



# HOUSE BILL No. 5699

March 20, 1996, Introduced by Reps. Bullard, Palamara, Brackenridge, Profit, Gernaat, Walberg, Voorhees, Whyman, Hill, Llewellyn, Pitoniak, DeLange, McManus, LaForge, Brater, Rocca, Law, Oxender, Dalman, Cropsey, Baade, Bodem, DeMars, Dobronski, Hammerstrom, Goschka, Dobb, London, Brewer, Jaye, Galloway, Perricone and Gnodtke and referred to the Committee on Tax Policy.

A bill to amend sections 7cc and 27a of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

section 7cc as amended by Act No. 74 of the Public Acts of 1995 and section 27a as amended by Act No. 415 of the Public Acts of 1994, being sections 211.7cc and 211.27a of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 7cc and 27a of Act No. 206 of the  
2 Public Acts of 1893, section 7cc as amended by Act No. 74 of the  
3 Public Acts of 1995 and section 27a as amended by Act No. 415 of  
4 the Public Acts of 1994, being sections 211.7cc and 211.27a of  
5 the Michigan Compiled Laws, are amended to read as follows:

6 Sec. 7cc. (1) A homestead is exempt from the tax levied by  
7 a local school district for school operating purposes to the

1 extent provided under section 1211 of the school code of 1976,  
2 Act No. 451 of the Public Acts of 1976, being section 380.1211 of  
3 the Michigan Compiled Laws, if that owner claims an exemption as  
4 provided in this section. Notwithstanding the tax day provided  
5 in section 2, the status of property as a homestead shall be  
6 determined on the date an affidavit claiming an exemption is  
7 filed under subsection (2).

8       (2) An owner of property may claim an exemption under this  
9 section by filing an affidavit on or before May 1 with the local  
10 tax collecting unit in which the property is located. The affi-  
11 davit shall state that the property is owned and occupied as a  
12 homestead by that owner of the property on the date that the  
13 affidavit is signed. The affidavit shall be on a form prescribed  
14 by the department of treasury. Beginning in 1995, 1 copy of the  
15 affidavit shall be retained by the owner, 1 copy shall be  
16 retained by the local tax collecting unit until any appeal or  
17 audit period under this act has expired, and 1 copy shall be for-  
18 warded to the department of treasury pursuant to subsection (4).  
19 Beginning in 1995, the affidavit shall require the owner claiming  
20 the exemption to indicate if that owner has claimed another  
21 exemption on property in this state that is not rescinded. If  
22 the affidavit requires an owner to include a social security  
23 number, that owner's number is subject to the disclosure restric-  
24 tions in Act No. 122 of the Public Acts of 1941, being sections  
25 205.1 to 205.31 of the Michigan Compiled Laws.

1 (3) A husband and wife who are required to file or who do  
2 file a joint Michigan income tax return are entitled to not more  
3 than 1 homestead exemption.

4 (4) Upon receipt of an affidavit filed under subsection (2)  
5 and unless the claim is denied under subsection (6), the assessor  
6 shall exempt the property from the collection of the tax levied  
7 by a local school district for school operating purposes to the  
8 extent provided under section 1211 of Act No. 451 of the Public  
9 Acts of 1976 as provided in subsection (1) through the 1998 tax  
10 year or until December 31 of the year in which the property is  
11 transferred or is no longer a homestead as defined in section  
12 7dd. The local tax collecting unit shall forward copies of affi-  
13 davits to the department of treasury according to a schedule pre-  
14 scribed by the department of treasury. An owner is required to  
15 file a new claim for exemption on the same property in 1999 and  
16 every 4 years after 1999.

17 (5) Not more than 90 days after exempted property is no  
18 longer used as a homestead by the owner claiming an exemption,  
19 that owner shall rescind the claim of exemption by filing with  
20 the local tax collecting unit a rescission form prescribed by the  
21 department of treasury. Beginning October 1, 1994, an owner who  
22 fails to file a rescission as required by this subsection is  
23 subject to a penalty of \$5.00 per day for each separate failure  
24 beginning after the 90 days have elapsed, up to a maximum of  
25 \$200.00. This penalty shall be collected under Act No. 122 of  
26 the Public Acts of 1941, and shall be deposited in the state  
27 school aid fund established in section 11 of article IX of the

1 state constitution of 1963. This penalty may be waived by the  
2 department of treasury.

3 (6) If the assessor of the local tax collecting unit  
4 believes that the property for which an exemption is claimed is  
5 not the homestead of the owner claiming the exemption, effective  
6 for taxes levied after 1994 the assessor may deny a new or exist-  
7 ing claim by notifying the owner and the department of treasury  
8 in writing of the reason for the denial and advising the owner  
9 that the denial may be appealed to the department of treasury  
10 within 35 days after the date of the notice. The denial shall be  
11 made on a form prescribed by the department of treasury. If the  
12 assessor of the local tax collecting unit believes that the prop-  
13 erty for which the exemption is claimed is not the homestead of  
14 the owner claiming the exemption, for taxes levied in 1994 the  
15 assessor may send a recommendation for denial for any affidavit  
16 that is forwarded to the department of treasury stating the rea-  
17 sons for the recommendation. If the assessor of the local tax  
18 collecting unit believes that the property for which the exemp-  
19 tion is claimed is not the homestead of the owner claiming the  
20 exemption and has not denied the claim, for taxes levied after  
21 1994 the assessor shall include a recommendation for denial with  
22 any affidavit that is forwarded to the department of treasury or,  
23 for an existing claim, shall send a recommendation for denial to  
24 the department of treasury, stating the reasons for the  
25 recommendation.

26 (7) The department of treasury shall determine if the  
27 property is the homestead of the owner claiming the exemption.

1 The department of treasury may review the validity of exemptions  
2 for the current calendar year and for the 3 immediately preceding  
3 calendar years. If the department of treasury determines that  
4 the property is not the homestead of the owner claiming the  
5 exemption, the department shall send a notice of that determina-  
6 tion to the local tax collecting unit and to the owner of the  
7 property claiming the exemption, indicating that the claim for  
8 exemption is denied, stating the reason for the denial, and  
9 advising the owner claiming the exemption of the right to appeal  
10 the determination to the department of treasury and what those  
11 rights of appeal are. The department of treasury may issue a  
12 notice denying a claim if an owner fails to respond within 30  
13 days of receipt of a request for information from that  
14 department. An owner may appeal the denial of a claim of exemp-  
15 tion to the department of treasury within 35 days of receipt of  
16 the notice of denial. An appeal to the department of treasury  
17 shall be conducted according to the provisions for an informal  
18 conference in section 21 of Act No. 122 of the Public Acts of  
19 1941, being section 205.21 of the Michigan Compiled Laws. Upon  
20 receipt of a notice that the department of treasury has denied a  
21 claim for exemption, the assessor shall remove the exemption of  
22 the property and, if the tax roll is in the local tax collecting  
23 unit's possession, amend the tax roll to reflect the denial and  
24 the local treasurer shall issue a corrected tax bill for previ-  
25 ously unpaid taxes with interest and penalties computed based on  
26 the interest and penalties that would have accrued from the date  
27 the taxes were originally levied if there had not been an

1 exemption. If the tax roll is in the county treasurer's  
2 possession, the tax roll shall be amended to reflect the denial  
3 and the county treasurer shall prepare and submit a supplemental  
4 tax bill for any additional taxes, together with any interest and  
5 penalties. For taxes levied in 1994 only, the county treasurer  
6 shall waive any interest and penalties due if the owner pays the  
7 supplemental tax bill not more than 30 days after the owner  
8 receives the supplemental tax bill. Interest and penalties shall  
9 not be assessed for any period before February 14, 1995.  
10 However, if the property has been transferred to a bona fide pur-  
11 chaser before additional taxes were billed to the seller as a  
12 result of the denial of a claim for exemption, the taxes, inter-  
13 est, and penalties shall not be billed to the bona fide purchas-  
14 er, and the local tax collecting unit if the local tax collecting  
15 unit has possession of the tax roll or the county treasurer if  
16 the county has possession of the tax roll shall notify the  
17 department of treasury of the amount of tax due and interest  
18 through the date of that notification. The department of trea-  
19 sury shall then assess the owner who claimed the homestead prop-  
20 erty tax exemption for the tax and interest plus penalty accruing  
21 as a result of the denial of the claim for exemption, if any, as  
22 for unpaid taxes provided under Act No. 122 of the Public Acts of  
23 1941 and shall deposit any tax, interest, or penalty collected  
24 into the state school aid fund.

25 (8) An owner may appeal a final decision of the department  
26 of treasury to the residential and small claims division of the  
27 Michigan tax tribunal within 35 days of that decision. An

1 assessor may appeal a final decision of the department of  
2 treasury to the residential and small claims division of the  
3 Michigan tax tribunal within 35 days of that decision if the  
4 assessor denied the exemption under subsection (6), or, for taxes  
5 levied in 1994 only, the assessor forwarded a recommendation for  
6 denial to the department of treasury under subsection (6). An  
7 owner is not required to pay the amount of tax in dispute in  
8 order to appeal a denial of a claim of exemption to the depart-  
9 ment of treasury or to receive a final determination of the resi-  
10 dential and small claims division of the Michigan tax tribunal.  
11 However, interest and penalties except as provided in subsection  
12 (7), if any, shall accrue and be computed based on the interest  
13 and penalties that would have accrued from the date the taxes  
14 were originally levied as if there had not been an exemption.

15       (9) An affidavit filed by an owner for a homestead rescinds  
16 all previous exemptions filed by that owner for any other  
17 homestead. The department of treasury shall notify the assessor  
18 of the local tax collecting unit in which the property for which  
19 a previous exemption was claimed is located that the previous  
20 exemption is rescinded by the subsequent affidavit. Upon receipt  
21 of notice that an exemption is rescinded, the assessor of the  
22 local tax collecting unit shall remove the exemption effective  
23 December 31 of the year in which the property is transferred or  
24 is no longer a homestead as defined in section 7dd.

25       (10) If the homestead is part of a unit in a multiple-unit  
26 dwelling or a dwelling unit in a multiple-purpose structure, an  
27 owner shall claim an exemption for only that portion of the total

1 taxable value of the property used as the homestead of that owner  
2 in a manner prescribed by the department of treasury. If a por-  
3 tion of a parcel for which the owner claims an exemption is used  
4 for a purpose other than as a homestead, the owner shall claim an  
5 exemption for only that portion of the taxable value of the prop-  
6 erty used as the homestead of that owner in a manner prescribed  
7 by the department of treasury.

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

12       (12) The department of treasury shall make available the  
13 affidavit forms and the forms to rescind an exemption, which may  
14 be on the same form, to all city and township assessors, county  
15 equalization officers, county registers of deeds, and closing  
16 agents. THE AFFIDAVIT FORMS SHALL INCLUDE THE INFORMATION  
17 REQUIRED IN THE NOTICE OF TRANSFER OF OWNERSHIP OF PROPERTY UNDER  
18 SECTION 27A(8). A person who prepares a closing statement for the  
19 sale of property shall provide affidavit and rescission forms to  
20 the buyer and seller at the closing and, if requested by the  
21 buyer or seller after execution by the buyer or seller, shall  
22 file the forms with the local tax collecting unit in which the  
23 property is located. If a closing statement preparer fails to  
24 provide homestead exemption affidavit and rescission forms to the  
25 buyer and seller, or fails to file the affidavit and rescission  
26 forms with the local tax collecting unit if requested by the  
27 buyer or seller, the buyer may appeal to the department of



1 treasury within 30 days of notice to the buyer that an exemption  
2 was not recorded. If the department of treasury determines that  
3 the buyer qualifies for the exemption, the department of treasury  
4 shall notify the assessor of the local tax collecting unit that  
5 the exemption is granted and the assessor of the local tax col-  
6 lecting unit or, if the tax roll is in the possession of the  
7 county treasurer, the county treasurer shall correct the tax roll  
8 to reflect the exemption. This subsection does not create a  
9 cause of action at law or in equity against a closing statement  
10 preparer who fails to provide homestead exemption affidavit and  
11 rescission forms to a buyer and seller or who fails to file the  
12 affidavit and rescission forms with the local tax collecting unit  
13 when requested to do so by the buyer or seller.

14       (13) An owner who owned and occupied a homestead on May 1  
15 for which the exemption was not on the tax roll may file an  
16 appeal with the July board of review in the year for which the  
17 exemption was claimed or the immediately succeeding year or with  
18 the December board of review in the year for which the exemption  
19 was claimed or the immediately succeeding year. If an appeal of  
20 a denial of a claim for exemption is received not later than 5  
21 days prior to the date of the December board of review, the local  
22 tax collecting unit shall convene a December board of review and  
23 consider the appeal pursuant to this section and section 53b.

24       (14) In 1994 only, an owner who owns and occupies a home-  
25 stead after May 1 and before October 3 for which an affidavit was  
26 not filed in 1994 may file an affidavit as provided in subsection  
27 (2) not later than October 3, 1994. Upon receipt, the assessor

1 shall exempt the property from 50% of the number of mills levied  
2 in 1994 under section 1211 of Act No. 451 of the Public Acts of  
3 1976 from which homesteads are exempt, not to exceed 50% of the  
4 total number of mills from which homesteads are exempt in 1994,  
5 on the December tax roll. If there is not a December levy of the  
6 tax under section 1211 of Act No. 451 of the Public Acts of 1976,  
7 the owner may appear in person or by mail before the December  
8 board of review and obtain a rebate as provided in section 53b of  
9 50% of the number of mills levied in 1994 under section 1211 of  
10 Act No. 451 of the Public Acts of 1976 from which homesteads are  
11 exempt, not to exceed 50% of the total number of mills from which  
12 homesteads are exempt in 1994. If an affidavit is not filed as  
13 provided in this subsection, the owner may appear in person or by  
14 mail before the July or December board of review in 1994 or the  
15 July or December board of review in 1995 and obtain a rebate of  
16 50% of the number of mills levied in 1994 under section 1211 of  
17 Act No. 451 of the Public Acts of 1976 from which homesteads are  
18 exempt, not to exceed 50% of the total number of mills from which  
19 homesteads are exempt in 1994. This subsection does not apply  
20 unless the 1994 assessment of the property is based on the valua-  
21 tion of a homestead or a portion of a structure that has become a  
22 homestead. An affidavit filed under this subsection is subject  
23 to all the provisions of this section.

24 (15) If the assessor or treasurer of the local tax collect-  
25 ing unit believes that the department of treasury erroneously  
26 denied a claim for exemption, the assessor or treasurer may  
27 submit written information supporting the owner's claim for

1 exemption to the department of treasury within 35 days of the  
2 owner's receipt of the notice denying the claim for exemption.  
3 If, after reviewing the information provided, the department of  
4 treasury determines that the claim for exemption was erroneously  
5 denied, the department of treasury shall grant the exemption and  
6 the tax roll shall be amended to reflect the exemption.

7       (16) If granting the exemption under this section results in  
8 an overpayment of the tax, a rebate, including any interest paid,  
9 shall be made to the taxpayer by the local tax collecting unit if  
10 the local tax collecting unit has possession of the tax roll or  
11 by the county treasurer if the county has possession of the tax  
12 roll within 30 days of the date the exemption is granted. The  
13 rebate shall be without interest.

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

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

14       Sec. 27a. (1) Except as otherwise provided in this section,  
15 property shall be assessed at 50% of its true cash value under  
16 section 3 of article IX of the state constitution of 1963.

17       (2) Except as otherwise provided in subsection (3), for  
18 taxes levied in 1995 and for each year after 1995, the taxable  
19 value of each parcel of property is the lesser of the following:

20       (a) The property's taxable value in the immediately preced-  
21 ing year minus any losses, multiplied by the lesser of 1.05 or  
22 the inflation rate, plus all additions. However, if a fraction  
23 the numerator of which is the state equalized value for the cur-  
24 rent year minus additions and the denominator of which is the  
25 state equalized value for the immediately preceding year minus  
26 losses is less than both 1.05 and the inflation rate, for  
27 purposes of this subdivision the taxable value is the product of

1 the property's taxable value in the immediately preceding year  
2 minus losses, multiplied by that fraction, plus additions. For  
3 taxes levied in 1995, the property's taxable value in the immedi-  
4 ately preceding year is the property's state equalized valuation  
5 in 1994.

6 (b) The property's current state equalized valuation.

7 (3) Upon a transfer of ownership of property after 1994, the  
8 property's taxable value for the calendar year following the year  
9 of the transfer is the property's state equalized valuation for  
10 the calendar year following the transfer.

11 (4) If the taxable value of property is adjusted under sub-  
12 section (3), a subsequent increase in the property's taxable  
13 value is subject to the limitation set forth in subsection (2)  
14 until a subsequent transfer of ownership occurs.

15 (5) Assessment of property, as required in this section and  
16 section 27, is inapplicable to the assessment of property subject  
17 to the levy of ad valorem taxes within voted tax limitation  
18 increases to pay principal and interest on limited tax bonds  
19 issued by any governmental unit, including a county, township,  
20 community college district, or school district, before January 1,  
21 1964, if the assessment required to be made under this act would  
22 be less than the assessment as state equalized prevailing on the  
23 property at the time of the issuance of the bonds. This inappli-  
24 cability shall continue until levy of taxes to pay principal and  
25 interest on the bonds is no longer required. The assessment of  
26 property required by this act shall be applicable for all other  
27 purposes.

1 (6) As used in this act, "transfer of ownership" means the  
2 conveyance of title to or a present interest in property, includ-  
3 ing the beneficial use of the property, the value of which is  
4 substantially equal to the value of the fee interest. Transfer  
5 of ownership of property includes, but is not limited to, the  
6 following:

7 (a) A conveyance by deed.

8 (b) A conveyance by land contract. The taxable value of  
9 property conveyed by a land contract executed after December 31,  
10 1994 shall be adjusted under subsection (3) for the calendar year  
11 following the year in which the contract is entered into and  
12 shall not be subsequently adjusted under subsection (3) when the  
13 deed conveying title to the property is recorded in the office of  
14 the register of deeds in the county in which the property is  
15 located.

16 (c) A conveyance to a trust after December 31, 1994, except  
17 if the sole present beneficiary or beneficiaries are the settlor  
18 or the settlor's spouse, or both.

19 (d) A conveyance by distribution from a trust, except if the  
20 distributee is the sole present beneficiary or the spouse of the  
21 sole present beneficiary, or both.

22 (e) A change in the sole present beneficiary or beneficia-  
23 ries of a trust, except a change that adds or substitutes the  
24 spouse of the sole present beneficiary.

25 (f) A conveyance by distribution under a will or by intes-  
26 tate succession, except if the distributee is the decedent's  
27 spouse.

1 (g) A conveyance by lease if the total duration of the  
2 lease, including the initial term and all options for renewal, is  
3 more than 35 years or the lease grants the leasee a bargain pur-  
4 chase option. As used in this subdivision, "bargain purchase  
5 option" means the right to purchase the property at the termina-  
6 tion of the lease for not more than 80% of the property's  
7 projected true cash value at the termination of the lease. After  
8 December 31, 1994, the taxable value of property conveyed by a  
9 lease with a total duration of more than 35 years or with a bar-  
10 gain purchase option shall be adjusted under subsection (3) for  
11 the calendar year following the year in which the lease is  
12 entered into. This subdivision does not apply to personal prop-  
13 erty except buildings described in section 14(6) and personal  
14 property described in section 8(h), (i), and (j).

15 (h) A conveyance of an ownership interest in a corporation,  
16 partnership, sole proprietorship, limited liability company,  
17 limited liability partnership, or other legal entity if the  
18 ownership interest conveyed is more than 50% of the corporation,  
19 partnership, sole proprietorship, limited liability company,  
20 limited liability partnership, or other legal entity. Unless  
21 notification is provided under subsection (8), the corporation,  
22 partnership, sole proprietorship, limited liability company,  
23 limited liability partnership, or other legal entity shall notify  
24 the assessing officer on a form provided by the state tax commis-  
25 sion not more than 45 days after a conveyance of an ownership  
26 interest that constitutes a transfer of ownership under this  
27 subdivision.

1 (i) A transfer of property held as a tenancy in common,  
2 except that portion of the property not subject to the ownership  
3 interest conveyed.

4 (7) Transfer of ownership does not include the following:

5 (a) The transfer of property from 1 spouse to the other  
6 spouse or from a decedent to a surviving spouse.

7 (b) A transfer from a husband, a wife, or a husband and wife  
8 creating or disjoining a tenancy by the entireties in the grant-  
9 ors or the grantor and his or her spouse.

10 (c) A transfer subject to a life estate or life lease  
11 retained by the transferor, until expiration or termination of  
12 the life estate or life lease.

13 (d) A transfer through foreclosure or forfeiture of a  
14 recorded instrument under chapter 31, 32, or 57 of the revised  
15 judicature act of 1961, Act No. 236 of the Public Acts of 1961,  
16 being sections 600.3101 to 600.3280 and 600.5701 to 600.5785 of  
17 the Michigan Compiled Laws, or through deed or conveyance in lieu  
18 of a foreclosure or forfeiture, until the mortgagee or land con-  
19 tract vendor subsequently transfers the property. If a mortgagee  
20 does not transfer the property within 1 year of the expiration of  
21 any applicable redemption period, the property shall be adjusted  
22 under subsection (3).

23 (e) A transfer by redemption by the person to whom taxes are  
24 assessed of property previously sold for delinquent taxes.

25 (f) A conveyance to a trust if the sole present beneficiary  
26 of the trust is the settlor or the settlor's spouse.



1 (g) A transfer pursuant to a judgment or order of a court of  
2 record making or ordering a transfer, unless a specific monetary  
3 consideration is specified or ordered by the court for the  
4 transfer.

5 (h) A transfer creating or terminating a joint tenancy  
6 between 2 or more persons if at least 1 of the persons is an  
7 original owner of the property when the joint tenancy was ini-  
8 tially created and, if the property is held as a joint tenancy at  
9 the time of conveyance, at least 1 of the persons was a joint  
10 tenant when the joint tenancy was initially created and that  
11 person has remained a joint tenant since the joint tenancy was  
12 initially created. A joint owner at the time of the last trans-  
13 fer of the property is an original owner of the property. For  
14 purposes of this subdivision, a person is an original owner of  
15 property owned by that person's spouse.

16 (i) A transfer for security or an assignment or discharge of  
17 a security interest.

18 (j) A transfer of real property or other ownership interests  
19 among members of an affiliated group. As used in this subsec-  
20 tion, "affiliated group" means 1 or more corporations connected  
21 by stock ownership to a common parent corporation. Upon request  
22 by the state tax commission, a corporation shall furnish proof  
23 that a transfer meets the requirements of this subdivision. A  
24 corporation that fails to comply with a request by the state tax  
25 commission under this subdivision is subject to the penalties set  
26 forth in section 27b.

1       (k) Normal public trading of shares of stock or other  
2 ownership interests that, over any period of time, cumulatively  
3 represent more than 50% of the total ownership interest in a cor-  
4 poration or other legal entity and are traded in multiple trans-  
5 actions involving unrelated individuals, institutions, or other  
6 legal entities.

7       (l) A transfer of real property or other ownership interests  
8 among corporations, partnerships, limited liability companies,  
9 limited liability partnerships, or other legal entities if the  
10 entities involved are commonly controlled. Upon request by the  
11 state tax commission, a corporation, partnership, limited liabil-  
12 ity company, limited liability partnership, or other legal entity  
13 shall furnish proof that a transfer meets the requirements of  
14 this subdivision. A corporation, partnership, limited liability  
15 company, limited liability partnership, or other legal entity  
16 that fails to comply with a request by the state tax commission  
17 under this subdivision is subject to the penalties set forth in  
18 section 27b.

19       (m) A direct or indirect transfer of real property or other  
20 ownership interests resulting from a transaction that qualifies  
21 as a tax-free reorganization under section 368 of the internal  
22 revenue code of 1986, 26 U.S.C. 368. Upon request by the state  
23 tax commission, a property owner shall furnish proof that a  
24 transfer meets the requirements of this subdivision. A property  
25 owner who fails to comply with a request by the state tax commis-  
26 sion under this subdivision is subject to the penalties set forth  
27 in section 27b.

1       (8) The register of deeds of the county where deeds or other  
2 title documents are recorded shall notify the assessing officer  
3 of the appropriate local taxing unit not less than once each  
4 month of any recorded transaction involving the ownership of  
5 property. Unless notification is provided under subsection (6)  
6 or (7) OR A HOMESTEAD PROPERTY TAX EXEMPTION AFFIDAVIT FOR THE  
7 PROPERTY IS FILED UNDER SECTION 7CC, the buyer, grantee, or other  
8 transferee of the property shall notify the appropriate assessing  
9 office in the local unit of government in which the property is  
10 located of the transfer of ownership of the property within 45  
11 days of the transfer of ownership, on a form prescribed by the  
12 state tax commission that states the parties to the transfer, the  
13 date of the transfer, the actual consideration for the transfer,  
14 and the property's parcel identification number or legal  
15 description. This subsection does not apply to personal property  
16 except buildings described in section 14(6) and personal property  
17 described in section 8(h), (i), and (j).

18       (9) As used in this section:

19       (a) "Additions" means that term as defined in section 34d.

20       (b) "Beneficial use" means the right to possession, use, and  
21 enjoyment of property, limited only by encumbrances, easements,  
22 and restrictions of record.

23       (c) "Inflation rate" means that term as defined in section  
24 34d.

25       (d) "Losses" means that term as defined in section 34d.