

**SUBSTITUTE FOR
SENATE BILL NO. 330**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 7c. An exemption granted under section 7b as to taxes**
2 **levied on or after January 1, 2025 remains in effect, without**
3 **subsequent reapplication, until it is rescinded by the individual**
4 **who was granted the exemption or is denied by the assessor, as**
5 **follows:**

6 **(a) The individual shall file with the local assessing unit,**
7 **in a form and manner prescribed by the state tax commission, a form**
8 **rescinding the exemption within 45 days after the occurrence of**
9 **either of the following:**

1 (i) The individual ceases to use and own as a homestead the
2 property for which the exemption was granted.

3 (ii) The individual no longer meets the qualifications under
4 section 7b to receive the exemption.

5 (b) A local assessing unit shall implement an audit program,
6 in a form and manner prescribed by the state tax commission, that
7 includes, but is not limited to, the audit of all information filed
8 under section 7b(2). The audit must not occur on a property more
9 than once every 3 years unless there is a reasonable belief that
10 the property is ineligible for the exemption. If property is
11 determined to be ineligible for exemption as a result of an audit,
12 the individual who was granted the exemption under section 7b is
13 subject to repayment of additional taxes including interest to be
14 paid as provided in subdivisions (c) and (d).

15 (c) The assessor may deny a new claim, or an existing claim
16 following an audit, as further provided in subdivision (d).

17 (d) The assessor shall, in a form and manner prescribed by the
18 state tax commission, notify the individual of the denial of the
19 new or existing claim, the reason for the denial, and that the
20 denial may be appealed to the residential and small claims division
21 of the tax tribunal within 35 days after the date of the notice.
22 The assessor may deny a claim for exemption for the current year
23 and for the 3 immediately preceding calendar years. If the tax roll
24 is in the local tax collecting unit's possession, it shall amend
25 the tax roll to reflect the removal of the exemption, and the local
26 treasurer shall, within 30 days after the date of the discovery,
27 issue a corrected tax bill for any additional taxes with interest
28 at the rate of 1% per month or fraction of a month computed from
29 the date the taxes were last payable without interest. If the tax

1 roll is in the county treasurer's possession, the tax roll must be
2 amended to reflect the removal of the exemption and the county
3 treasurer shall, within 30 days after the date of the removal,
4 prepare and submit a supplemental tax bill for any additional
5 taxes, together with interest at the rate of 1% per month or
6 fraction of a month computed from the date the taxes were last
7 payable without interest. Interest on any tax set forth in a
8 corrected or supplemental tax bill again begins to accrue 60 days
9 after the date the corrected or supplemental tax bill is issued at
10 the rate of 1% per month or fraction of a month. Taxes levied in a
11 corrected or supplemental tax bill must be returned as delinquent
12 on March 1 in the year immediately succeeding the year in which the
13 corrected or supplemental tax bill is issued.

14 Enacting section 1. This amendatory act does not take effect
15 unless Senate Bill No. 176 of the 102nd Legislature is enacted into
16 law.