

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 570

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 9f, 9m, 9n, 9o, 19, and 53b (MCL 211.9f,
211.9m, 211.9n, 211.9o, 211.19, and 211.53b), section 9f as amended
by 2016 PA 329, sections 9m and 9n as amended by 2017 PA 42,
section 9o as amended by 2013 PA 153, and sections 19 and 53b as
amended by 2016 PA 108.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9f. (1) The governing body of an eligible local assessing
2 district or, subject to subsection (5), the board of a Next
3 Michigan development corporation in which an eligible local
4 assessing district is a constituent member may adopt a resolution
5 to exempt from the collection of taxes under this act all new

1 personal property owned or leased by an eligible business located
2 in 1 or more eligible districts or distressed parcels designated in
3 the resolution or an eligible Next Michigan business as provided in
4 this section. The clerk of the eligible local assessing district or
5 the recording officer of a Next Michigan development corporation
6 shall notify in writing the assessor of the township or city in
7 which the eligible district or distressed parcel is located and the
8 legislative body of each taxing unit that levies ad valorem
9 property taxes in the eligible local assessing district in which
10 the eligible district or distressed parcel is located. Before
11 acting on the resolution, the governing body of the eligible local
12 assessing district or a Next Michigan development corporation shall
13 afford the assessor and a representative of the affected taxing
14 units an opportunity for a hearing.

15 (2) The exemption under this section is effective on the
16 December 31 immediately succeeding the adoption of the resolution
17 by the governing body of the eligible local assessing district or a
18 Next Michigan development corporation and, except as otherwise
19 provided in subsection (9), shall continue in effect for a period
20 specified in the resolution. However, an exemption shall not be
21 granted under this section after December 31, 2012 for an eligible
22 business located in an eligible district identified in subsection
23 (11) (f) (ix) or in an eligible local assessing district identified
24 in subsection (11) (h) (ii). A copy of the resolution shall be filed
25 with the state tax commission, the state treasurer, and the
26 president of the Michigan strategic fund. A resolution is not
27 effective unless approved as provided in subsection (3).

(3) Not more than 60 days after receipt of a copy of the resolution adopted by the governing body of an eligible local assessing district under subsection (1), the state tax commission shall determine if the new personal property subject to the exemption is owned or leased by an eligible business and if the eligible business is located in 1 or more eligible districts. If the state tax commission determines that the new personal property subject to the exemption is owned or leased by an eligible business and that the eligible business is located in 1 or more eligible districts, the state treasurer, with the written concurrence of the president of the Michigan strategic fund, shall approve the resolution adopted under subsection (1) if the state treasurer and the president of the Michigan strategic fund determine that exempting new personal property of the eligible business is necessary to reduce unemployment, promote economic growth, and increase capital investment in this state. In addition, for an eligible business located in an eligible local assessing district described in subsection (11)(h)(ii), the resolution adopted under subsection (1) shall be approved if the state treasurer and the president of the Michigan strategic fund determine that granting the exemption is a net benefit to this state, that expansion, retention, or location of an eligible business will not occur in this state without this exemption, and that there is no significant negative effect on employment in other parts of this state as a result of the exemption.

(4) After December 31, 2016, a governing body of an eligible local assessing district shall not adopt a resolution under

1 subsection (1) exempting new personal property from the collection
2 of taxes under this act without a written agreement entered into
3 with the eligible business subject to the exemption, which written
4 agreement contains a remedy provision that includes, but is not
5 limited to, the following:

6 (a) A requirement that the exemption under this section is
7 revoked if the eligible business is determined to be in violation
8 of the provisions of the written agreement.

9 (b) A requirement that the eligible business may be required
10 to repay all or part of the personal property taxes exempted under
11 this section if the eligible business is determined to be in
12 violation of the provisions of the written agreement.

13 (c) A requirement that the exemption under this section is
14 revoked if the eligible business is determined to be in violation
15 of the provisions concerning the exemption set forth in the
16 resolution adopted under subsection (1).

17 (d) A requirement that the exemption under this section is
18 revoked if continuance of the exemption would be contrary to any of
19 the requirements of this section, including, but not limited to,
20 the requirement that the eligible business be an eligible business
21 or an acquiring eligible business under this section.

22 (5) A Next Michigan development corporation may only adopt a
23 resolution under subsection (1) exempting new personal property
24 from the collection of taxes under this act for new personal
25 property located in a Next Michigan development district. A Next
26 Michigan development corporation shall not adopt a resolution under
27 subsection (1) exempting new personal property from the collection

1 of taxes under this act without a written agreement entered into
2 with the eligible Next Michigan business subject to the exemption,
3 which written agreement contains a remedy provision that includes,
4 but is not limited to, all of the following:

5 (a) A requirement that the exemption under this section is
6 revoked if the eligible Next Michigan business is determined to be
7 in violation of the provisions of the written agreement.

8 (b) A requirement that the eligible Next Michigan business may
9 be required to repay all or part of the personal property taxes
10 exempted under this section if the eligible Next Michigan business
11 is determined to be in violation of the provisions of the written
12 agreement.

13 (c) For an agreement entered into after December 31, 2016, a
14 requirement that the exemption under this section is revoked if the
15 eligible Next Michigan business is determined to be in violation of
16 the provisions concerning the exemption set forth in the resolution
17 adopted under subsection (1).

18 (d) For an agreement entered into after December 31, 2016, a
19 requirement that the exemption under this section is revoked if
20 continuance of the exemption would be contrary to any of the
21 requirements of this section, including, but not limited to, the
22 requirement that the eligible Next Michigan business be an eligible
23 business or an acquiring eligible business under this section.

24 (6) Subject to subsections (7) and (9), if an existing
25 eligible business sells or leases new personal property exempt
26 under this section to an acquiring eligible business, the exemption
27 granted to the existing eligible business shall continue in effect

1 for the period specified in the resolution adopted under subsection
2 (1) for the new personal property purchased or leased from the
3 existing eligible business by the acquiring eligible business and
4 for any new personal property purchased or leased by the acquiring
5 eligible business.

6 (7) After December 31, 2007, an exemption for an existing
7 eligible business shall continue in effect for an acquiring
8 eligible business under subsection (6) only if the continuation of
9 the exemption is approved in a resolution adopted by the governing
10 body of an eligible local assessing district or the board of a Next
11 Michigan development corporation in which the eligible local
12 assessing district is a constituent member.

13 (8) Notwithstanding 2000 PA 415, all of the following shall
14 apply to an exemption under this section that was approved by the
15 state tax commission on or before April 30, 1999, regardless of the
16 effective date of the exemption:

17 (a) The exemption shall be continued for the term authorized
18 by the resolution adopted by the governing body of the eligible
19 local assessing district and approved by the state tax commission
20 with respect to buildings and improvements constructed on leased
21 real property during the term of the exemption if the value of the
22 real property is not assessed to the owner of the buildings and
23 improvements.

24 (b) The exemption shall not be impaired or restricted with
25 respect to buildings and improvements constructed on leased real
26 property during the term of the exemption if the value of the real
27 property is not assessed to the owner of the buildings and

1 improvements.

2 (9) Notwithstanding any other provision of this section to the
3 contrary, if new personal property exempt under this section on or
4 after December 31, 2012 is eligible manufacturing personal
5 property, that eligible manufacturing personal property shall
6 remain exempt under this section until the later of the following:

7 (a) The date that eligible manufacturing personal property
8 would otherwise be exempt from the collection of taxes under this
9 act under section 9m, 9n, or 9o.

10 (b) The date that eligible manufacturing personal property is
11 no longer exempt under the resolution adopted under subsection (1).

12 (10) An eligible business that owns or leases new personal
13 property that is exempt under this section and that is eligible
14 personal property shall deliver the combined document ~~as~~ **IN THE**
15 **TIME, FORM, AND MANNER** prescribed in sections 9m and 9n to the
16 assessor of the township or city in which the eligible personal
17 property is located ~~by February 20 of~~ each year that the new
18 personal property is eligible personal property. The form shall
19 indicate that the new personal property is eligible personal
20 property.

21 (11) As used in this section:

22 (a) "Acquiring eligible business" means an eligible business
23 that purchases or leases assets of an existing eligible business,
24 including the purchase or lease of new personal property exempt
25 under this section, and that will conduct business operations
26 similar to those of the existing eligible business at the location
27 of the existing eligible business within the eligible district.

1 (b) "Authorized business" means that term as defined in
2 section 3 of the Michigan economic growth authority act, 1995 PA
3 24, MCL 207.803.

4 (c) "Eligible manufacturing personal property" means that term
5 as defined in section 9m.

6 (d) "Distressed parcel" means a parcel of real property
7 located in a city or village that meets all of the following
8 conditions:

9 (i) Is located in a qualified downtown revitalization
10 district. As used in this subparagraph, "qualified downtown
11 revitalization district" means an area located within 1 or more of
12 the following:

13 (A) The boundaries of a downtown district as defined in
14 section 1 of 1975 PA 197, MCL 125.1651.

15 (B) The boundaries of a principal shopping district or a
16 business improvement district as defined in section 1 of 1961 PA
17 120, MCL 125.981.

18 (C) The boundaries of the local governmental unit in an area
19 that is zoned and primarily used for business as determined by the
20 local governmental unit.

21 (ii) Meets 1 of the following conditions:

22 (A) Has a blighted or functionally obsolete building located
23 on the parcel. As used in this sub-subparagraph, "blighted" and
24 "functionally obsolete" mean those terms as defined in section 2 of
25 the brownfield redevelopment financing act, 1996 PA 381, MCL
26 125.2652.

27 (B) Is a vacant parcel that had been previously occupied.

1 (iii) Is zoned to allow for mixed use.

2 (e) "Eligible business" means, effective August 7, 1998, a
3 business engaged primarily in manufacturing, mining, research and
4 development, wholesale trade, office operations, or the operation
5 of a facility for which the business that owns or operates the
6 facility is an eligible taxpayer. For purposes of a Next Michigan
7 development corporation, eligible business means only an eligible
8 Next Michigan business. Eligible business does not include a
9 casino, retail establishment, professional sports stadium, or that
10 portion of an eligible business used exclusively for retail sales.
11 Professional sports stadium does not include a sports stadium in
12 existence on June 6, 2000 that is not used by a professional sports
13 team on the date of the resolution adopted pursuant to subsection
14 (1). As used in this subdivision, "casino" means a casino regulated
15 by this state under the Michigan gaming control and revenue act,
16 1996 IL 1, MCL 432.201 to 432.226, and all property associated or
17 affiliated with the operation of a casino, including, but not
18 limited to, a parking lot, hotel, motel, or retail store.

19 (f) "Eligible district" means 1 or more of the following:

20 (i) An industrial development district as that term is defined
21 in 1974 PA 198, MCL 207.551 to 207.572.

22 (ii) A renaissance zone as that term is defined in the
23 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to
24 125.2696.

25 (iii) An enterprise zone as that term is defined in the
26 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

27 (iv) A brownfield redevelopment zone as that term is

1 designated under the brownfield redevelopment financing act, 1996
2 PA 381, MCL 125.2651 to ~~125.2672~~.**125.2670.**

3 (v) An empowerment zone designated under subchapter U of
4 chapter 1 of the internal revenue code of 1986, 26 USC 1391 to
5 1397F.

6 (vi) An authority district or a development area as those
7 terms are defined in the tax increment finance authority act, 1980
8 PA 450, MCL 125.1801 to 125.1830.

9 (vii) An authority district as that term is defined in the
10 local development financing act, 1986 PA 281, MCL 125.2151 to
11 125.2174.

12 (viii) A downtown district or a development area as those
13 terms are defined in 1975 PA 197, MCL 125.1651 to 125.1681.

14 (ix) An area that contains an eligible taxpayer.

15 (x) A Next Michigan development district.

16 (g) "Eligible distressed area" means 1 of the following:

17 (i) That term as defined in section 11 of the state housing
18 development authority act of 1966, 1966 PA 346, MCL 125.1411.

19 (ii) An area that contains an eligible taxpayer.

20 (h) "Eligible local assessing district" means a city, village,
21 or township that contains an eligible distressed area or that is a
22 party to an intergovernmental agreement creating a Next Michigan
23 development corporation, or a city, village, or township that meets
24 1 or more of the following conditions and is located in a county
25 all or a portion of which borders another state or Canada:

26 (i) Is currently served by not fewer than 4 of the following
27 existing services:

1 (A) Water.

2 (B) Sewer.

3 (C) Police.

4 (D) Fire.

5 (E) Trash.

6 (F) Recycling.

7 (ii) Is party to an agreement under 1984 PA 425, MCL 124.21 to
8 124.30, with a city, village, or township that provides not fewer
9 than 4 of the following existing services:

10 (A) Water.

11 (B) Sewer.

12 (C) Police.

13 (D) Fire.

14 (E) Trash.

15 (F) Recycling.

16 (i) "Eligible Next Michigan business" means that term as
17 defined in section 3 of the Michigan economic growth authority act,
18 1995 PA 24, MCL 207.803.

19 (j) "Eligible personal property" means that term as defined in
20 section 3(e) (ii) or (iv) of the state essential services assessment
21 act, 2014 PA 92, MCL 211.1053.

22 (k) "Eligible taxpayer" means a taxpayer that meets both of
23 the following conditions:

24 (i) Is an authorized business.

25 (ii) Is eligible for tax credits described in section 9 of the
26 Michigan economic growth authority act, 1995 PA 24, MCL 207.809.

27 (l) "Existing eligible business" means an eligible business

1 identified in a resolution adopted under subsection (1) for which
2 an exemption has been granted under this section.

3 (m) "New personal property" means personal property that was
4 not previously subject to tax under this act or was not previously
5 placed in service in this state and that is placed in an eligible
6 district after a resolution under subsection (1) is approved. As
7 used in this subdivision, for exemptions approved by the state
8 treasurer under subsection (3) after April 30, 1999, new personal
9 property does not include buildings described in section 14(6) and
10 personal property described in section 8(h), (i), and (j). For
11 exemptions subject to resolutions adopted under subsection (1)
12 after December 31, 2014, new personal property does not include
13 eligible manufacturing personal property.

14 (n) "Next Michigan development corporation" and "Next Michigan
15 development district" mean those terms as defined under the Next
16 Michigan development act, 2010 PA 275, MCL 125.2951 to 125.2959.

17 Sec. 9m. (1) Beginning December 31, 2015 and each year
18 thereafter, qualified new personal property for which an exemption
19 has been properly claimed under subsection (2) is exempt from the
20 collection of taxes under this act.

21 (2) A person shall claim the exemption under this section and
22 section 9n by filing each year a combined document that includes:
23 the form to claim the exemption under this section and section 9n,
24 a report of the fair market value and year of acquisition by the
25 first owner of qualified new personal property, and for any year
26 before 2023, a statement under section 19. All of the following
27 apply to a claim of the exemption under this section:

1 (a) The combined document shall be in a form and manner
2 prescribed by the department of treasury.

3 (b) Leasing companies are not eligible to receive the
4 exemption under this section and may not use the combined document
5 prescribed in this section. With respect to personal property that
6 is the subject of a lease agreement, regardless of whether the
7 agreement constitutes a lease for financial or tax purposes, all of
8 the following apply:

9 (i) If the personal property is eligible manufacturing
10 personal property, the lessee and lessor may elect that the lessee
11 report the leased personal property on the combined document.

12 (ii) An election made by the lessee and the lessor under this
13 subdivision shall be made in a form and manner approved by the
14 department.

15 (iii) Absent an election, the personal property shall be
16 reported by the lessor on the personal property statement unless
17 the exemption for eligible manufacturing personal property is
18 claimed by the lessee on the combined document.

19 (c) The combined document prescribed in this section, shall be
20 completed and delivered to the assessor of the township or city in
21 which the qualified new personal property is located by February 20
22 of each year. **HOWEVER, IF FEBRUARY 20 OF A YEAR IS A SATURDAY,**
23 **SUNDAY, OR LEGAL HOLIDAY, THE DELIVERY DEADLINE FOR THAT YEAR IS**
24 **THE NEXT DAY THAT IS NOT A SATURDAY, SUNDAY, OR LEGAL HOLIDAY. FOR**
25 **PURPOSES OF A COMBINED DOCUMENT DELIVERED BY THE UNITED STATES**
26 **POSTAL SERVICE, THE DELIVERY IS TIMELY IF THE POSTMARK DATE IS ON**
27 **OR BEFORE THE DELIVERY DEADLINE PRESCRIBED IN THIS SUBDIVISION. IF**

1 THE COMBINED DOCUMENT PRESCRIBED IN THIS SECTION IS NOT TIMELY
2 DELIVERED TO THE ASSESSOR OF THE TOWNSHIP OR CITY, A LATE
3 APPLICATION MAY BE FILED DIRECTLY WITH THE MARCH BOARD OF REVIEW
4 BEFORE ITS FINAL ADJOURNMENT BY SUBMITTING THE COMBINED DOCUMENT
5 PRESCRIBED IN THIS SECTION. THE BOARD OF REVIEW SHALL NOT ACCEPT A
6 FILING AFTER ADJOURNMENT OF ITS MARCH MEETING. AN APPEAL OF A
7 DENIAL BY THE MARCH BOARD OF REVIEW MAY BE MADE BY FILING A
8 PETITION WITH THE MICHIGAN TAX TRIBUNAL WITHIN 35 DAYS OF THE
9 DENIAL NOTICE.

10 (d) The assessor shall transmit to the department of treasury
11 the information contained in the combined document filed under this
12 section, and other parcel information required by the department of
13 treasury, in the form and manner prescribed by the department of
14 treasury by no later than April 1.

15 (e) A person claiming an exemption under this section shall
16 rescind the claim of exemption by December 31 of the year in which
17 exempted property is no longer eligible for the exemption by filing
18 with the assessor of the township or city a rescission affidavit in
19 a form prescribed by the department of treasury.

20 (f) The assessor of the township or city shall annually
21 transmit the rescission affidavits filed, or the information
22 contained in the rescission affidavits filed, under this section to
23 the department of treasury in the form and in the manner prescribed
24 by the department of treasury no later than April 1.

25 (3) If the assessor of the township or city believes that
26 personal property for which the form claiming an exemption is
27 timely filed ~~by February 20~~ each year **UNDER SUBSECTION (2) (C)** is

1 not qualified new personal property or the form filed was
2 incomplete, the assessor may deny that claim for exemption by
3 notifying the person that filed the form in writing of the reason
4 for the denial and advising the person that the denial shall be
5 appealed to the board of review under section 30 by filing a
6 combined document as prescribed under subsection (2). If the denial
7 is issued after the first meeting of the March board of review that
8 follows the organizational meeting, the appeal of the denial is
9 either to the March board of review or the Michigan tax tribunal by
10 filing a petition and a completed combined document as prescribed
11 under subsection (2), within 35 days of the denial notice. The
12 assessor may deny a claim for exemption under this subsection for
13 the current year only. If the assessor denies a claim for
14 exemption, the assessor shall remove the exemption of that personal
15 property and amend the tax roll to reflect the denial and the local
16 treasurer shall within 30 days of the date of the denial issue a
17 corrected tax bill for any additional taxes.

18 (4) A person claiming an exemption for qualified new personal
19 property exempt under this section shall maintain books and records
20 and shall provide access to those books and records as provided in
21 section 22.

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

25 (6) For 2016 only, if an owner of qualified new personal
26 property did not file form 5278 by February 22, 2016 or filed an
27 incomplete form 5278 by February 22, 2016 to claim the exemption

1 under this section with the assessor of the city or township in
2 which the qualified new personal property is located, that owner
3 may file form 5278 with the assessor of the city or township in
4 which the qualified new personal property is located no later than
5 May 31, 2016. If the assessor determines that the property
6 qualifies for the exemption under this section, the assessor shall
7 immediately amend the assessment roll to reflect the exemption. The
8 assessor of the township or city shall transmit the affidavits
9 filed, or the information contained in the affidavits filed, under
10 this section, and other parcel information required by the
11 department of treasury, to the department of treasury in the form
12 and in the manner prescribed by the department of treasury no later
13 than June 7, 2016. The owner shall still be required to meet all
14 deadlines required under section 7 of the state essential services
15 assessment act, 2014 PA 92, MCL 211.1057. If the assessor of the
16 township or city believes that personal property for which an
17 affidavit claiming an exemption filed under this subsection by May
18 31, 2016 is not qualified new personal property, the assessor may
19 deny that claim for exemption by notifying the person that filed
20 the affidavit in writing of the reason for the denial and advising
21 the person that the denial may be appealed to the Michigan tax
22 tribunal within 35 days of the date of the denial.

23 (7) For 2017 only, if an owner of qualified new personal
24 property did not file the combined document by February 21, 2017 to
25 claim the exemption under this section with the assessor of the
26 city or township in which the qualified new personal property is
27 located, that owner may file the combined document with the

1 assessor of the city or township in which the qualified new
2 personal property is located no later than May 31, 2017. If the
3 assessor determines that the property qualifies for the exemption
4 under this section, the assessor shall immediately amend the
5 assessment roll to reflect the exemption. The assessor of the
6 township or city shall transmit the combined document filed, or the
7 information contained in the combined document filed, under this
8 section, and other parcel information required by the department of
9 treasury, to the department of treasury in the form and in the
10 manner prescribed by the department of treasury no later than June
11 9, 2017. The owner shall still meet all deadlines required under
12 section 7 of the state essential services assessment act, 2014 PA
13 92, MCL 211.1057. If the assessor of the township or city believes
14 that personal property for which a combined document claiming an
15 exemption filed under this subsection by May 31, 2017 is not
16 qualified new personal property, the assessor may deny that claim
17 for exemption by notifying the person that filed the combined
18 document in writing of the reason for the denial and advising the
19 person that the denial may be appealed to the Michigan tax tribunal
20 within 35 days of the date of the denial.

21 (8) As used in this section:

22 (a) "Affiliated person" means a sole proprietorship,
23 partnership, limited liability company, corporation, association,
24 flow-through entity, member of a unitary business group, or other
25 entity related to a person claiming an exemption under this
26 section.

27 (b) "Direct integrated support" means any of the following:

1 (i) Research and development related to goods produced in
2 industrial processing and conducted in furtherance of that
3 industrial processing.

4 (ii) Testing and quality control functions related to goods
5 produced in industrial processing and conducted in furtherance of
6 that industrial processing.

7 (iii) Engineering related to goods produced in industrial
8 processing and conducted in furtherance of that industrial
9 processing.

10 (iv) Receiving or storing equipment, materials, supplies,
11 parts, or components for industrial processing, or scrap materials
12 or waste resulting from industrial processing, at the industrial
13 processing site or at another site owned or leased by the owner or
14 lessee of the industrial processing site.

15 (v) Storing of finished goods inventory if the inventory was
16 produced by a business engaged primarily in industrial processing
17 and if the inventory is stored either at the site where it was
18 produced or at another site owned or leased by the business that
19 produced the inventory.

20 (vi) Sorting, distributing, or sequencing functions that
21 optimize transportation and just-in-time inventory management and
22 material handling for inputs to industrial processing.

23 (c) "Eligible manufacturing personal property" means all
24 personal property located on occupied real property if that
25 personal property is predominantly used in industrial processing or
26 direct integrated support. For personal property that is
27 construction in progress and part of a new facility not in

1 operation, eligible manufacturing personal property means all
2 personal property that is part of that new facility if that
3 personal property will be predominantly used in industrial
4 processing when the facility becomes operational. Personal property
5 that is not owned, leased, or used by the person who owns or leases
6 occupied real property where the personal property is located is
7 not eligible manufacturing personal property, unless the personal
8 property is located on the occupied real property to carry on a
9 current on-site business activity. Personal property that is placed
10 on occupied real property solely to qualify the personal property
11 for an exemption under this section or section 9n is not eligible
12 manufacturing personal property. Utility personal property as
13 described in section 34c(3)(e) and personal property used in the
14 generation, transmission, or distribution of electricity for sale
15 are not eligible manufacturing personal property. Personal property
16 located on occupied real property is predominantly used in
17 industrial processing or direct integrated support if the result of
18 the following calculation is more than 50%:

19 (i) Multiply the original cost of all personal property that
20 is subject to the collection of taxes under this act and all
21 personal property that is exempt from the collection of taxes under
22 sections 7k, 9b, 9f, 9n, and 9o and this section that is located on
23 that occupied real property and that is not construction in
24 progress by its percentage of use in industrial processing or in
25 direct integrated support. For an item of personal property that is
26 used in industrial processing, its percentage of use in industrial
27 processing shall equal the percentage of the exemption the property

1 would be eligible for under section 4t of the general sales tax
2 act, 1933 PA 167, MCL 205.54t, or section 4o of the use tax act,
3 1937 PA 94, MCL 205.94o. Utility personal property as described in
4 section 34c(3)(e) and personal property used in the generation,
5 transmission, or distribution of electricity for sale is not
6 included in this calculation.

7 (ii) Divide the result of the calculation under subparagraph
8 (i) by the total original cost of all personal property that is
9 subject to the collection of taxes under this act and all personal
10 property that is exempt from the collection of taxes under sections
11 7k, 9b, 9f, 9n, and 9o and this section that is located on that
12 occupied real property and that is not construction in progress.
13 Utility personal property as described in section 34c(3)(e) and
14 personal property used in the generation, transmission, or
15 distribution of electricity for sale is not included in this
16 calculation.

17 (d) "Fair market value" means the fair market value of
18 personal property at the time of acquisition by the first owner,
19 including the cost of freight, sales tax, installation, and other
20 capitalized costs, except capitalized interest. There is a
21 rebuttable presumption that the acquisition price paid by the first
22 owner for personal property, and any costs of freight, sales tax,
23 installation, and other capitalized costs, except capitalized
24 interest, reflect the fair market value.

25 (e) "Industrial processing" means that term as defined in
26 section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t,
27 or section 4o of the use tax act, 1937 PA 94, MCL 205.94o.

1 Industrial processing does not include the generation,
2 transmission, or distribution of electricity for sale.

3 (f) "New personal property" means property that was initially
4 placed in service in this state or outside of this state after
5 December 31, 2012 or that was construction in progress on or after
6 December 31, 2012 that had not been placed in service in this state
7 or outside of this state before 2013.

8 (g) "Occupied real property" means any of the following:

9 (i) A parcel of real property that is entirely owned, leased,
10 or otherwise occupied by a person claiming an exemption under this
11 section or under section 9n.

12 (ii) Contiguous parcels of real property that are entirely
13 owned, leased, or otherwise occupied by a person claiming an
14 exemption under this section or under section 9n and that host a
15 single, integrated business operation engaged primarily in
16 industrial processing, direct integrated support, or both. A
17 business operation is not engaged primarily in industrial
18 processing, direct integrated support, or both if it engages in
19 significant business activities that are not directly related to
20 industrial processing or direct integrated support. Contiguity is
21 not broken by a boundary between local tax collecting units, a
22 road, a right-of-way, or property purchased or taken under
23 condemnation proceedings by a public utility for power transmission
24 lines if the 2 parcels separated by the purchased or condemned
25 property were a single parcel prior to the sale or condemnation. As
26 used in this subparagraph, "single, integrated business operation"
27 means a company that combines 1 or more related operations or

1 divisions and operates as a single business unit.

2 (iii) The portion of a parcel of real property that is owned,
3 leased, or otherwise occupied by a person claiming the exemption
4 under this section or under section 9n or by an affiliated person.

5 (h) "Original cost" means the fair market value of personal
6 property at the time of acquisition by the first owner. There is a
7 rebuttable presumption that the acquisition price paid by the first
8 owner for personal property reflects the original cost of that
9 personal property. The department of treasury may provide
10 guidelines for 1 or more of the following circumstances:

11 (i) Determining original cost of personal property when the
12 actual acquisition price paid by the first owner for personal
13 property is not determinative of the original cost of that personal
14 property.

15 (ii) Estimating original cost of personal property when the
16 actual acquisition price paid by the first owner for the personal
17 property is unknown.

18 (iii) Adjusting original cost of personal property when the
19 personal property is idle, is obsolete or has material
20 obsolescence, or is surplus.

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

23 (j) "Qualified new personal property" means property that
24 meets all of the following conditions:

25 (i) Is eligible manufacturing personal property.

26 (ii) Is new personal property.

27 Sec. 9n. (1) Beginning December 31, 2015 and each year

1 thereafter, qualified previously existing personal property for
2 which an exemption has been properly claimed under subsection (2)
3 is exempt from the collection of taxes under this act.

4 (2) A person shall claim the exemption under this section and
5 section 9m by filing each year a combined document that includes:
6 the form to claim the exemption under this section and section 9m,
7 a report of the fair market value and year of acquisition by the
8 first owner of qualified previously existing personal property, and
9 for any year before 2023, a statement under section 19. All of the
10 following apply to a claim of the exemption under this section:

11 (a) The combined document shall be in a form and manner
12 prescribed by the department of treasury.

13 (b) Leasing companies are not eligible to receive the
14 exemption under this section and may not use the combined document
15 prescribed in this section. With respect to personal property that
16 is the subject of a lease agreement, regardless of whether the
17 agreement constitutes a lease for financial or tax purposes, all of
18 the following apply:

19 (i) If the personal property is eligible manufacturing
20 personal property, the lessee and lessor may elect that the lessee
21 report the leased personal property on the combined document.

22 (ii) An election made by the lessee and the lessor under this
23 subdivision shall be made in a form and manner approved by the
24 department.

25 (iii) Absent an election, the personal property shall be
26 reported by the lessor on the personal property statement unless
27 the exemption for eligible manufacturing personal property is

1 claimed by the lessee on the combined document.

2 (c) The combined document prescribed in this section, shall be
3 completed and delivered to the assessor of the township or city in
4 which the qualified previously existing personal property is
5 located by February 20 of each year. **HOWEVER, IF FEBRUARY 20 OF A**
6 **YEAR IS A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, THE DELIVERY DEADLINE**
7 **FOR THAT YEAR IS THE NEXT DAY THAT IS NOT A SATURDAY, SUNDAY, OR**
8 **LEGAL HOLIDAY. FOR PURPOSES OF A COMBINED DOCUMENT DELIVERED BY THE**
9 **UNITED STATES POSTAL SERVICE, THE DELIVERY IS TIMELY IF THE**
10 **POSTMARK DATE IS ON OR BEFORE THE DELIVERY DEADLINE PRESCRIBED IN**
11 **THIS SUBDIVISION. IF THE COMBINED DOCUMENT PRESCRIBED IN THIS**
12 **SECTION IS NOT TIMELY DELIVERED TO THE ASSESSOR OF THE TOWNSHIP OR**
13 **CITY, A LATE APPLICATION MAY BE FILED DIRECTLY WITH THE MARCH BOARD**
14 **OF REVIEW BEFORE ITS FINAL ADJOURNMENT BY SUBMITTING THE COMBINED**
15 **DOCUMENT PRESCRIBED IN THIS SECTION. THE BOARD OF REVIEW SHALL NOT**
16 **ACCEPT A FILING AFTER ADJOURNMENT OF ITS MARCH MEETING. AN APPEAL**
17 **OF A DENIAL BY THE MARCH BOARD OF REVIEW MAY BE MADE BY FILING A**
18 **PETITION WITH THE MICHIGAN TAX TRIBUNAL WITHIN 35 DAYS OF THE**
19 **DENIAL NOTICE.**

20 (d) The assessor shall transmit to the department of treasury
21 the information contained in the combined document filed under this
22 section, and other parcel information required by the department of
23 treasury and in the manner prescribed by the department of treasury
24 no later than April 1.

25 (e) A person claiming an exemption under this section shall
26 rescind the claim of exemption by December 31 of the year in which
27 exempted property is no longer eligible for the exemption by filing

1 with the assessor of the township or city a rescission affidavit in
2 a form prescribed by the department of treasury.

3 (f) The assessor of the township or city shall annually
4 transmit the rescission affidavits filed, or the information
5 contained in the rescission affidavits filed, under this section to
6 the department of treasury in the form and in the manner prescribed
7 by the department of treasury no later than April 1.

8 (3) If the assessor of the township or city believes that
9 personal property for which the form claiming an exemption is
10 timely filed ~~by February 20~~ each year **UNDER SUBSECTION (2) (C)** is
11 not qualified previously existing personal property or the form
12 filed was incomplete, the assessor may deny that claim for
13 exemption by notifying the person that filed the form in writing of
14 the reason for the denial and advising the person that the denial,
15 shall be appealed to the board of review under section 30 by filing
16 a combined document as prescribed under subsection (2). If the
17 denial is issued after the first meeting of the March board of
18 review that follows the organizational meeting, the appeal of the
19 denial is either to the March board of review or the Michigan tax
20 tribunal by filing a petition and a completed combined document as
21 prescribed under subsection (2), within 35 days of the denial
22 notice. The assessor may deny a claim for exemption under this
23 subsection for the current year only. If the assessor denies a
24 claim for exemption, the assessor shall remove the exemption of
25 that personal property and amend the tax roll to reflect the denial
26 and the local treasurer shall within 30 days of the date of the
27 denial issue a corrected tax bill for any additional taxes.

1 (4) A person claiming an exemption for qualified previously
2 existing personal property exempt under this section shall maintain
3 books and records and shall provide access to those books and
4 records as provided in section 22.

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

8 (6) For 2016 only, if an owner of qualified previously
9 existing personal property did not file form 5278 by February 22,
10 2016 or filed an incomplete form 5278 by February 22, 2016 to claim
11 the exemption under this section with the assessor of the city or
12 township in which the qualified previously existing personal
13 property is located, that owner may file form 5278 with the
14 assessor of the city or township in which the qualified previously
15 existing personal property is located no later than May 31, 2016.
16 If the assessor determines the property qualifies for the exemption
17 under this section, the assessor shall immediately amend the
18 assessment roll to reflect the exemption. The assessor of the
19 township or city shall transmit the affidavits filed, or the
20 information contained in the affidavits filed, under this section,
21 and other parcel information required by the department of
22 treasury, to the department of treasury in the form and in the
23 manner prescribed by the department of treasury no later than June
24 7, 2016. The owner shall still be required to meet all deadlines
25 required under section 7 of the state essential services assessment
26 act, 2014 PA 92, MCL 211.1057. If the assessor of the township or
27 city believes that personal property for which an affidavit

1 claiming an exemption filed under this subsection by May 31, 2016
2 is not qualified previously existing personal property, the
3 assessor may deny that claim for exemption by notifying the person
4 that filed the affidavit in writing of the reason for the denial
5 and advising the person that the denial may be appealed to the
6 Michigan tax tribunal within 35 days of the date of the denial.

7 (7) For 2017 only, if an owner of qualified previously
8 existing personal property did not file the combined document by
9 February 21, 2017 to claim the exemption under this section with
10 the assessor of the city or township in which the qualified
11 previously existing personal property is located, that owner may
12 file the combined document with the assessor of the city or
13 township in which the qualified previously existing personal
14 property is located no later than May 31, 2017. If the assessor
15 determines the property qualifies for the exemption under this
16 section, the assessor shall immediately amend the assessment roll
17 to reflect the exemption. The assessor of the township or city
18 shall transmit the combined document filed, or the information
19 contained in the combined document filed, under this section, and
20 other parcel information required by the department of treasury, to
21 the department of treasury in the form and in the manner prescribed
22 by the department of treasury no later than June 9, 2017. The owner
23 shall still meet all deadlines required under section 7 of the
24 state essential services assessment act, 2014 PA 92, MCL 211.1057.
25 If the assessor of the township or city believes that personal
26 property for which a combined document claiming an exemption filed
27 under this subsection by May 31, 2017 is not qualified previously

existing personal property, the assessor may deny that claim for exemption by notifying the person that filed the combined document in writing of the reason for the denial and advising the person that the denial may be appealed to the Michigan tax tribunal within 35 days of the date of the denial.

(8) As used in this section:

(a) "Direct integrated support", "eligible manufacturing personal property", "fair market value", and "industrial processing" mean those terms as defined in section 9m.

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

(c) "Qualified previously existing personal property" means personal property that meets both of the following conditions:

(i) Is eligible manufacturing personal property.

(ii) Was first placed in service within this state or outside this state more than 10 years before the current calendar year.

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

(2) An owner of eligible personal property shall claim the exemption under this section by annually filing ~~an affidavit~~ **A STATEMENT** with the local tax collecting unit in which the eligible personal property is located not later than February ~~10-20~~ in each tax year **OR, IF FEBRUARY 20 IS A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, NOT LATER THAN THE NEXT DAY THAT IS NOT A SATURDAY, SUNDAY, OR LEGAL HOLIDAY. The affidavit FOR PURPOSES OF A STATEMENT DELIVERED BY THE UNITED STATES POSTAL SERVICE, THE FILING IS TIMELY**

1 IF THE POSTMARK DATE IS ON OR BEFORE THE FILING DEADLINE PRESCRIBED
2 IN THIS SUBSECTION. IF THE STATEMENT IS NOT TIMELY FILED WITH THE
3 LOCAL TAX COLLECTING UNIT, A LATE SUBMISSION MAY BE FILED DIRECTLY
4 WITH THE MARCH BOARD OF REVIEW BEFORE ITS FINAL ADJOURNMENT BY
5 SUBMITTING THE STATEMENT PRESCRIBED IN THIS SUBSECTION. THE BOARD
6 OF REVIEW SHALL NOT ACCEPT A FILING AFTER ADJOURNMENT OF ITS MARCH
7 MEETING. AN APPEAL OF A DENIAL BY THE MARCH BOARD OF REVIEW MAY BE
8 MADE BY FILING A PETITION WITH THE MICHIGAN TAX TRIBUNAL WITHIN 35
9 DAYS OF THE DENIAL NOTICE. A STATEMENT FILED UNDER THIS SUBSECTION
10 shall be in a form prescribed by the state tax commission and shall
11 include any address where any property owned by, leased to, or in
12 the possession of that owner or a related entity is located within
13 that local tax collecting unit. The ~~affidavit~~ **STATEMENT** shall
14 require the owner to attest that the combined true cash value of
15 all industrial personal property and commercial personal property
16 in that local tax collecting unit owned by, leased to, or in the
17 possession of that owner or a related entity on December 31 of the
18 immediately preceding year is less than \$80,000.00.

19 (3) If ~~an affidavit~~ **A STATEMENT** claiming the exemption under
20 this section is filed as provided in subsection (2), the owner of
21 that eligible personal property is not required to ~~also file a~~
22 statement under section 19. ~~in that tax year.~~

23 (4) A person who claims an exemption for eligible personal
24 property under this section shall maintain books and records and
25 shall provide access to those books and records as provided in
26 section 22.

27 (5) If the assessor of the local tax collecting unit believes

1 that personal property for which ~~an affidavit~~ **A STATEMENT** claiming
2 an exemption is **TIMELY AND PROPERLY** filed under subsection (2) is
3 not eligible personal property, the assessor may deny that claim
4 for exemption by notifying the person that filed the ~~affidavit~~
5 **STATEMENT** in writing of the reason for the denial and advising the
6 person that the denial may be appealed to the board of review under
7 section 30 ~~or 53b~~ during that tax year. The assessor may deny a
8 claim for exemption for the current year and for the 3 immediately
9 preceding calendar years. If the assessor denies a claim for
10 exemption, the assessor shall remove the exemption of that personal
11 property and, if the tax roll is in the local tax collecting unit's
12 possession, amend the tax roll to reflect the denial and the local
13 treasurer shall within 30 days of the date of the denial issue a
14 corrected tax bill for any additional taxes with interest at the
15 rate of 1% per month or fraction of a month and penalties computed
16 from the date the taxes were last payable without interest or
17 penalty. If the tax roll is in the county treasurer's possession,
18 the tax roll shall be amended to reflect the denial and the county
19 treasurer shall within 30 days of the date of the denial prepare
20 and submit a supplemental tax bill for any additional taxes,
21 together with interest at the rate of 1% per month or fraction of a
22 month and penalties computed from the date the taxes were last
23 payable without interest or penalty. Interest on any tax set forth
24 in a corrected or supplemental tax bill shall again begin to accrue
25 60 days after the date the corrected or supplemental tax bill is
26 issued at the rate of 1% per month or fraction of a month. Taxes
27 levied in a corrected or supplemental tax bill shall be returned as

1 delinquent on the March 1 in the year immediately succeeding the
2 year in which the corrected or supplemental tax bill is issued.

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

6 ~~—— (7) For 2014 only, if an owner of eligible personal property~~
7 ~~did not timely file an affidavit to claim the exemption under this~~
8 ~~section, that owner may file an appeal with the March 2014 board of~~
9 ~~review to claim the exemption.~~

10 (7) ~~(8)~~ As used in this section:

11 (a) "Commercial personal property" means personal property
12 that is classified as commercial personal property under section
13 34c or would be classified as commercial personal property under
14 section 34c if not exempt from the collection of taxes under this
15 act under this section or section 9m or 9n.

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

1 or through 1 or more intermediary entities.

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

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

6 (ii) The combined true cash value of all industrial personal
7 property and commercial personal property in that local tax
8 collecting unit owned by, leased to, or in the possession of the
9 person claiming an exemption under this section or a related entity
10 on December 31 of the immediately preceding year is less than
11 \$80,000.00.

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

16 (d) "Industrial personal property" means personal property
17 that is classified as industrial personal property under section
18 34c or would be classified as industrial personal property under
19 section 34c if not exempt from the collection of taxes under this
20 act under this section or section 9m or 9n.

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

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

26 Sec. 19. (1) A supervisor or other assessing officer, as soon
27 as possible after entering upon the duties of his or her office or

1 as required under the provisions of any charter that makes special
2 provisions for the assessment of property, shall ascertain the
3 taxable property in his or her assessing district, the person to
4 whom it should be assessed, and that person's residence.

5 (2) Except as otherwise provided in section 9m, 9n, or 9o, the
6 supervisor or other assessing officer shall require any person whom
7 he or she believes has personal property in their possession to
8 make a statement of all the personal property of that person
9 whether owned by that person or held for the use of another to be
10 completed and delivered to the supervisor or assessor by February
11 20 of each year, **OR, IF FEBRUARY 20 OF A YEAR IS A SATURDAY,**
12 **SUNDAY, OR LEGAL HOLIDAY, THE NEXT DAY THAT IS NOT A SATURDAY,**
13 **SUNDAY, OR LEGAL HOLIDAY OF THAT YEAR. FOR PURPOSES OF A STATEMENT**
14 **DELIVERED BY THE UNITED STATES POSTAL SERVICE, THE DELIVERY IS**
15 **TIMELY IF THE POSTMARK DATE IS ON OR BEFORE THE DELIVERY DEADLINE**
16 **PRESCRIBED IN THIS SUBSECTION. IF THE STATEMENT IS NOT TIMELY**
17 **DELIVERED TO THE SUPERVISOR OR OTHER ASSESSING OFFICER, A LATE**
18 **SUBMISSION MAY BE FILED DIRECTLY WITH THE MARCH BOARD OF REVIEW**
19 **BEFORE ITS FINAL ADJOURNMENT BY SUBMITTING THE STATEMENT PRESCRIBED**
20 **IN THIS SUBSECTION. THE BOARD OF REVIEW SHALL NOT ACCEPT A FILING**
21 **AFTER ADJOURNMENT OF ITS MARCH MEETING. AN APPEAL OF A DENIAL BY**
22 **THE MARCH BOARD OF REVIEW MAY BE MADE BY FILING A PETITION WITH THE**
23 **MICHIGAN TAX TRIBUNAL WITHIN 35 DAYS OF THE DENIAL NOTICE.** A notice
24 the supervisor or other assessing officer provides regarding ~~that~~
25 **THE** statement **REQUIRED UNDER THIS SUBSECTION** shall also do all of
26 the following:

27 (a) Notify the person to whom such notice is given of the

1 exemptions available under sections 9m, 9n, and 9o.

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

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

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

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

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

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

27 (7) A supervisor or assessor shall not accept a statement

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

8 (8) An electronic or facsimile signature, for a statement
 9 required under this section, **OR A STATEMENT REQUIRED UNDER SECTION**
 10 **90**, or a combined document required under section 9m or 9n, or
 11 under section 7 of the state essential services assessment act,
 12 2014 PA 92, MCL 211.1057, shall be accepted by a local tax
 13 collecting unit. ~~using a procedure prescribed by the state tax~~
 14 ~~commission.~~

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

18 Sec. 53b. (1) If there has been a qualified error, the
 19 qualified error shall be verified by the local assessing officer
 20 and approved by the board of review. Except as otherwise provided
 21 in subsection ~~(9)~~, **(7)**, the board of review shall meet for the
 22 purposes of this section on Tuesday following the second Monday in
 23 December and on Tuesday following the third Monday in July. If
 24 approved, the board of review shall file an affidavit within 30
 25 days relative to the qualified error with the proper officials and
 26 all affected official records shall be corrected. If the qualified
 27 error results in an overpayment or underpayment, the rebate,

1 including any interest paid, shall be made to the taxpayer or the
2 taxpayer shall be notified and payment made within 30 days of the
3 notice. A rebate shall be without interest. The treasurer in
4 possession of the appropriate tax roll may deduct the rebate from
5 the appropriate tax collecting unit's subsequent distribution of
6 taxes. The treasurer in possession of the appropriate tax roll
7 shall bill to the appropriate tax collecting unit the tax
8 collecting unit's share of taxes rebated. Except as otherwise
9 provided in ~~subsections~~ **SUBSECTION** (6) ~~and (8)~~ and section 27a(4),
10 a correction under this subsection may be made for the current year
11 and the immediately preceding year only.

12 (2) Action pursuant to subsection (1) may be initiated by the
13 taxpayer or the assessing officer.

14 (3) The board of review meeting in July and December shall
15 meet only for the purpose described in subsection (1) and to hear
16 appeals provided for in sections 7u, 7cc, 7ee, **AND** 7jj. ~~and 9e.~~
17 If an exemption under section 7u is approved, the board of review
18 shall file an affidavit with the proper officials involved in the
19 assessment and collection of taxes and all affected official
20 records shall be corrected. If an appeal under section 7cc, 7ee, **OR**
21 7jj, ~~or 9e~~ results in a determination that an overpayment has been
22 made, the board of review shall file an affidavit and a rebate
23 shall be made at the times and in the manner provided in subsection
24 (1). Except as otherwise provided in sections 7cc, 7ee, **AND** 7jj,
25 ~~and 9e~~, a correction under this subsection shall be made for the
26 year in which the appeal is made only. If the board of review
27 approves an exemption or provides a rebate for property under

1 section 7cc, 7ee, or 7jj as provided in this subsection, the board
2 of review shall require the owner to execute the affidavit provided
3 for in section 7cc, 7ee, or 7jj and shall forward a copy of any
4 section 7cc affidavits to the department of treasury.

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

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

22 (6) A correction under this section that approves a principal
23 residence exemption pursuant to section 7cc may be made for the
24 year in which the appeal was filed and the 3 immediately preceding
25 tax years.

26 ~~—— (7) For the appeal of a denial of a claim of exemption for~~
27 ~~personal property under section 9o, if an exemption is approved,~~

~~the board of review shall remove the personal property from the assessment roll.~~

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

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

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

(b) An alternative meeting date during the week of the third Monday in July.

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

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

(b) A mutual mistake of fact.

(c) An adjustment under section 27a(4) or an exemption under

1 section 7hh(3) (b) .

2 (d) An error of measurement or calculation of the physical
3 dimensions or components of the real property being assessed.

4 (e) An error of omission or inclusion of a part of the real
5 property being assessed.

6 (f) An error regarding the correct taxable status of the real
7 property being assessed.

8 (g) An error made by the taxpayer in preparing the statement
9 of assessable personal property under section 19.

10 (h) An error made in the denial of a claim of exemption for
11 personal property under section 9o.

12 Enacting section 1. This amendatory act takes effect December
13 31, 2017.

14 Enacting section 2. This amendatory act does not take effect
15 unless all of the following bills of the 99th Legislature are
16 enacted into law:

17 (a) Senate Bill No. 571.

18 (b) Senate Bill No. 572.

19 (c) Senate Bill No. 573.