

**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
6 personal property owned or leased by an eligible business located

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

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

27 (3) Not more than 60 days after receipt of a copy of the

1 resolution adopted by the governing body of an eligible local
2 assessing district under subsection (1), the state tax commission
3 shall determine if the new personal property subject to the
4 exemption is owned or leased by an eligible business and if the
5 eligible business is located in 1 or more eligible districts. If
6 the state tax commission determines that the new personal property
7 subject to the exemption is owned or leased by an eligible business
8 and that the eligible business is located in 1 or more eligible
9 districts, the state treasurer, with the written concurrence of the
10 president of the Michigan strategic fund, shall approve the
11 resolution adopted under subsection (1) if the state treasurer and
12 the president of the Michigan strategic fund determine that
13 exempting new personal property of the eligible business is
14 necessary to reduce unemployment, promote economic growth, and
15 increase capital investment in this state. In addition, for an
16 eligible business located in an eligible local assessing district
17 described in subsection (11)(h)(ii), the resolution adopted under
18 subsection (1) shall be approved if the state treasurer and the
19 president of the Michigan strategic fund determine that granting
20 the exemption is a net benefit to this state, that expansion,
21 retention, or location of an eligible business will not occur in
22 this state without this exemption, and that there is no significant
23 negative effect on employment in other parts of this state as a
24 result of the exemption.

25 (4) After December 31, 2016, a governing body of an eligible
26 local assessing district 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 business subject to the exemption, which written
3 agreement contains a remedy provision that includes, but is not
4 limited to, the following:

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

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

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

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

21 (5) A Next Michigan development corporation may only adopt a
22 resolution under subsection (1) exempting new personal property
23 from the collection of taxes under this act for new personal
24 property located in a Next Michigan development district. A Next
25 Michigan development corporation shall not adopt a resolution under
26 subsection (1) exempting new personal property from the collection
27 of taxes under this act without a written agreement entered into

1 with the eligible Next Michigan business subject to the exemption,
2 which written agreement contains a remedy provision that includes,
3 but is not limited to, all of the following:

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

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

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

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

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

1 (1) for the new personal property purchased or leased from the
2 existing eligible business by the acquiring eligible business and
3 for any new personal property purchased or leased by the acquiring
4 eligible business.

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

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

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

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

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

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

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

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

(11) As used in this section:

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

(b) "Authorized business" means that term as defined in

1 section 3 of the Michigan economic growth authority act, 1995 PA
2 24, MCL 207.803.

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

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

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

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

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

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

20 (ii) Meets 1 of the following conditions:

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

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

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

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

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

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

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

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

26 (iv) A brownfield redevelopment zone as that term is
27 designated under the brownfield redevelopment financing act, 1996

1 PA 381, MCL 125.2651 to ~~125.2672~~**125.2670**.

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

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

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

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

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

14 (x) A Next Michigan development district.

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

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

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

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

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

27 (A) Water.

1 (B) Sewer.

2 (C) Police.

3 (D) Fire.

4 (E) Trash.

5 (F) Recycling.

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

9 (A) Water.

10 (B) Sewer.

11 (C) Police.

12 (D) Fire.

13 (E) Trash.

14 (F) Recycling.

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

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

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

23 (i) Is an authorized business.

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

26 (l) "Existing eligible business" means an eligible business
27 identified in a resolution adopted under subsection (1) for which

1 an exemption has been granted under this section.

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

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

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

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

27 (a) The combined document shall be in a form and manner

1 prescribed by the department of treasury.

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

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

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

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

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

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

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

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

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

26 (3) If the assessor of the township or city believes that
27 personal property for which the form claiming an exemption is

1 timely filed ~~by February 20~~ each year **UNDER SUBSECTION (2) (C)** is
2 not qualified new personal property or the form filed was
3 incomplete, the assessor may deny that claim for exemption by
4 notifying the person that filed the form in writing of the reason
5 for the denial and advising the person that the denial shall be
6 appealed to the board of review under section 30 by filing a
7 combined document as prescribed under subsection (2). If the denial
8 is issued after the first meeting of the March board of review that
9 follows the organizational meeting, the appeal of the denial is
10 either to the March board of review or the Michigan tax tribunal by
11 filing a petition and a completed combined document as prescribed
12 under subsection (2), within 35 days of the denial notice. The
13 assessor may deny a claim for exemption under this subsection for
14 the current year only. If the assessor denies a claim for
15 exemption, the assessor shall remove the exemption of that personal
16 property and 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.

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

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

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

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

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

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

22 (8) As used in this section:

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

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

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

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

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

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

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

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

24 (c) "Eligible manufacturing personal property" means all
25 personal property located on occupied real property if that
26 personal property is predominantly used in industrial processing or
27 direct integrated support. For personal property that is

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

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

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

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

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

26 (e) "Industrial processing" means that term as defined in
27 section 4t of the general sales tax act, 1933 PA 167, MCL 205.54t,

1 or section 4o of the use tax act, 1937 PA 94, MCL 205.94o.
2 Industrial processing does not include the generation,
3 transmission, or distribution of electricity for sale.

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

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

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

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

1 means a company that combines 1 or more related operations or
2 divisions and operates as a single business unit.

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

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

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

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

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

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

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

26 (i) Is eligible manufacturing personal property.

27 (ii) Is new personal property.

1 Sec. 9n. (1) Beginning December 31, 2015 and each year
2 thereafter, qualified previously existing personal property for
3 which an exemption has been properly claimed under subsection (2)
4 is exempt from the collection of taxes under this act.

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

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

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

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

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

26 (iii) Absent an election, the personal property shall be
27 reported by the lessor on the personal property statement unless

1 the exemption for eligible manufacturing personal property is
2 claimed by the lessee on the combined document.

3 (c) The combined document prescribed in this section, shall be
4 completed and delivered to the assessor of the township or city in
5 which the qualified previously existing personal property is
6 located by February 20 of each year. **HOWEVER, IF FEBRUARY 20 OF A**
7 **YEAR IS A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, THE DELIVERY DEADLINE**
8 **FOR THAT YEAR IS THE NEXT DAY THAT IS NOT A SATURDAY, SUNDAY, OR**
9 **LEGAL HOLIDAY. FOR PURPOSES OF A COMBINED DOCUMENT DELIVERED BY THE**
10 **UNITED STATES POSTAL SERVICE, THE DELIVERY IS TIMELY IF THE**
11 **POSTMARK DATE IS ON OR BEFORE THE DELIVERY DEADLINE PRESCRIBED IN**
12 **THIS SUBDIVISION AND THE COMBINED DOCUMENT IS RECEIVED BY THE**
13 **ASSESSOR OF THE TOWNSHIP OR CITY AT LEAST 1 WEEK BEFORE THE MARCH**
14 **MEETING OF THE BOARD OF REVIEW BEGINS. IF THE COMBINED DOCUMENT**
15 **PRESCRIBED IN THIS SECTION IS NOT TIMELY DELIVERED TO THE ASSESSOR**
16 **OF THE TOWNSHIP OR CITY, A LATE APPLICATION MAY BE FILED DIRECTLY**
17 **WITH THE MARCH BOARD OF REVIEW BEFORE ITS FINAL ADJOURNMENT BY**
18 **SUBMITTING THE COMBINED DOCUMENT PRESCRIBED IN THIS SECTION. THE**
19 **BOARD OF REVIEW SHALL NOT ACCEPT A FILING AFTER ADJOURNMENT OF ITS**
20 **MARCH MEETING. AN APPEAL OF A DENIAL BY THE MARCH BOARD OF REVIEW**
21 **MAY BE MADE BY FILING A PETITION WITH THE MICHIGAN TAX TRIBUNAL**
22 **WITHIN 35 DAYS OF THE DENIAL NOTICE.**

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

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

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

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

1 that personal property and amend the tax roll to reflect the denial
2 and the local treasurer shall within 30 days of the date of the
3 denial issue a corrected tax bill for any additional taxes.

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

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

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

1 required under section 7 of the state essential services assessment
2 act, 2014 PA 92, MCL 211.1057. If the assessor of the township or
3 city believes that personal property for which an affidavit
4 claiming an exemption filed under this subsection by May 31, 2016
5 is not qualified previously existing personal property, the
6 assessor may deny that claim for exemption by notifying the person
7 that filed the affidavit in writing of the reason for the denial
8 and advising the person that the denial may be appealed to the
9 Michigan tax tribunal within 35 days of the date of the denial.

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

1 If the assessor of the township or city believes that personal
 2 property for which a combined document claiming an exemption filed
 3 under this subsection by May 31, 2017 is not qualified previously
 4 existing personal property, the assessor may deny that claim for
 5 exemption by notifying the person that filed the combined document
 6 in writing of the reason for the denial and advising the person
 7 that the denial may be appealed to the Michigan tax tribunal within
 8 35 days of the date of the denial.

9 (8) As used in this section:

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

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

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

17 (i) Is eligible manufacturing personal property.

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

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

23 (2) An owner of eligible personal property shall claim the
 24 exemption under this section by annually filing ~~an affidavit~~ **A**
 25 **STATEMENT** with the local tax collecting unit in which the eligible
 26 personal property is located not later than February ~~10-20~~ in each
 27 tax year **OR, IF FEBRUARY 20 IS A SATURDAY, SUNDAY, OR LEGAL**

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

25 (3) If ~~an affidavit~~ **A STATEMENT** claiming the exemption under
26 this section is filed as provided in subsection (2), the owner of
27 that eligible personal property is not required to ~~also~~ file a

1 statement under section 19. ~~in that tax year.~~

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

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

1 month and penalties computed from the date the taxes were last
2 payable without interest or penalty. Interest on any tax set forth
3 in a corrected or supplemental tax bill shall again begin to accrue
4 60 days after the date the corrected or supplemental tax bill is
5 issued at the rate of 1% per month or fraction of a month. Taxes
6 levied in a corrected or supplemental tax bill shall be returned as
7 delinquent on the March 1 in the year immediately succeeding the
8 year in which the corrected or supplemental tax bill is issued.

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

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

16 (7) ~~(8)~~ As used in this section:

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

22 (b) "Control", "controlled by", and "under common control
23 with" mean the possession of the power to direct or cause the
24 direction of the management and policies of a related entity,
25 directly or indirectly, whether derived from a management position,
26 official office, or corporate office held by an individual; by an
27 ownership interest, beneficial interest, or equitable interest; or

1 by contractual agreement or other similar arrangement. There is a
2 rebuttable presumption that control exists if any person, directly
3 or indirectly, owns, controls, or holds the power to vote, directly
4 or by proxy, 10% or more of the ownership interest of any other
5 person or has contributed more than 10% of the capital of the other
6 person. Indirect ownership includes ownership through attribution
7 or through 1 or more intermediary entities.

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

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

12 (ii) The combined true cash value of all industrial personal
13 property and commercial personal property in that local tax
14 collecting unit owned by, leased to, or in the possession of the
15 person claiming an exemption under this section or a related entity
16 on December 31 of the immediately preceding year is less than
17 \$80,000.00.

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

22 (d) "Industrial personal property" means personal property
23 that is classified as industrial personal property under section
24 34c or would be classified as industrial personal property under
25 section 34c if not exempt from the collection of taxes under this
26 act under this section or section 9m or 9n.

27 (e) "Person" means an individual, partnership, corporation,

1 association, limited liability company, or any other legal entity.

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

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

11 (2) Except as otherwise provided in section 9m, 9n, or 9o, the
12 supervisor or other assessing officer shall require any person whom
13 he or she believes has personal property in their possession to
14 make a statement of all the personal property of that person
15 whether owned by that person or held for the use of another to be
16 completed and delivered to the supervisor or assessor by February
17 20 of each year, **OR, IF FEBRUARY 20 OF A YEAR IS A SATURDAY,**
18 **SUNDAY, OR LEGAL HOLIDAY, THE NEXT DAY THAT IS NOT A SATURDAY,**
19 **SUNDAY, OR LEGAL HOLIDAY OF THAT YEAR. FOR PURPOSES OF A STATEMENT**
20 **DELIVERED BY THE UNITED STATES POSTAL SERVICE, THE DELIVERY IS**
21 **TIMELY IF THE POSTMARK DATE IS ON OR BEFORE THE DELIVERY DEADLINE**
22 **PRESCRIBED IN THIS SUBSECTION AND THE STATEMENT IS RECEIVED BY THE**
23 **SUPERVISOR OR OTHER ASSESSING OFFICER AT LEAST 1 WEEK BEFORE THE**
24 **MARCH MEETING OF THE BOARD OF REVIEW BEGINS. IF THE STATEMENT IS**
25 **NOT TIMELY DELIVERED TO THE SUPERVISOR OR OTHER ASSESSING OFFICER,**
26 **A LATE SUBMISSION MAY BE FILED DIRECTLY WITH THE MARCH BOARD OF**
27 **REVIEW BEFORE ITS FINAL ADJOURNMENT BY SUBMITTING THE STATEMENT**

1 PRESCRIBED IN THIS SUBSECTION. THE BOARD OF REVIEW SHALL NOT ACCEPT
2 A FILING AFTER ADJOURNMENT OF ITS MARCH MEETING. AN APPEAL OF A
3 DENIAL BY THE MARCH BOARD OF REVIEW MAY BE MADE BY FILING A
4 PETITION WITH THE MICHIGAN TAX TRIBUNAL WITHIN 35 DAYS OF THE
5 DENIAL NOTICE. A notice the supervisor or other assessing officer
6 provides regarding ~~that~~ **THE** statement **REQUIRED UNDER THIS**
7 **SUBSECTION** shall also do all of the following:

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

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

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

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

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

23 (5) A statement under subsection (2) or (3) shall be in a form
24 prescribed by the state tax commission. If a local tax collecting
25 unit has provided for electronic filing of the statement under
26 subsection (4), the filing format shall be prescribed by the state
27 tax commission. The state tax commission shall not prescribe more

1 than 1 format for electronically filing a statement under
2 subsection (2) or more than 1 format for electronically filing a
3 statement under subsection (3).

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

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

16 (8) An electronic or facsimile signature, for a statement
17 required under this section, **OR A STATEMENT REQUIRED UNDER SECTION**
18 **90**, or a combined document required under section 9m or 9n, or
19 under section 7 of the state essential services assessment act,
20 2014 PA 92, MCL 211.1057, shall be accepted by a local tax
21 collecting unit. ~~using a procedure prescribed by the state tax~~
22 ~~commission.~~

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

26 Sec. 53b. (1) If there has been a qualified error, the
27 qualified error shall be verified by the local assessing officer

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

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

22 (3) The board of review meeting in July and December shall
23 meet only for the purpose described in subsection (1) and to hear
24 appeals provided for in sections 7u, 7cc, 7ee, **AND** 7jj. ~~and 9e.~~
25 If an exemption under section 7u is approved, the board of review
26 shall file an affidavit with the proper officials involved in the
27 assessment and collection of taxes and all affected official

1 records shall be corrected. If an appeal under section 7cc, 7ee, **OR**
2 7jj, ~~or 9e~~ results in a determination that an overpayment has been
3 made, the board of review shall file an affidavit and a rebate
4 shall be made at the times and in the manner provided in subsection
5 (1). Except as otherwise provided in sections 7cc, 7ee, **AND** 7jj,
6 ~~and 9e~~, a correction under this subsection shall be made for the
7 year in which the appeal is made only. If the board of review
8 approves an exemption or provides a rebate for property under
9 section 7cc, 7ee, or 7jj as provided in this subsection, the board
10 of review shall require the owner to execute the affidavit provided
11 for in section 7cc, 7ee, or 7jj and shall forward a copy of any
12 section 7cc affidavits to the department of treasury.

13 (4) If an exemption under section 7cc is approved by the board
14 of review under this section, the provisions of section 7cc apply.
15 If an exemption under section 7cc is not approved by the board of
16 review under this section, the owner may appeal that decision in
17 writing to the department of treasury within 35 days of the board
18 of review's denial and the appeal shall be conducted as provided in
19 section 7cc(8).

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

1 from the date the taxes were originally levied as if there had not
2 been an exemption.

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

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

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

21 (7) ~~(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 (8) ~~(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 9o.

20 Enacting section 1. This amendatory act takes effect December
21 31, 2017.

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

25 (a) Senate Bill No. 571.

26 (b) Senate Bill No. 572.

27 (c) Senate Bill No. 573.