for the denial and advising the owner that the denial  
26 may be appealed to the residential **PROPERTY** and small claims  
27 division of the Michigan tax tribunal within ~~35~~60 days after the

1 date **OF MAILING** of the notice **OF DENIAL**. The county treasurer or  
2 his or her designee or the county equalization director or his or  
3 her designee may deny a claim for exemption for the current year  
4 and for the 3 immediately preceding calendar years. If the county  
5 treasurer or his or her designee or the county equalization  
6 director or his or her designee denies an existing claim for  
7 exemption, the county treasurer or his or her designee or the  
8 county equalization director or his or her designee shall direct  
9 the assessor of the local tax collecting unit in which the property  
10 is located to remove the exemption of the property from the  
11 assessment roll and, if the tax roll is in the local tax collecting  
12 unit's possession, direct the assessor of the local tax collecting  
13 unit to amend the tax roll to reflect the denial and the treasurer  
14 of the local tax collecting unit shall within 30 days of the date  
15 of the denial issue a corrected tax bill for any additional taxes  
16 with interest at the rate of 1.25% per month or fraction of a month  
17 and penalties computed from the date the taxes were last payable  
18 without interest and penalty. If the tax roll is in the county  
19 treasurer's possession, the tax roll shall be amended to reflect  
20 the denial and the county treasurer shall within 30 days of the  
21 date of the denial prepare and submit a supplemental tax bill for  
22 any additional taxes, together with interest at the rate of 1.25%  
23 per month or fraction of a month and penalties computed from the  
24 date the taxes were last payable without interest or penalty.  
25 Interest on any tax set forth in a corrected or supplemental tax  
26 bill shall again begin to accrue 60 days after the date the  
27 corrected or supplemental tax bill is issued at the rate of 1.25%

1 per month or fraction of a month. Taxes levied in a corrected or  
2 supplemental tax bill shall be returned as delinquent on the March  
3 1 in the year immediately succeeding the year in which the  
4 corrected or supplemental tax bill is issued. If the county  
5 treasurer or his or her designee or the county equalization  
6 director or his or her designee denies an existing claim for  
7 exemption, the interest due shall be distributed as provided in  
8 subsection ~~(25)~~. **(24)**. However, if the property has been  
9 transferred to a bona fide purchaser before additional taxes were  
10 billed to the seller as a result of the denial of a claim for  
11 exemption, the taxes, interest, and penalties shall not be a lien  
12 on the property and shall not be billed to the bona fide purchaser,  
13 and 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 date  
17 of that notification. The department of treasury shall then assess  
18 the owner who claimed the exemption under this section for the tax  
19 and interest plus penalty accruing as a result of the denial of the  
20 claim for exemption, if any, as for unpaid taxes provided under  
21 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or  
22 penalty collected into the state school aid fund and shall  
23 distribute any interest collected as provided in subsection ~~(25)~~.  
24 **(24)**. The department of treasury shall annually provide the county  
25 treasurer or his or her designee or the county equalization  
26 director or his or her designee a list of parcels of property  
27 located in that county for which an exemption may be erroneously

1 claimed. The county treasurer or his or her designee or the county  
2 equalization director or his or her designee shall forward copies  
3 of the list provided by the department of treasury to each assessor  
4 in each local tax collecting unit in that county within 10 days of  
5 receiving the list.

6 (12) If a county elects to audit exemptions claimed under this  
7 section as provided in subsection (10), the county treasurer or the  
8 county equalization director may enter into an agreement with the  
9 assessor of a local tax collecting unit in that county regarding  
10 the implementation or administration of this section. The agreement  
11 may specify that for a period of time, not to exceed 120 days, the  
12 county will not deny an exemption identified by the department of  
13 treasury in the list provided under subsection (11).

14 (13) An owner may appeal a denial by the assessor of the local  
15 tax collecting unit under subsection (6), a final decision of the  
16 department of treasury under subsection (8), or a denial by the  
17 county treasurer or his or her designee or the county equalization  
18 director or his or her designee under subsection (11) to the  
19 residential **PROPERTY** and small claims division of the Michigan tax  
20 tribunal within ~~35-60~~ days **AFTER THE DATE** of **MAILING OF NOTICE OF**  
21 that decision. An owner is not required to pay the amount of tax in  
22 dispute in order to ~~appeal a denial of a claim of exemption to the~~  
23 ~~department of treasury or to receive a final determination of the~~  
24 residential **PROPERTY** and small claims division of the Michigan tax  
25 tribunal. However, interest at the rate of 1.25% per month or  
26 fraction of a month and penalties shall accrue and be computed from  
27 the date the taxes were last payable without interest and penalty.

1 If the residential **PROPERTY** and small claims division of the  
2 Michigan tax tribunal grants an owner's appeal of a denial and that  
3 owner has paid the interest due as a result of a denial under  
4 subsection (6), (8), or (11), the interest received after a  
5 distribution was made under subsection ~~(25)~~-(24) shall be refunded.

6 (14) For taxes levied after December 31, 2005, for each county  
7 in which the county treasurer or the county equalization director  
8 does not elect to audit the exemptions claimed under this section  
9 as provided in subsection (10), the department of treasury shall  
10 conduct an annual audit of exemptions claimed under this section  
11 for the current calendar year.

12 (15) Except as otherwise provided in subsection (5), an  
13 affidavit filed by an owner for the exemption under this section  
14 rescinds all previous exemptions filed by that owner for any other  
15 property. The department of treasury shall notify the assessor of  
16 the local tax collecting unit in which the property for which a  
17 previous exemption was claimed is located if the previous exemption  
18 is rescinded by the subsequent affidavit. When an exemption is  
19 rescinded, the assessor of the local tax collecting unit shall  
20 remove the exemption effective December 31 of the year in which the  
21 affidavit was filed that rescinded the exemption. For any year for  
22 which the rescinded exemption has not been removed from the tax  
23 roll, the exemption shall be denied as provided in this section.  
24 However, interest and penalty shall not be imposed for a year for  
25 which a rescission form has been timely filed under subsection (5).

26 (16) Except as otherwise provided in subsection ~~(30)~~-(28), if  
27 the principal residence is part of a unit in a multiple-unit

1 dwelling or a dwelling unit in a multiple-purpose structure, an  
2 owner shall claim an exemption for only that portion of the total  
3 taxable value of the property used as the principal residence of  
4 that owner in a manner prescribed by the department of treasury. If  
5 a portion of a parcel for which the owner claims an exemption is  
6 used for a purpose other than as a principal residence, the owner  
7 shall claim an exemption for only that portion of the taxable value  
8 of the property used as the principal residence of that owner in a  
9 manner prescribed by the department of treasury.

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

13 (18) The department of treasury shall make available the  
14 affidavit forms and the forms to rescind an exemption, which may be  
15 on the same form, to all city and township assessors, county  
16 equalization officers, county registers of deeds, and closing  
17 agents. A person who prepares a closing statement for the sale of  
18 property shall provide affidavit and rescission forms to the buyer  
19 and seller at the closing and, if requested by the buyer or seller  
20 after execution by the buyer or seller, shall file the forms with  
21 the local tax collecting unit in which the property is located. If  
22 a closing statement preparer fails to provide exemption affidavit  
23 and rescission forms to the buyer and seller, or fails to file the  
24 affidavit and rescission forms with the local tax collecting unit  
25 if requested by the buyer or seller, the buyer may appeal to the  
26 ~~department of treasury~~ **RESIDENTIAL PROPERTY AND SMALL CLAIMS**  
27 **DIVISION OF THE MICHIGAN TAX TRIBUNAL** within ~~30~~ **60** days **AFTER THE**

1 **DATE of MAILING OF** notice to the buyer that an exemption was not  
 2 recorded. ~~If the department of treasury determines that the buyer~~  
 3 ~~qualifies for the exemption, the department of treasury shall~~  
 4 ~~notify the assessor of the local tax collecting unit that the~~  
 5 ~~exemption is granted and the assessor of the local tax collecting~~  
 6 ~~unit or, if the tax roll is in the possession of the county~~  
 7 ~~treasurer, the county treasurer shall correct the tax roll to~~  
 8 ~~reflect the exemption.~~ This subsection does not create a cause of  
 9 action at law or in equity against a closing statement preparer who  
 10 fails to provide exemption affidavit and rescission forms to a  
 11 buyer and seller or who fails to file the affidavit and rescission  
 12 forms with the local tax collecting unit when requested to do so by  
 13 the buyer or seller.

14 (19) An owner who owned and occupied a principal residence on  
 15 May 1 for taxes levied before January 1, 2012 for which the  
 16 exemption was not on the tax roll may file an appeal with the ~~July~~  
 17 ~~board of review or December board of review~~ **RESIDENTIAL PROPERTY**  
 18 **AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL** in the year  
 19 for which the exemption was claimed or the immediately succeeding 3  
 20 years. For taxes levied after December 31, 2011, an owner who owned  
 21 and occupied a principal residence on June 1 or November 1 for  
 22 which the exemption was not on the tax roll may file an appeal with  
 23 the ~~July board of review or December board of review~~ **RESIDENTIAL**  
 24 **PROPERTY AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL** in  
 25 the year for which the exemption was claimed or the immediately  
 26 succeeding 3 years. ~~If an appeal of a claim for exemption that was~~  
 27 ~~not on the tax roll is received not later than 5 days prior to the~~

1 ~~date of the December board of review, the local tax collecting unit~~  
2 ~~shall convene a December board of review and consider the appeal~~  
3 ~~pursuant to this section and section 53b.~~

4 (20) An owner who owned and occupied a principal residence  
5 within the time period prescribed in subsection (2) in any year  
6 before the 3 immediately preceding tax years for which the  
7 exemption was not on the tax roll as a result of a qualified error  
8 on the part of the local tax collecting unit may file a request for  
9 the exemption for those tax years with the department of treasury.  
10 The request for the exemption shall be in a form prescribed by the  
11 department of treasury and shall include all documentation the  
12 department of treasury considers necessary to consider the request  
13 and to correct any affected official records if a qualified error  
14 on the part of the local tax collecting unit is recognized and an  
15 exemption is granted. If the department of treasury denies a  
16 request for the exemption under this subsection, the owner is  
17 responsible for all costs related to the request as determined by  
18 the department of treasury. If the department of treasury grants a  
19 request for the exemption under this subsection and the exemption  
20 results in an overpayment of the tax in the years under  
21 consideration, the department of treasury shall notify the  
22 treasurer of the local tax collecting unit, the county treasurer,  
23 and other affected officials of the error and the granting of the  
24 request for the exemption and all affected official records shall  
25 be corrected consistent with guidance provided by the department of  
26 treasury. If granting the request for the exemption results in an  
27 overpayment, a rebate, including any interest paid by the owner,

1 shall be paid to the owner within 30 days of the receipt of the  
2 notice. A rebate shall be without interest. The treasurer in  
3 possession of the appropriate tax roll may deduct the rebate from  
4 the appropriate tax collecting unit's subsequent distribution of  
5 taxes. The treasurer in possession of the appropriate tax roll  
6 shall bill to the appropriate tax collecting unit the tax  
7 collecting unit's share of taxes rebated. A local tax collecting  
8 unit responsible for a qualified error under this subsection shall  
9 reimburse each county treasurer and other affected local official  
10 required to correct official records under this subsection for the  
11 costs incurred in complying with this subsection.

12 (21) If an owner of property received a principal residence  
13 exemption to which that owner was not entitled in any year before  
14 the 3 immediately preceding tax years, as a result of a qualified  
15 error on the part of the local tax collecting unit, the department  
16 of treasury may deny the principal residence exemption as provided  
17 in subsection (8). If the department of treasury denies an  
18 exemption under this subsection, the owner shall be issued a  
19 corrected or supplemental tax bill as provided in subsection (8),  
20 except interest shall not accrue until 60 days after the date the  
21 corrected or supplemental tax bill is issued. A local tax  
22 collecting unit responsible for a qualified error under this  
23 subsection shall reimburse each county treasurer and other affected  
24 local official required to correct official records under this  
25 subsection for the costs incurred in complying with this  
26 subsection.

27 (22) If the assessor or treasurer of the local tax collecting

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

10 (23) If granting the exemption under this section results in  
11 an overpayment of the tax, a rebate, including any interest paid,  
12 shall be made to the taxpayer by the local tax collecting unit if  
13 the local tax collecting unit has possession of the tax roll or by  
14 the county treasurer if the county has possession of the tax roll  
15 within 30 days of the date the exemption is granted. The rebate  
16 shall be without interest. ~~If an exemption for property classified~~  
17 ~~as timber-cutover real property is granted under this section for~~  
18 ~~the 2008 or 2009 tax year, the tax roll shall be corrected and any~~  
19 ~~delinquent and unpaid penalty, interest, and tax resulting from~~  
20 ~~that property not having been exempt under this section for the~~  
21 ~~2008 or 2009 tax year shall be waived.~~

22 ~~—— (24) If an exemption under this section is erroneously granted~~  
23 ~~for an affidavit filed before October 1, 2003, an owner may request~~  
24 ~~in writing that the department of treasury withdraw the exemption.~~  
25 ~~The request to withdraw the exemption shall be received not later~~  
26 ~~than November 1, 2003. If an owner requests that an exemption be~~  
27 ~~withdrawn, the department of treasury shall issue an order~~

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

22       (24) ~~(25)~~ Subject to subsection ~~(26)~~, **(25)**, interest at the  
23 rate of 1.25% per month or fraction of a month collected under  
24 subsection (6), (8), or (11) shall be distributed as follows:

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

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

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

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

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

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

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

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

8           (c) If the county treasurer or his or her designee or the  
9 county equalization director or his or her designee denies the  
10 exemption under this section, as follows:

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

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

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

14           (25) ~~(26)~~—Interest distributed under subsection ~~(25)~~—(24) is  
15 subject to the following conditions:

16           (a) Interest distributed to a county shall be deposited into a  
17 restricted fund to be used solely for the administration of  
18 exemptions under this section. Money in that restricted fund shall  
19 lapse to the county general fund on the December 31 in the year 3  
20 years after the first distribution of interest to the county under  
21 subsection ~~(25)~~—(24) and on each succeeding December 31 thereafter.

22           (b) Interest distributed to the department of treasury shall  
23 be deposited into the principal residence property tax exemption  
24 audit fund, which is created within the state treasury. The state  
25 treasurer may receive money or other assets from any source for  
26 deposit into the fund. The state treasurer shall direct the  
27 investment of the fund. The state treasurer shall credit to the

1 fund interest and earnings from fund investments. Money in the fund  
2 shall be considered a work project account and at the close of the  
3 fiscal year shall remain in the fund and shall not lapse to the  
4 general fund. Money from the fund shall be expended, upon  
5 appropriation, only for the purpose of auditing exemption  
6 affidavits.

7 (26) ~~(27)~~—Interest distributed under subsection ~~(25)~~—(24) is  
8 in addition to and shall not affect the levy or collection of the  
9 county property tax administration fee established under this act.

10 (27) ~~(28)~~—A cooperative housing corporation is entitled to a  
11 full or partial exemption under this section for the tax year in  
12 which the cooperative housing corporation files all of the  
13 following with the local tax collecting unit in which the  
14 cooperative housing corporation is located if filed within the time  
15 period prescribed in subsection (2):

16 (a) An affidavit form.

17 (b) A statement of the total number of units owned by the  
18 cooperative housing corporation and occupied as the principal  
19 residence of a tenant stockholder as of the date of the filing  
20 under this subsection.

21 (c) A list that includes the name, address, and social  
22 security number of each tenant stockholder of the cooperative  
23 housing corporation occupying a unit in the cooperative housing  
24 corporation as his or her principal residence as of the date of the  
25 filing under this subsection.

26 (d) A statement of the total number of units of the  
27 cooperative housing corporation on which an exemption under this

1 section was claimed and that were transferred in the tax year  
2 immediately preceding the tax year in which the filing under this  
3 section was made.

4 ~~—— (29) Before May 1, 2004 and before May 1, 2005, the treasurer~~  
5 ~~of each county shall forward to the department of education a~~  
6 ~~statement of the taxable value of each school district and fraction~~  
7 ~~of a school district within the county for the preceding 4 calendar~~  
8 ~~years. This requirement is in addition to the requirement set forth~~  
9 ~~in section 151 of the state school aid act of 1979, 1979 PA 94, MCL~~  
10 ~~388.1751.~~

11 (28) ~~(30)~~ For a parcel of property open and available for use  
12 as a bed and breakfast, the portion of the taxable value of the  
13 property used as a principal residence under subsection (16) shall  
14 be calculated in the following manner:

15 (a) Add all of the following:

16 (i) The square footage of the property used exclusively as that  
17 owner's principal residence.

18 (ii) 50% of the square footage of the property's common area.

19 (iii) If the property was not open and available for use as a  
20 bed and breakfast for 90 or more consecutive days in the  
21 immediately preceding 12-month period, the result of the following  
22 calculation:

23 (A) Add the square footage of the property that is open and  
24 available regularly and exclusively as a bed and breakfast, and 50%  
25 of the square footage of the property's common area.

26 (B) Multiply the result of the calculation in sub-subparagraph

27 (A) by a fraction, the numerator of which is the number of

1 consecutive days in the immediately preceding 12-month period that  
2 the property was not open and available for use as a bed and  
3 breakfast and the denominator of which is 365.

4 (b) Divide the result of the calculation in subdivision (a) by  
5 the total square footage of the property.

6 (29) ~~(31)~~—The owner claiming an exemption under this section  
7 for property open and available as a bed and breakfast shall file  
8 an affidavit claiming the exemption within the time period  
9 prescribed in subsection (2) with the local tax collecting unit in  
10 which the property is located. The affidavit shall be in a form  
11 prescribed by the department of treasury.

12 (30) ~~(32)~~—As used in this section:

13 (a) "Bed and breakfast" means property classified as  
14 residential real property under section 34c that meets all of the  
15 following criteria:

16 (i) Has 10 or fewer sleeping rooms, including sleeping rooms  
17 occupied by the owner of the property, 1 or more of which are  
18 available for rent to transient tenants.

19 (ii) Serves meals at no extra cost to its transient tenants.

20 (iii) Has a smoke detector in proper working order in each  
21 sleeping room and a fire extinguisher in proper working order on  
22 each floor.

23 (b) "Common area" includes, but is not limited to, a kitchen,  
24 dining room, living room, fitness room, porch, hallway, laundry  
25 room, or bathroom that is available for use by guests of a bed and  
26 breakfast or, unless guests are specifically prohibited from access  
27 to the area, an area that is used to provide a service to guests of

1 a bed and breakfast.

2 (c) "Qualified error" means that term as defined in section  
3 ~~53b~~.53E.

4 Sec. 7ee. (1) Qualified agricultural property is exempt from  
5 the tax levied by a local school district for school operating  
6 purposes to the extent provided under section 1211 of the revised  
7 school code, 1976 PA 451, MCL 380.1211, according to the provisions  
8 of this section.

9 (2) Qualified agricultural property that is classified as  
10 agricultural under section 34c is exempt under subsection (1) and  
11 the owner is not required to file an affidavit claiming an  
12 exemption with the local tax collecting unit unless requested by  
13 the assessor to determine whether the property includes structures  
14 that are not exempt under this section. To claim an exemption under  
15 subsection (1) for qualified agricultural property that is not  
16 classified as agricultural under section 34c, the owner shall file  
17 an affidavit claiming the exemption with the local tax collecting  
18 unit by May 1.

19 (3) The affidavit shall be on a form prescribed by the  
20 department of treasury.

21 (4) For property classified as agricultural, and upon receipt  
22 of an affidavit filed under subsection (2) for property not  
23 classified as agricultural, the assessor shall determine if the  
24 property is qualified agricultural property and if so shall exempt  
25 the property from the collection of the tax as provided in  
26 subsection (1) until December 31 of the year in which the property  
27 is no longer qualified agricultural property as defined in section

1 7dd. An owner is required to file a new claim for exemption on the  
2 same property as requested by the assessor under subsection (2).

3 (5) Not more than 90 days after all or a portion of the  
4 exempted property is no longer qualified agricultural property, the  
5 owner shall rescind the exemption for the applicable portion of the  
6 property by filing with the local tax collecting unit a rescission  
7 form prescribed by the department of treasury. An owner who fails  
8 to file a rescission as required by this subsection is subject to a  
9 penalty of \$5.00 per day for each separate failure beginning after  
10 the 90 days have elapsed, up to a maximum of \$200.00. This penalty  
11 shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and  
12 shall be deposited in the state school aid fund established in  
13 section 11 of article IX of the state constitution of 1963. This  
14 penalty may be waived by the department of treasury.

15 (6) An owner of property that is qualified agricultural  
16 property on May 1 for which an exemption was not on the tax roll  
17 may file an appeal with the ~~July or December board of review~~  
18 **RESIDENTIAL PROPERTY AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX**  
19 **TRIBUNAL** in the year the exemption was claimed or the immediately  
20 succeeding year. **AN APPEAL SHALL BE FILED WITHIN 60 DAYS AFTER THE**  
21 **DATE OF MAILING OF THE TAX BILL.** An owner of property that is  
22 qualified agricultural property on May 1 for which an exemption was  
23 denied by the assessor in the year the affidavit was filed, may  
24 file an appeal with the ~~July board of review for summer taxes or,~~  
25 ~~if there is not a summer levy of school operating taxes, with the~~  
26 ~~December board of review.~~ **RESIDENTIAL PROPERTY AND SMALL CLAIMS**  
27 **DIVISION OF THE MICHIGAN TAX TRIBUNAL WITHIN 60 DAYS OF THE DENIAL.**

1 AN APPEAL TO THE RESIDENTIAL PROPERTY AND SMALL CLAIMS DIVISION OF  
2 THE MICHIGAN TAX TRIBUNAL UNDER THIS SUBSECTION MAY INCLUDE THE  
3 CURRENT ASSESSMENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS.

4 (7) If the assessor of the local tax collecting unit believes  
5 that the property for which an exemption has been granted is not  
6 qualified agricultural property, the assessor may deny or modify an  
7 existing exemption by notifying the owner in writing at the time  
8 required for providing a notice under section 24c. A taxpayer may  
9 appeal the assessor's determination to the ~~board of review meeting~~  
10 ~~under section 30. A decision of the board of review may be appealed~~  
11 ~~to the residential~~ **PROPERTY** and small claims division of the  
12 Michigan tax tribunal **WITHIN 60 DAYS OF THE DENIAL OR MODIFICATION.**

13 (8) If an exemption under this section is erroneously granted,  
14 an owner may request in writing that the local tax collecting unit  
15 withdraw the exemption. If an owner requests that an exemption be  
16 withdrawn, the local assessor shall notify the owner that the  
17 exemption issued under this section has been denied based on that  
18 owner's request. If an exemption is withdrawn, the property that  
19 had been subject to that exemption shall be immediately placed on  
20 the tax roll by the local tax collecting unit if the local tax  
21 collecting unit has possession of the tax roll or by the county  
22 treasurer if the county has possession of the tax roll as though  
23 the exemption had not been granted. A corrected tax bill shall be  
24 issued for the tax year being adjusted by the local tax collecting  
25 unit if the local tax collecting unit has possession of the tax  
26 roll or by the county treasurer if the county has possession of the  
27 tax roll. If an owner requests that an exemption under this section

1 be withdrawn before that owner is contacted in writing by the local  
2 assessor regarding that owner's eligibility for the exemption and  
3 that owner pays the corrected tax bill issued under this subsection  
4 within 30 days after the corrected tax bill is issued, that owner  
5 is not liable for any penalty or interest on the additional tax. An  
6 owner who pays a corrected tax bill issued under this subsection  
7 more than 30 days after the corrected tax bill is issued is liable  
8 for the penalties and interest that would have accrued if the  
9 exemption had not been granted from the date the taxes were  
10 originally levied.

11       Sec. 24c. (1) The assessor shall give to each owner or person  
12 or persons listed on the assessment roll of the property a notice  
13 by first-class mail of an increase in the tentative state equalized  
14 valuation or the tentative taxable value for the year. The notice  
15 shall specify each parcel of property, the tentative taxable value  
16 for the current year, and the taxable value for the immediately  
17 preceding year. The notice shall also specify the time and place of  
18 the meeting of the board of review. The notice shall also specify  
19 the difference between the property's tentative taxable value in  
20 the current year and the property's taxable value in the  
21 immediately preceding year.

22       (2) The notice shall include, in addition to the information  
23 required by subsection (1), all of the following:

24       (a) The state equalized valuation for the immediately  
25 preceding year.

26       (b) The tentative state equalized valuation for the current  
27 year.

1 (c) The net change between the tentative state equalized  
2 valuation for the current year and the state equalized valuation  
3 for the immediately preceding year.

4 (d) The classification of the property as defined by section  
5 34c.

6 (e) The inflation rate for the immediately preceding year as  
7 defined in section 34d.

8 (f) A statement provided by the state tax commission  
9 explaining the relationship between state equalized valuation and  
10 taxable value. If the assessor believes that a transfer of  
11 ownership has occurred in the immediately preceding year, the  
12 statement shall state that the ownership was transferred and that  
13 the taxable value of that property is the same as the state  
14 equalized valuation of that property.

15 **(G) THE ASSESSOR'S TELEPHONE NUMBER.**

16 **(H) A STATEMENT THAT THE OWNER OR PERSON OR PERSONS LISTED ON**  
17 **THE ASSESSMENT ROLL MAY MEET WITH THE ASSESSOR PRIOR TO THE BOARD**  
18 **OF REVIEW.**

19 (3) When required by the income tax act of 1967, 1967 PA 281,  
20 MCL 206.1 to ~~206.532~~, **206.713**, the assessment notice shall include  
21 or be accompanied by information or forms prescribed by the income  
22 tax act of 1967, 1967 PA 281, MCL 206.1 to ~~206.532~~ **206.713**.

23 (4) The assessment notice shall be addressed to the owner  
24 according to the records of the assessor and mailed not less than  
25 14 days before the meeting of the board of review. The failure to  
26 send or receive an assessment notice does not invalidate an  
27 assessment roll or an assessment on that property.

1           (5) The tentative state equalized valuation shall be  
2 calculated by multiplying the assessment by the tentative equalized  
3 valuation multiplier. If the assessor has made assessment  
4 adjustments that would have changed the tentative multiplier, the  
5 assessor may recalculate the multiplier for use in the notice.

6           (6) The state tax commission shall prepare a model assessment  
7 notice form that shall be made available to local units of  
8 government.

9           (7) The assessment notice under subsection (1) shall include  
10 the following statement:

11           "If you purchased your principal residence after May 1 last  
12 year, to claim the principal residence exemption, if you have not  
13 already done so, you are required to file an affidavit before May  
14 1."

15           (8) For taxes levied after December 31, 2003, the assessment  
16 notice under subsection (1) shall separately state the state  
17 equalized valuation and taxable value for any leasehold  
18 improvements.

19           Sec. 28. (1) Those electors of the township appointed by the  
20 township board shall constitute a board of review for the township.  
21 At least 2/3 of the members shall be property taxpayers of the  
22 township. Members appointed to the board of review shall serve for  
23 terms of 2 years beginning at noon on January 1 of each odd-  
24 numbered year. Each member of the board of review shall qualify by  
25 taking the constitutional oath of office within 10 days after  
26 appointment. The township board may fill any vacancy that occurs in  
27 the membership of the board of review. A member of the township

1 board is not eligible to serve on the board or to fill any vacancy.  
2 **THE ASSESSOR FOR THE TOWNSHIP IS NOT ELIGIBLE TO SERVE ON THE BOARD**  
3 **OR TO FILL ANY VACANCY.** A spouse, mother, father, sister, brother,  
4 son, or daughter, including an adopted child, of the assessor is  
5 not eligible to serve on the board or to fill any vacancy. A  
6 majority of the board of review constitutes a quorum for the  
7 transaction of business, but a lesser number may adjourn and a  
8 majority vote of those present shall decide all questions. **THE**  
9 **ASSESSOR IS NOT ELIGIBLE TO VOTE ON ANY ISSUE BEFORE THE BOARD OF**  
10 **REVIEW.** At least 2 members of a 3-member board of review shall be  
11 present to conduct any business or hearings of the board of review.

12 (2) The township board may appoint 3, 6, or 9 electors of the  
13 township, who shall constitute a board of review for the township.  
14 If 6 or 9 members are appointed as provided in this subsection, the  
15 membership of the board of review shall be divided into board of  
16 review committees consisting of 3 members each for the purpose of  
17 hearing and deciding issues protested pursuant to section 30. Two  
18 of the 3 members of a board of review committee constitute a quorum  
19 for the transaction of the business of the committee. All meetings  
20 of the members of the board of review and committees shall be held  
21 during the same hours of the same day and at the same location.

22 (3) A township board may appoint not more than 2 alternate  
23 members for the same term as regular members of the board of  
24 review. Each alternate member shall be a property taxpayer of the  
25 township. Alternate members shall qualify by taking the  
26 constitutional oath of office within 10 days after appointment. The  
27 township board may fill any vacancy that occurs in the alternate

1 membership of the board of review. A member of the township board  
2 is not eligible to serve as an alternate member or to fill any  
3 vacancy. **THE ASSESSOR FOR THE TOWNSHIP IS NOT ELIGIBLE TO SERVE AS**  
4 **AN ALTERNATE MEMBER OR TO FILL ANY VACANCY.** A spouse, mother,  
5 father, sister, brother, son, or daughter, including an adopted  
6 child, of the assessor is not eligible to serve as an alternate  
7 member or to fill any vacancy. An alternate member may be called to  
8 perform the duties of a regular member of the board of review in  
9 the absence of a regular member. An alternate member may also be  
10 called to perform the duties of a regular member of the board of  
11 review for the purpose of reaching a decision in issues protested  
12 in which a regular member has abstained for reasons of conflict of  
13 interest.

14 (4) The size, composition, and manner of appointment of the  
15 board of review of a city may be prescribed by the charter of a  
16 city. In the absence of or in place of a charter provision, the  
17 governing body of the city, by ordinance, may establish the city  
18 board of review in the same manner and for the same purposes as  
19 provided by this section for townships. **NOTWITHSTANDING ANY CHARTER**  
20 **PROVISION TO THE CONTRARY, THE ASSESSOR FOR THE CITY IS NOT**  
21 **ELIGIBLE TO SERVE ON THE BOARD OF REVIEW, TO SERVE AS AN ALTERNATE**  
22 **MEMBER, OR TO FILL ANY VACANCY.**

23 (5) A majority of the entire board of review membership shall  
24 indorse the assessment roll as provided in section 30. The duties  
25 and responsibilities of the board contained in section 29 shall be  
26 carried out by the entire membership of the board of review and a  
27 majority of the membership constitutes a quorum for those purposes.

1           (6) AN ASSESSOR FOR A TOWNSHIP OR CITY SHALL PROVIDE TESTIMONY  
2 AND INFORMATION TO THE BOARD OF REVIEW IF SUCH INFORMATION IS  
3 REQUESTED BY THE BOARD OF REVIEW OR IF THE ASSESSOR DETERMINES IT  
4 IS NECESSARY TO PROVIDE FURTHER FACTUAL INFORMATION IN RESPONSE TO  
5 AN APPEAL.

6           Sec. 29. (1) On the Tuesday immediately following the first  
7 Monday in March, the board of review of each township shall meet at  
8 the office of the supervisor, at which time the supervisor shall  
9 submit to the board the assessment roll for the current year, as  
10 prepared by the supervisor, and the board shall proceed to examine  
11 and review the assessment roll.

12           (2) During that day, and the day following, if necessary, the  
13 board, of its own motion, or on sufficient cause being shown by a  
14 person, shall add to the roll the names of persons, the value of  
15 personal property, and the description and value of real property  
16 liable to assessment in the township, omitted from the assessment  
17 roll. The board shall correct errors in the names of persons, in  
18 the descriptions of property upon the roll, and in the assessment  
19 and valuation of property. The board shall do whatever else is  
20 necessary to make the roll comply with this act.

21           (3) The roll shall be reviewed **AND ALL EVIDENCE CONSIDERED**  
22 according to the facts existing on the tax day. The board shall not  
23 add to the roll property not subject to taxation on the tax day,  
24 and the board shall not remove from the roll property subject to  
25 taxation on ~~that~~ **THE TAX** day regardless of a change in the taxable  
26 status of the property since ~~that~~ **THE TAX** day.

27           (4) The board shall pass upon each valuation and each

1 interest, and shall enter the valuation of each, as fixed by the  
2 board, in a separate column.

3 (5) The roll as prepared by the supervisor shall stand as  
4 approved and adopted as the act of the board of review, except as  
5 changed by a vote of the board. If for any cause a quorum does not  
6 assemble during the days above mentioned, the roll as prepared by  
7 the supervisor shall stand as if approved by the board of review.

8 (6) The business which the board may perform shall be  
9 conducted at a public meeting of the board held in compliance with  
10 ~~Act No. 267 of the Public Acts of 1976, being sections 15.261 to~~  
11 ~~15.275 of the Michigan Compiled Laws. **THE OPEN MEETINGS ACT, 1976**~~  
12 **PA 267, MCL 15.261 TO 15.275.** Public notice of the time, date, and  
13 place of the meeting shall be given in the manner required by ~~Act~~  
14 ~~No. 267 of the Public Acts of 1976. **THE OPEN MEETINGS ACT, 1976 PA**~~  
15 **267, MCL 15.261 TO 15.275.** Notice of the date, time, and place of  
16 the meeting of the board of review shall be given at least 1 week  
17 before the meeting by publication in a generally circulated  
18 newspaper serving the area. The notice shall appear in 3 successive  
19 issues of the newspaper where available; otherwise, by the posting  
20 of the notice in 5 conspicuous places in the township.

21 (7) When the board of review makes a change in the assessment  
22 of property or adds property to the assessment roll, the person  
23 chargeable with the assessment shall be promptly notified in ~~such a~~  
24 ~~manner as~~ **THAT** will assure the person opportunity to attend the  
25 second meeting of the board of review provided in section 30.

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

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

6           (3) The first meeting of the board of review shall start not  
7 earlier than 9 a.m. and not later than 3 p.m. and last for not less  
8 than 6 hours. The board of review shall also meet for not less than  
9 6 hours during the remainder of that week. Persons or their agents  
10 who have appeared to file a protest before the board of review at a  
11 scheduled meeting or at a scheduled appointment shall be afforded  
12 an opportunity to be heard by the board of review. The board of  
13 review shall schedule a final meeting after the board of review  
14 makes a change in the assessed value or tentative taxable value of  
15 property, adds property to the assessment roll, **EXEMPTS THE**  
16 **HOMESTEAD OF A DISABLED VETERAN OR THE UNREMARIED SURVIVING SPOUSE**  
17 **OF A DISABLED VETERAN UNDER SECTION 7B, EXEMPTS A PERSON'S**  
18 **PRINCIPAL RESIDENCE, IN WHOLE OR IN PART, BY REASON OF POVERTY**  
19 **UNDER SECTION 7U, or exempts personal property under section 9m,**  
20 **9n, or 9o and removes it from the assessment roll. The board of**  
21 **review shall hold at least 3 hours of its required sessions for**  
22 **review of assessment rolls during the week of the second Monday in**  
23 **March after 6 p.m.**

24           (4) A board of review shall meet a total of at least 12 hours  
25 during the week beginning the second Monday in March to hear  
26 protests. At the request of a person whose property is assessed on  
27 the assessment roll or of his or her agent, and if sufficient cause

1 is shown, the board of review shall correct the assessed value or  
2 tentative taxable value of the property in a manner that will make  
3 the valuation of the property relatively just and proper under this  
4 act. **FOR A CLAIM OF EXEMPTION FOR THE HOMESTEAD OF A DISABLED**  
5 **VETERAN OR THE UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN**  
6 **UNDER SECTION 7B, IF AN EXEMPTION IS APPROVED, THE BOARD OF REVIEW**  
7 **SHALL REMOVE THE HOMESTEAD FROM THE TAX ROLL AND FILE AN AFFIDAVIT**  
8 **WITH THE PROPER OFFICIALS INVOLVED IN THE ASSESSMENT AND COLLECTION**  
9 **OF TAXES AND ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. FOR**  
10 **A CLAIM OF EXEMPTION BY REASON OF POVERTY UNDER SECTION 7U, IF AN**  
11 **EXEMPTION IS APPROVED, THE BOARD OF REVIEW SHALL REMOVE THE**  
12 **PERSON'S PRINCIPAL RESIDENCE, IN WHOLE OR IN PART, FROM THE TAX**  
13 **ROLL AND FILE AN AFFIDAVIT WITH THE PROPER OFFICIALS INVOLVED IN**  
14 **THE ASSESSMENT AND COLLECTION OF TAXES AND ALL AFFECTED OFFICIAL**  
15 **RECORDS SHALL BE CORRECTED.** For the appeal of a denial of a claim  
16 of exemption for personal property under section 9m, 9n, or 9o, or  
17 for an appeal under section 9o(7), if an exemption is approved, the  
18 board of review shall remove the personal property from the  
19 assessment roll. The board of review may examine under oath the  
20 person making the application, or any other person concerning the  
21 matter. A member of the board of review may administer the oath. A  
22 nonresident taxpayer may file his or her appearance, protest, and  
23 papers in support of the protest by letter, and his or her personal  
24 appearance is not required. The board of review, on its own motion,  
25 may change assessed values or tentative taxable values or add to  
26 the roll property omitted from the roll that is liable to  
27 assessment if the person who is assessed for the altered valuation

1 or for the omitted property is promptly notified and granted an  
2 opportunity to file objections to the change at the meeting or at a  
3 subsequent meeting. An objection to a change in assessed value or  
4 tentative taxable value or to the addition of property to the tax  
5 roll shall be promptly heard and determined. Each person who makes  
6 a request, protest, or application to the board of review for the  
7 correction of the assessed value or tentative taxable value of the  
8 person's property, **FOR THE EXEMPTION OF THE HOMESTEAD OF A DISABLED**  
9 **VETERAN OR THE UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN**  
10 **UNDER SECTION 7B, FOR THE EXEMPTION OF THAT PERSON'S PRINCIPAL**  
11 **RESIDENCE, IN WHOLE OR IN PART, BY REASON OF POVERTY UNDER SECTION**  
12 **7U,** or for the exemption of that person's personal property under  
13 section 9m, 9n, or 9o shall be notified in writing, not later than  
14 the first Monday in June, of the board of review's action on the  
15 request, protest, or application, of the state equalized valuation  
16 or tentative taxable value of the property, and of information  
17 regarding the right of further appeal to the tax tribunal.  
18 Information regarding the right of further appeal to the tax  
19 tribunal shall include, but is not limited to, a statement of the  
20 right to appeal to the tax tribunal, the address of the tax  
21 tribunal, and the final date for filing an appeal with the tax  
22 tribunal.

23 (5) If an exemption for personal property under section 9m,  
24 9n, or 9o is approved, the board of review shall file an affidavit  
25 with the proper officials involved in the assessment and collection  
26 of taxes and all affected official records shall be corrected. If  
27 the board of review does not approve an exemption under section 9m,

1 9n, or 9o, the person claiming the exemption for that personal  
2 property may appeal that decision in writing to the Michigan tax  
3 tribunal. A correction under this subsection that approves an  
4 exemption under section 9o may be made for the year in which the  
5 appeal was filed and the immediately preceding 3 tax years. A  
6 correction under this subsection that approves an exemption under  
7 section 9m or 9n may be made only for the year in which the appeal  
8 was filed.

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

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

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

27 Sec. 34c. (1) Not later than the first Monday in March in each

1 year, the assessor shall classify every item of assessable property  
2 according to the definitions contained in this section. Following  
3 the March board of review, the assessor shall tabulate the total  
4 number of items and the valuations as approved by the board of  
5 review for each classification and for the totals of real and  
6 personal property in the local tax collecting unit. The assessor  
7 shall transmit to the county equalization department and to the  
8 state tax commission the tabulation of assessed valuations and  
9 other statistical information the state tax commission considers  
10 necessary to meet the requirements of this act and 1911 PA 44, MCL  
11 209.1 to 209.8.

12 (2) The classifications of assessable real property are  
13 described as follows:

14 (a) Agricultural real property includes parcels used partially  
15 or wholly for agricultural operations, with or without buildings.  
16 For taxes levied after December 31, 2002, agricultural real  
17 property includes buildings on leased land used for agricultural  
18 operations. If a parcel of real property is classified as  
19 agricultural real property and is engaged in agricultural  
20 operations, any contiguous parcel owned by the same taxpayer, that  
21 is a vacant parcel, a wooded parcel, or a parcel on which is  
22 located 1 or more agricultural outbuildings that comprise more than  
23 50% of the taxable value of all buildings on that parcel as  
24 indicated by the assessment records for the local tax collecting  
25 unit in which that parcel is located, shall be classified as  
26 agricultural real property. Contiguity is not broken by a boundary  
27 between local tax collecting units, a section boundary, a road, a

1 right-of-way, or property purchased or taken under condemnation  
2 proceedings by a public utility for power transmission lines if the  
3 2 parcels separated by the purchased or condemned property were a  
4 single parcel prior to the sale or condemnation. For purposes of  
5 this subsection, contiguity requires that the parcel classified as  
6 agricultural real property by reason of its agriculture use and the  
7 vacant parcel, wooded parcel, or parcel on which is located 1 or  
8 more agricultural outbuildings must be immediately adjacent to each  
9 other, without intervening parcels that do not qualify for  
10 classification as agricultural real property based on their actual  
11 agricultural use. It is the intent of the legislature that if a  
12 parcel of real property is classified as agricultural real property  
13 and is engaged in agricultural operations, any contiguous parcel  
14 owned by the same taxpayer, that is a vacant parcel, a wooded  
15 parcel, or a parcel on which is located 1 or more agricultural  
16 outbuildings that comprise more than 50% of the taxable value of  
17 all buildings on that parcel as indicated by the assessment records  
18 for the local tax collecting unit in which that parcel is located,  
19 shall be classified as agricultural real property even if the  
20 contiguous parcels are located in different local tax collecting  
21 units. Property shall not lose its classification as agricultural  
22 real property as a result of an owner or lessee of that property  
23 implementing a wildlife risk mitigation action plan. As used in  
24 this subdivision:

25 (i) "Agricultural outbuilding" means a building or other  
26 structure primarily used for agricultural operations.

27 (ii) "Agricultural operations" means the following:

1 (A) Farming in all its branches, including cultivating soil.

2 (B) Growing and harvesting any agricultural, horticultural, or  
3 floricultural commodity.

4 (C) Dairying.

5 (D) Raising livestock, bees, fish, fur-bearing animals, or  
6 poultry, including operating a game bird hunting preserve licensed  
7 under part 417 of the natural resources and environmental  
8 protection act, 1994 PA 451, MCL 324.41701 to 324.41712, and also  
9 including farming operations that harvest cervidae on site where  
10 not less than 60% of the cervidae were born as part of the farming  
11 operation. As used in this subparagraph, "livestock" includes, but  
12 is not limited to, cattle, sheep, new world camelids, goats, bison,  
13 privately owned cervids, ratites, swine, equine, poultry,  
14 aquaculture, and rabbits. Livestock does not include dogs and cats.

15 (E) Raising, breeding, training, leasing, or boarding horses.

16 (F) Turf and tree farming.

17 (G) Performing any practices on a farm incident to, or in  
18 conjunction with, farming operations. A commercial storage,  
19 processing, distribution, marketing, or shipping operation is not  
20 part of agricultural operations.

21 (iii) "Project" means certain risk mitigating measures, which  
22 may include, but are not limited to, the following:

23 (A) Making it difficult for wildlife to access feed by storing  
24 livestock feed securely, restricting wildlife access to feeding and  
25 watering areas, and deterring or reducing wildlife presence around  
26 livestock feed by storing feed in an enclosed barn, wrapping bales  
27 or covering stacks with tarps, closing ends of bags, storing grains

1 in animal-proof containers or bins, maintaining fences, practicing  
2 small mammal and rodent control, or feeding away from wildlife  
3 cover.

4 (B) Minimizing wildlife access to livestock feed and water by  
5 feeding livestock in an enclosed area, feeding in open areas near  
6 buildings and human activity, removing extra or waste feed when  
7 livestock are moved, using hay feeders to reduce waste, using  
8 artificial water systems to help keep livestock from sharing water  
9 sources with wildlife, fencing off stagnant ponds, wetlands, or  
10 areas of wildlife habitats that pose a disease risk, and keeping  
11 mineral feeders near buildings and human activity or using devices  
12 that restrict wildlife usage.

13 (iv) "Wildlife risk mitigation action plan" means a written  
14 plan consisting of 1 or more projects to help reduce the risks of a  
15 communicable disease spreading between wildlife and livestock that  
16 is approved by the department of agriculture and rural development  
17 under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

18 (b) Commercial real property includes the following:

19 (i) Platted or unplatted parcels used for commercial purposes,  
20 whether wholesale, retail, or service, with or without buildings.

21 (ii) Parcels used by fraternal societies.

22 (iii) Parcels used as golf courses, boat clubs, ski areas, or  
23 apartment buildings with more than 4 units.

24 (iv) For taxes levied after December 31, 2002, buildings on  
25 leased land used for commercial purposes.

26 (c) Developmental real property includes parcels containing  
27 more than 5 acres without buildings, or more than 15 acres with a

1 market value in excess of its value in use. Developmental real  
2 property may include farm land or open space land adjacent to a  
3 population center, or farm land subject to several competing  
4 valuation influences.

5 (d) Industrial real property includes the following:

6 (i) Platted or unplatted parcels used for manufacturing and  
7 processing purposes, with or without buildings.

8 (ii) Parcels used for utilities sites for generating plants,  
9 pumping stations, switches, substations, compressing stations,  
10 warehouses, rights-of-way, flowage land, and storage areas.

11 (iii) Parcels used for removal or processing of gravel, stone,  
12 or mineral ores.

13 (iv) For taxes levied after December 31, 2002, buildings on  
14 leased land used for industrial purposes.

15 (v) For taxes levied after December 31, 2002, buildings on  
16 leased land for utility purposes.

17 (e) Residential real property includes the following:

18 (i) Platted or unplatted parcels, with or without buildings,  
19 and condominium apartments located within or outside a village or  
20 city, which are used for, or probably will be used for, residential  
21 purposes.

22 (ii) Parcels that are used for, or probably will be used for,  
23 recreational purposes, such as lake lots and hunting lands, located  
24 in an area used predominantly for recreational purposes.

25 (iii) For taxes levied after December 31, 2002, a home, cottage,  
26 or cabin on leased land, and a mobile home that would be assessable  
27 as real property under section 2a except that the land on which it

1 is located is not assessable because the land is exempt.

2 (f) Timber-cutover real property includes parcels that are  
3 stocked with forest products of merchantable type and size, cutover  
4 forest land with little or no merchantable products, and marsh  
5 lands or other barren land. However, when a typical purchase of  
6 this type of land is for residential or recreational uses, the  
7 classification shall be changed to residential.

8 (3) The classifications of assessable personal property are  
9 described as follows:

10 (a) Agricultural personal property includes any agricultural  
11 equipment and produce not exempt by law.

12 (b) Commercial personal property includes the following:

13 (i) All equipment, furniture, and fixtures on commercial  
14 parcels, and inventories not exempt by law.

15 (ii) All outdoor advertising signs and billboards.

16 (iii) Well drilling rigs and other equipment attached to a  
17 transporting vehicle but not designed for operation while the  
18 vehicle is moving on the highway.

19 (iv) Unlicensed commercial vehicles or commercial vehicles  
20 licensed as special mobile equipment or by temporary permits.

21 (c) Industrial personal property includes the following:

22 (i) All machinery and equipment, furniture and fixtures, and  
23 dies on industrial parcels, and inventories not exempt by law.

24 (ii) Personal property of mining companies.

25 (d) For taxes levied before January 1, 2003, residential  
26 personal property includes a home, cottage, or cabin on leased  
27 land, and a mobile home that would be assessable as real property

1 under section 2a except that the land on which it is located is not  
2 assessable because the land is exempt.

3 (e) Utility personal property includes the following:

4 (i) Electric transmission and distribution systems, substation  
5 equipment, spare parts, gas distribution systems, and water  
6 transmission and distribution systems.

7 (ii) Oil wells and allied equipment such as tanks, gathering  
8 lines, field pump units, and buildings.

9 (iii) Inventories not exempt by law.

10 (iv) Gas wells with allied equipment and gathering lines.

11 (v) Oil or gas field equipment stored in the open or in  
12 warehouses such as drilling rigs, motors, pipes, and parts.

13 (vi) Gas storage equipment.

14 (vii) Transmission lines of gas or oil transporting companies.

15 (4) For taxes levied before January 1, 2003, buildings on  
16 leased land of any classification are improvements where the owner  
17 of the improvement is not the owner of the land or fee, the value  
18 of the land is not assessed to the owner of the building, and the  
19 improvement has been assessed as personal property pursuant to  
20 section 14(6).

21 (5) If the total usage of a parcel includes more than 1  
22 classification, the assessor shall determine the classification  
23 that most significantly influences the total valuation of the  
24 parcel.

25 (6) An owner of ~~any assessable property who disputes the~~  
26 ~~classification of that parcel shall notify the assessor and may~~  
27 ~~protest the assigned classification to the March board of review.~~

~~1 An owner or assessor may appeal the decision of the March board of  
2 review by filing a petition with the state tax commission not later  
3 than June 30 in that tax year. The state tax commission shall  
4 arbitrate the petition based on the written petition and the  
5 written recommendations of the assessor and the state tax  
6 commission staff. An appeal may not be taken from the decision of  
7 the state tax commission regarding classification complaint  
8 petitions and the state tax commission's determination is final and  
9 binding for the year of the petition.~~ **ASSESSABLE PROPERTY OR AN  
10 ASSESSOR MAY PROTEST THE ASSIGNED CLASSIFICATION OF THAT ASSESSABLE  
11 PROPERTY FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS  
12 BY FILING A PETITION WITH THE MARCH BOARD OF REVIEW OR WITH THE  
13 JULY OR DECEMBER BOARD OF REVIEW. AN OWNER OF ASSESSABLE PROPERTY  
14 OR AN ASSESSOR MAY APPEAL THE DECISION OF THE MARCH BOARD OF REVIEW  
15 FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS BY  
16 FILING A PETITION WITH THE STATE TAX COMMISSION NOT LATER THAN JULY  
17 31 IN THAT TAX YEAR. AN OWNER OF ASSESSABLE PROPERTY OR AN ASSESSOR  
18 MAY APPEAL THE DECISION OF THE JULY OR DECEMBER BOARD OF REVIEW FOR  
19 THE CURRENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS BY FILING A  
20 PETITION WITH THE STATE TAX COMMISSION NOT LATER THAN 60 DAYS AFTER  
21 THE DECISION OF THE JULY OR DECEMBER BOARD OF REVIEW. AN OWNER OF  
22 ASSESSABLE PROPERTY OR AN ASSESSOR MAY APPEAL THE DECISION OF THE  
23 STATE TAX COMMISSION FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY  
24 PRECEDING YEARS BY FILING A PETITION WITH THE MICHIGAN TAX TRIBUNAL  
25 NOT LATER THAN 60 DAYS AFTER THE DECISION OF THE STATE TAX  
26 COMMISSION. AN OWNER OF ASSESSABLE PROPERTY OR AN ASSESSOR MAY  
27 APPEAL THE DECISION OF THE MICHIGAN TAX TRIBUNAL FOR THE CURRENT**

1 YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS BY FILING A PETITION  
2 WITH THE MICHIGAN COURT OF APPEALS NOT LATER THAN 21 DAYS AFTER THE  
3 DECISION OF THE MICHIGAN TAX TRIBUNAL.

4 ~~—— (7) The department of treasury may appeal the classification~~  
5 ~~of any assessable property to the residential and small claims~~  
6 ~~division of the Michigan tax tribunal not later than December 31 in~~  
7 ~~the tax year for which the classification is appealed.~~

8 (7) ~~(8)~~ This section shall not be construed to encourage the  
9 assessment of property at other than the uniform percentage of true  
10 cash value prescribed by this act.

11 (8) ~~(9)~~ The assessor of each city or township in which is  
12 located property that is subject to payment in lieu of taxes under  
13 subpart 14 of part 21 of the natural resources and environmental  
14 protection act, 1994 PA 451, MCL 324.2152 to 324.2154, shall place  
15 that property on an assessment roll that is separate from the  
16 assessment roll prepared under section 24. For purposes of  
17 calculating the debt limitation imposed by section 11 of article  
18 VII of the state constitution of 1963, the separate assessment roll  
19 for property that is subject to payment in lieu of taxes under  
20 subpart 14 of part 21 of the natural resources and environmental  
21 protection act, 1994 PA 451, MCL 324.2152 to 324.2154, required by  
22 this subsection shall be combined with the assessment roll prepared  
23 under section 24.

24 Sec. 53b. ~~(1) If there has been a qualified error, the~~  
25 ~~qualified error shall be verified by the local assessing officer~~  
26 ~~and approved by the board of review. Except as otherwise provided~~  
27 ~~in subsection (9), the board of review shall meet for the purposes~~

1 ~~of this section on Tuesday following the second Monday in December~~  
2 ~~and on Tuesday following the third Monday in July. If approved, the~~  
3 ~~board of review shall file an affidavit within 30 days relative to~~  
4 ~~the qualified error with the proper officials and all affected~~  
5 ~~official records shall be corrected. If the qualified error results~~  
6 ~~in an overpayment or underpayment, the rebate, including any~~  
7 ~~interest paid, shall be made to the taxpayer or the taxpayer shall~~  
8 ~~be notified and payment made within 30 days of the notice. A rebate~~  
9 ~~shall be without interest. The treasurer in possession of the~~  
10 ~~appropriate tax roll may deduct the rebate from the appropriate tax~~  
11 ~~collecting unit's subsequent distribution of taxes. The treasurer~~  
12 ~~in possession of the appropriate tax roll shall bill to the~~  
13 ~~appropriate tax collecting unit the tax collecting unit's share of~~  
14 ~~taxes rebated. Except as otherwise provided in subsections (6) and~~  
15 ~~(8) and section 27a(4), a correction under this subsection may be~~  
16 ~~made for the current year and the immediately preceding year only.~~  
17 ~~—— (2) Action pursuant to subsection (1) may be initiated by the~~  
18 ~~taxpayer or the assessing officer.~~

19 (1) ~~(3)~~ The board of review meeting in July and December shall  
20 meet only for the purpose described in subsection (1) and to hear  
21 appeals provided for in sections ~~7u, 7ee, 7ee, 7jj, 9m, 9n, and~~  
22 ~~9o.~~ **AND 34C AND TO CONSIDER APPLICATIONS FOR EXEMPTIONS PROVIDED**  
23 **FOR UNDER SECTIONS 7B AND 7U. EXCEPT AS OTHERWISE PROVIDED IN**  
24 **SUBSECTION (4), THE BOARD OF REVIEW SHALL MEET FOR THE PURPOSES OF**  
25 **THIS SECTION ON TUESDAY FOLLOWING THE SECOND MONDAY IN DECEMBER AND**  
26 **ON TUESDAY FOLLOWING THE THIRD MONDAY IN JULY. IF AN EXEMPTION IS**  
27 **APPROVED UNDER SECTION 7B FOR THE HOMESTEAD OF A DISABLED VETERAN**

1 OR THE UNREMARIED SURVIVING SPOUSE OF A DISABLED VETERAN, THE  
2 BOARD OF REVIEW SHALL REMOVE THE HOMESTEAD FROM THE TAX ROLL AND  
3 FILE AN AFFIDAVIT WITH THE PROPER OFFICIALS INVOLVED IN THE  
4 ASSESSMENT AND COLLECTION OF TAXES AND ALL AFFECTED OFFICIAL  
5 RECORDS SHALL BE CORRECTED. If an exemption under section 7u is  
6 approved, the board of review shall file an affidavit with the  
7 proper officials involved in the assessment and collection of taxes  
8 and all affected official records shall be corrected. If an appeal  
9 under section ~~7ee, 7ee, 7jj~~ , ~~9m, 9n, or 9o~~ **OR APPROVAL OF AN**  
10 **EXEMPTION UNDER SECTION 7B** results in a determination that an  
11 overpayment has been made, the board of review shall file an  
12 affidavit and a rebate shall be made. ~~at the times and in the~~  
13 ~~manner provided in subsection (1).~~ **THE REBATE, INCLUDING ANY**  
14 **INTEREST PAID, SHALL BE MADE TO THE TAXPAYER OR THE TAXPAYER SHALL**  
15 **BE NOTIFIED AND PAYMENT MADE WITHIN 30 DAYS OF THE NOTICE. A REBATE**  
16 **SHALL BE WITHOUT INTEREST. THE TREASURER IN POSSESSION OF THE**  
17 **APPROPRIATE TAX ROLL MAY DEDUCT THE REBATE FROM THE APPROPRIATE TAX**  
18 **COLLECTING UNIT'S SUBSEQUENT DISTRIBUTION OF TAXES. THE TREASURER**  
19 **IN POSSESSION OF THE APPROPRIATE TAX ROLL SHALL BILL TO THE**  
20 **APPROPRIATE TAX COLLECTING UNIT THE TAX COLLECTING UNIT'S SHARE OF**  
21 **TAXES REBATED.** Except as otherwise provided in ~~sections 7ee, 7ee,~~  
22 **SECTION 7B OR 7jj, and 9e,** a correction under this subsection shall  
23 be made for the year in which the appeal is made only. If the board  
24 of review approves an exemption or provides a rebate for property  
25 under section ~~7ee, 7ee, or 7B OR 7jj~~ as provided in this  
26 subsection, the board of review shall require the owner to execute  
27 the affidavit provided for in section ~~7ee, 7ee, or 7B OR 7jj.~~ and

1 ~~shall forward a copy of any section 7ee affidavits to the~~  
2 ~~department of treasury.~~

3 ~~—— (4) If an exemption under section 7ee is approved by the board~~  
4 ~~of review under this section, the provisions of section 7ee apply.~~  
5 ~~If an exemption under section 7ee is not approved by the board of~~  
6 ~~review under this section, the owner may appeal that decision in~~  
7 ~~writing to the department of treasury within 35 days of the board~~  
8 ~~of review's denial and the appeal shall be conducted as provided in~~  
9 ~~section 7ee(8).~~

10 (2) IF AN EXEMPTION UNDER SECTION 7B IS APPROVED BY THE BOARD  
11 OF REVIEW UNDER THIS SECTION, THE PROVISIONS OF SECTION 7B APPLY.  
12 IF AN EXEMPTION UNDER SECTION 7B IS NOT APPROVED BY THE BOARD OF  
13 REVIEW UNDER THIS SECTION, A PERSON CLAIMING AN EXEMPTION UNDER  
14 THIS SECTION MAY APPEAL THE DECISION OF THE JULY OR DECEMBER BOARD  
15 OF REVIEW TO THE MICHIGAN TAX TRIBUNAL NOT LATER THAN 60 DAYS AFTER  
16 THE DATE OF THAT DECISION.

17 (3) ~~(5)~~ An owner or assessor may appeal a decision of the  
18 board of review under this section regarding an exemption under  
19 section ~~7ee~~ or 7jj to the residential and small claims division of  
20 the Michigan tax tribunal. An owner is not required to pay the  
21 amount of tax in dispute in order to receive a final determination  
22 of the residential and small claims division of the Michigan tax  
23 tribunal. However, interest and penalties, if any, shall accrue and  
24 be computed based on interest and penalties that would have accrued  
25 from the date the taxes were originally levied as if there had not  
26 been an exemption.

27 ~~—— (6) A correction under this section that approves a principal~~

1 ~~residence exemption pursuant to section 7cc may be made for the~~  
2 ~~year in which the appeal was filed and the 3 immediately preceding~~  
3 ~~tax years.~~

4 ~~—— (7) For the appeal of a denial of a claim of exemption for~~  
5 ~~personal property under section 9m, 9n, or 9o, if an exemption is~~  
6 ~~approved, the board of review shall remove the personal property~~  
7 ~~from the assessment roll.~~

8 ~~—— (8) If an exemption for personal property under section 9m,~~  
9 ~~9n, or 9o is approved, the board of review shall file an affidavit~~  
10 ~~with the proper officials involved in the assessment and collection~~  
11 ~~of taxes and all affected official records shall be corrected. If~~  
12 ~~the board of review does not approve an exemption under section 9m,~~  
13 ~~9n, or 9o, the person claiming the exemption for that personal~~  
14 ~~property may appeal that decision in writing to the Michigan tax~~  
15 ~~tribunal. A correction under this subsection that approves an~~  
16 ~~exemption under section 9o may be made for the year in which the~~  
17 ~~appeal was filed and the immediately preceding 3 tax years. A~~  
18 ~~correction under this subsection that approves an exemption under~~  
19 ~~section 9m or 9n may be made only for the year in which the appeal~~  
20 ~~was filed.~~

21 (4) ~~(9)~~—The governing body of the city or township may  
22 authorize, by adoption of an ordinance or resolution, 1 or more of  
23 the following alternative meeting dates for the purposes of this  
24 section:

25 (a) An alternative meeting date during the week of the second  
26 Monday in December.

27 (b) An alternative meeting date during the week of the third

1 Monday in July.

2 ~~—— (10) As used in this section, "qualified error" means 1 or~~  
3 ~~more of the following:~~

4 ~~—— (a) A clerical error relative to the correct assessment~~  
5 ~~figures, the rate of taxation, or the mathematical computation~~  
6 ~~relating to the assessing of taxes.~~

7 ~~—— (b) A mutual mistake of fact.~~

8 ~~—— (c) An adjustment under section 27a(4) or an exemption under~~  
9 ~~section 7hh(3)(b).~~

10 ~~—— (d) An error of measurement or calculation of the physical~~  
11 ~~dimensions or components of the real property being assessed.~~

12 ~~—— (e) An error of omission or inclusion of a part of the real~~  
13 ~~property being assessed.~~

14 ~~—— (f) An error regarding the correct taxable status of the real~~  
15 ~~property being assessed.~~

16 ~~—— (g) An error made by the taxpayer in preparing the statement~~  
17 ~~of assessable personal property under section 19.~~

18 ~~—— (h) An error made in the denial of a claim of exemption for~~  
19 ~~personal property under section 9m, 9n, or 9o.~~

20       Sec. 53c. (1) **IF THE MARCH BOARD OF REVIEW DENIES A CLAIM FOR**  
21 **EXEMPTION UNDER SECTION 7U, THE PERSON CLAIMING THE EXEMPTION MAY**  
22 **APPEAL THAT DECISION TO THE MICHIGAN TAX TRIBUNAL NOT LATER THAN**  
23 **JULY 31.**

24       (2) If the July or December board of review denies a claim for  
25 exemption under section 7u, the person claiming the exemption may  
26 appeal that decision to the Michigan tax tribunal within ~~30~~60 days  
27 of the denial.

1           SEC. 53E. (1) IF THERE HAS BEEN A QUALIFIED ERROR, THE  
2 QUALIFIED ERROR SHALL BE VERIFIED BY THE LOCAL ASSESSING OFFICER  
3 AND SUBMITTED TO THE STATE TAX COMMISSION FOR APPROVAL. IF  
4 APPROVED, THE STATE TAX COMMISSION SHALL FILE AN AFFIDAVIT WITHIN  
5 30 DAYS RELATIVE TO THE QUALIFIED ERROR WITH THE PROPER OFFICIALS  
6 AND ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. IF THE  
7 QUALIFIED ERROR RESULTS IN AN OVERPAYMENT OR UNDERPAYMENT, THE  
8 REBATE, INCLUDING ANY INTEREST PAID, SHALL BE MADE TO THE TAXPAYER  
9 OR THE TAXPAYER SHALL BE NOTIFIED AND PAYMENT MADE WITHIN 30 DAYS  
10 OF THE NOTICE. A REBATE SHALL BE WITHOUT INTEREST. THE TREASURER IN  
11 POSSESSION OF THE APPROPRIATE TAX ROLL MAY DEDUCT THE REBATE FROM  
12 THE APPROPRIATE TAX COLLECTING UNIT'S SUBSEQUENT DISTRIBUTION OF  
13 TAXES. THE TREASURER IN POSSESSION OF THE APPROPRIATE TAX ROLL  
14 SHALL BILL TO THE APPROPRIATE TAX COLLECTING UNIT THE TAX  
15 COLLECTING UNIT'S SHARE OF TAXES REBATED. A CORRECTION UNDER THIS  
16 SUBSECTION MAY BE MADE FOR THE CURRENT YEAR AND THE 3 IMMEDIATELY  
17 PRECEDING YEARS.

18           (2) ACTION PURSUANT TO SUBSECTION (1) MAY BE INITIATED BY THE  
19 TAXPAYER OR THE ASSESSING OFFICER. THE TAXPAYER OR ASSESSING  
20 OFFICER MAY CLAIM A QUALIFIED ERROR UNDER THIS SECTION FOR ANY TAX  
21 YEAR AT ANY TIME.

22           (3) IF A QUALIFIED ERROR MADE IN THE DENIAL OF A CLAIM OF  
23 EXEMPTION FOR PERSONAL PROPERTY UNDER SECTION 9M, 9N, OR 9O IS  
24 APPROVED, THE STATE TAX COMMISSION SHALL FILE AN AFFIDAVIT WITH THE  
25 PROPER OFFICIALS INVOLVED IN THE ASSESSMENT AND COLLECTION OF TAXES  
26 AND ALL AFFECTED OFFICIAL RECORDS SHALL BE CORRECTED. IF THE STATE  
27 TAX COMMISSION DOES NOT APPROVE A QUALIFIED ERROR MADE IN THE

1 DENIAL OF A CLAIM OF EXEMPTION FOR PERSONAL PROPERTY UNDER SECTION  
2 9M, 9N, OR 90, THE PERSON CLAIMING THE EXEMPTION FOR THAT PERSONAL  
3 PROPERTY MAY APPEAL THAT DECISION TO THE MICHIGAN TAX TRIBUNAL AS  
4 PROVIDED IN THIS SECTION.

5 (4) THE TAXPAYER OR THE ASSESSING OFFICER MAY APPEAL THE  
6 DECISION OF THE STATE TAX COMMISSION UNDER THIS SECTION TO THE  
7 MICHIGAN TAX TRIBUNAL WITHIN 60 DAYS OF THAT DECISION.

8 (5) AS USED IN THIS SECTION, "QUALIFIED ERROR" MEANS 1 OR MORE  
9 OF THE FOLLOWING:

10 (A) A CLERICAL ERROR RELATIVE TO THE CORRECT ASSESSMENT  
11 FIGURES, THE RATE OF TAXATION, OR THE MATHEMATICAL COMPUTATION  
12 RELATING TO THE ASSESSING OF TAXES.

13 (B) A MUTUAL MISTAKE OF FACT.

14 (C) AN ADJUSTMENT UNDER SECTION 27A(4) OR AN EXEMPTION UNDER  
15 SECTION 7HH(3) (B) .

16 (D) AN ERROR OF MEASUREMENT OR CALCULATION OF THE PHYSICAL  
17 DIMENSIONS OR COMPONENTS OF THE REAL PROPERTY BEING ASSESSED.

18 (E) AN ERROR OF OMISSION OR INCLUSION OF A PART OF THE REAL  
19 PROPERTY BEING ASSESSED.

20 (F) AN ERROR REGARDING THE CORRECT TAXABLE STATUS OF THE REAL  
21 PROPERTY BEING ASSESSED.

22 (G) AN ERROR MADE BY THE TAXPAYER IN PREPARING THE STATEMENT  
23 OF ASSESSABLE PERSONAL PROPERTY UNDER SECTION 19.

24 (H) AN ERROR MADE IN THE DENIAL OF A CLAIM OF EXEMPTION FOR  
25 PERSONAL PROPERTY UNDER SECTION 9M, 9N, OR 90.

26 Sec. 154. (1) If the state tax commission determines that  
27 property subject to the collection of taxes under this act,

1 including property subject to taxation under 1974 PA 198, MCL  
2 207.551 to 207.572, 1905 PA 282, MCL 207.1 to 207.21, 1953 PA 189,  
3 MCL 211.181 to 211.182, and the commercial redevelopment act, 1978  
4 PA 255, MCL 207.651 to 207.668, has been incorrectly reported or  
5 omitted for any previous year, but not to exceed the current  
6 assessment year and ~~2~~3 years immediately preceding the date the  
7 incorrect reporting or omission was discovered and disclosed to the  
8 state tax commission, the state tax commission shall place the  
9 corrected assessment value for the appropriate years on the  
10 appropriate assessment roll. The state tax commission shall issue  
11 an order certifying to the treasurer of the local tax collecting  
12 unit if the local tax collecting unit has possession of a tax roll  
13 for a year for which an assessment change is made or the county  
14 treasurer if the county has possession of a tax roll for a year for  
15 which an assessment change is made the amount of taxes due as  
16 computed by the correct annual rate of taxation for each year  
17 except the current year. Taxes computed under this section shall  
18 not be spread against the property for a period before the last  
19 change of ownership of the property.

20 (2) If an assessment change made under this section results in  
21 increased property taxes, the additional taxes shall be collected  
22 by the treasurer of the local tax collecting unit if the local tax  
23 collecting unit has possession of a tax roll for a year for which  
24 an assessment change is made or by the county treasurer if the  
25 county has possession of a tax roll for a year for which an  
26 assessment change is made. Not later than 20 days after receiving  
27 the order certifying the amount of taxes due under subsection (1),

1 the treasurer of the local tax collecting unit if the local tax  
2 collecting unit has possession of a tax roll for a year for which  
3 an assessment change is made or the county treasurer if the county  
4 has possession of a tax roll for a year for which an assessment  
5 change is made shall submit a corrected tax bill, itemized by  
6 taxing jurisdiction, to each person identified in the order and to  
7 the owner of the property on which the additional taxes are  
8 assessed, if different than a person named in the order, by first-  
9 class mail, address correction requested. Except for real property  
10 subject to taxation under 1974 PA 198, MCL 207.551 to 207.572, 1905  
11 PA 282, MCL 207.1 to 207.21, 1953 PA 189, MCL 211.181 to 211.182,  
12 and the commercial redevelopment act, 1978 PA 255, MCL 207.651 to  
13 207.668, and for real property only, if the additional taxes remain  
14 unpaid on the March 1 in the year immediately succeeding the year  
15 in which the state tax commission issued the order certifying the  
16 additional taxes under subsection (1), the real property on which  
17 the additional taxes are due shall be returned as delinquent to the  
18 county treasurer. Real property returned for delinquent taxes under  
19 this section, and upon which taxes, interest, penalties, and fees  
20 remain unpaid after the property is returned as delinquent to the  
21 county treasurer, is subject to forfeiture, foreclosure, and sale  
22 for the enforcement and collection of the delinquent taxes as  
23 provided in sections 78 to 79a.

24 (3) Except as otherwise provided in subsection (4), a  
25 corrected tax bill based on an assessment roll corrected for  
26 incorrectly reported or omitted personal property that is issued  
27 after the effective date of the amendatory act that added this

1 subsection shall include penalty and interest at the rate of 1.25%  
2 per month or fraction of a month from the date the taxes originally  
3 could have been paid without interest or penalty. If the tax bill  
4 has not been paid within 60 days after the corrected tax bill is  
5 issued, interest shall again begin to accrue at the rate of 1.25%  
6 per month or fraction of a month.

7 (4) If a person requests that an increased assessment due to  
8 incorrectly reported or omitted personal property be added to the  
9 assessment roll under this section before March 1, 2004 with  
10 respect to statements filed or required to be filed under section  
11 19 for taxes levied before January 1, 2004, and the corrected tax  
12 bill issued under this subsection is paid within 30 days after the  
13 corrected tax bill is issued, that person is not liable for any  
14 penalty or interest on that portion of the additional tax  
15 attributable to the increased assessment resulting from that  
16 request. However, a person who pays a corrected tax bill issued  
17 under this subsection more than 30 days after the corrected tax  
18 bill is issued is liable for the penalties and interest imposed  
19 under subsection (3).

20 (5) Except as otherwise provided in this section, the  
21 treasurer of the local tax collecting unit or the county treasurer  
22 shall disburse the payments of interest received to this state and  
23 to a city, township, village, school district, county, and  
24 authority, in the same proportion as required for the disbursement  
25 of taxes collected under this act. The amount to be disbursed to a  
26 local school district, except for that amount of interest  
27 attributable to mills levied under section 1211(2) or 1211c of the

1 revised school code, 1976 PA 451, MCL 380.1211 and 380.1211c, and  
2 mills that are not included as mills levied for school operating  
3 purposes under section 1211 of the revised school code, 1976 PA  
4 451, MCL 380.1211, shall be paid to the state treasury and credited  
5 to the state school aid fund established by section 11 of article  
6 IX of the state constitution of 1963. For an intermediate school  
7 district receiving state aid under section 56, 62, or 81 of the  
8 state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662,  
9 and 388.1681, of the interest that would otherwise be disbursed to  
10 or retained by the intermediate school district, all or a portion,  
11 to be determined on the basis of the tax rates being utilized to  
12 compute the amount of the state school aid, shall be paid instead  
13 to the state treasury and credited to the state school aid fund  
14 established by section 11 of article IX of the state constitution  
15 of 1963.

16 (6) If an assessment change made under this section results in  
17 a decreased tax liability, a refund of excess tax payments shall be  
18 made by the county treasurer and shall include interest at the rate  
19 of 1% per month or fraction of a month for taxes levied before  
20 January 1, 1997 and interest at the rate provided under section 37  
21 of the tax tribunal act, 1973 PA 186, MCL 205.737, for taxes levied  
22 after December 31, 1996, from the date of the payment of the tax to  
23 the date of the payment of the refund. The county treasurer shall  
24 charge a refund of excess tax payments under this subsection to the  
25 various taxing jurisdictions in the same proportion as the taxes  
26 levied.

27 (7) A person to whom property is assessed under this section

1 OR THE LOCAL TAX COLLECTING UNIT may appeal the state tax  
2 commission's order to the Michigan tax tribunal **WITHIN 60 DAYS OF**  
3 **THE DATE OF THE STATE TAX COMMISSION'S ORDER UNDER SUBSECTION (1).**  
4 **AN APPEAL OF THE STATE TAX COMMISSION'S ORDER MAY INCLUDE THE**  
5 **CURRENT ASSESSMENT YEAR AND THE 3 IMMEDIATELY PRECEDING YEARS, AS**  
6 **SET FORTH IN THE STATE TAX COMMISSION'S ORDER UNDER SUBSECTION (1).**

7 Enacting section 1. This amendatory act does not take effect  
8 unless Senate Bill No.1039

9 of the 97th Legislature is enacted into law.