

HOUSE BILL No. 6191

September 24, 1998, Introduced by Reps. Tesanovich, Prusi, Hale, Anthony, Scott and Parks and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 7cc and 7dd (MCL 211.7cc and 211.7dd), as
amended by 1996 PA 476.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7cc. (1) A homestead is exempt from the tax levied by
2 a local school district for school operating purposes to the
3 extent provided under section 1211 of the revised school code,
4 ~~Act No. 451 of the Public Acts of 1976, being section 380.1211~~
5 ~~of the Michigan Compiled Laws~~ 1976 PA 451, MCL 380.1211, if an
6 owner of that homestead claims an exemption as provided in this
7 section. Notwithstanding the tax day provided in section 2, the
8 status of property as a homestead shall be determined on the date
9 an affidavit claiming an exemption is filed under subsection
10 (2).

1 (2) An owner of property may claim an exemption under this
2 section by filing an affidavit on or before May 1 with the local
3 tax collecting unit in which the property is located. The affi-
4 davit shall state that the property is owned and occupied as a
5 homestead by that owner of the property on the date that the
6 affidavit is signed. IF AN OFFICIAL OF A LOCAL GOVERNMENTAL UNIT
7 IS REQUIRED TO RESIDE IN AN OFFICIAL RESIDENCE OWNED BY THE LOCAL
8 GOVERNMENTAL UNIT, THE OFFICIAL MAY CLAIM AS HIS OR HER HOMESTEAD
9 THE OFFICIAL'S PRINCIPAL RESIDENCE AS THAT TERM IS DEFINED IN
10 SECTION 7DD. The affidavit shall be on a form prescribed by the
11 department of treasury. Beginning in 1995, 1 copy of the affida-
12 vit shall be retained by the owner, 1 copy shall be retained by
13 the local tax collecting unit until any appeal or audit period
14 under this act has expired, and 1 copy shall be forwarded to the
15 department of treasury pursuant to subsection (4), together with
16 all information submitted under subsection (22) for a cooperative
17 housing corporation. Beginning in 1995, the affidavit shall
18 require the owner claiming the exemption to indicate if that
19 owner has claimed another exemption on property in this state
20 that is not rescinded. If the affidavit requires an owner to
21 include a social security number, that owner's number is subject
22 to the disclosure restrictions in ~~Act No. 122 of the Public Acts~~
23 ~~of 1941, being sections 205.1 to 205.31 of the Michigan Compiled~~
24 ~~Laws~~ 1941 PA 122, MCL 205.1 TO 205.31.

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

1 (4) Upon receipt of an affidavit filed under subsection (2)
2 and unless the claim is denied under subsection (6), the assessor
3 shall exempt the property from the collection of the tax levied
4 by a local school district for school operating purposes to the
5 extent provided under section 1211 of ~~Act No. 451 of the Public~~
6 ~~Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211,
7 as provided in subsection (1) until December 31 of the year in
8 which the property is transferred or is no longer a homestead as
9 defined in section 7dd. The local tax collecting unit shall for-
10 ward copies of affidavits to the department of treasury according
11 to a schedule prescribed by the department of treasury.

12 (5) Not more than 90 days after exempted property is no
13 longer used as a homestead by the owner claiming an exemption,
14 that owner shall rescind the claim of exemption by filing with
15 the local tax collecting unit a rescission form prescribed by the
16 department of treasury. Beginning October 1, 1994, an owner who
17 fails to file a rescission as required by this subsection is
18 subject to a penalty of \$5.00 per day for each separate failure
19 beginning after the 90 days have elapsed, up to a maximum of
20 \$200.00. This penalty shall be collected under ~~Act No. 122 of~~
21 ~~the Public Acts of 1941~~ 1941 PA 122, MCL 205.1 TO 205.31, and
22 shall be deposited in the state school aid fund established in
23 section 11 of article IX of the state constitution of 1963. This
24 penalty may be waived by the department of treasury.

25 (6) If the assessor of the local tax collecting unit
26 believes that the property for which an exemption is claimed is
27 not the homestead of the owner claiming the exemption, effective

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

21 (7) The department of treasury shall determine if the prop-
22 erty is the homestead of the owner claiming the exemption. The
23 department of treasury may review the validity of exemptions for
24 the current calendar year and for the 3 immediately preceding
25 calendar years. If the department of treasury determines that
26 the property is not the homestead of the owner claiming the
27 exemption, the department shall send a notice of that

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

1 possession, the tax roll shall be amended to reflect the denial
2 and the county treasurer shall prepare and submit a supplemental
3 tax bill for any additional taxes, together with any interest and
4 penalties. For taxes levied in 1994 only, the county treasurer
5 shall waive any interest and penalties due if the owner pays the
6 supplemental tax bill not more than 30 days after the owner
7 receives the supplemental tax bill. Interest and penalties shall
8 not be assessed for any period before February 14, 1995.

9 However, if the property has been transferred to a bona fide pur-
10 chaser before additional taxes were billed to the seller as a
11 result of the denial of a claim for exemption, the taxes, inter-
12 est, and penalties shall not be billed to the bona fide purchas-
13 er, and the local tax collecting unit if the local tax collecting
14 unit has possession of the tax roll or the county treasurer if
15 the county has possession of the tax roll shall notify the
16 department of treasury of the amount of tax due and interest
17 through the date of that notification. The department of trea-
18 sury shall then assess the owner who claimed the homestead prop-
19 erty tax exemption for the tax and interest plus penalty accruing
20 as a result of the denial of the claim for exemption, if any, as
21 for unpaid taxes provided under ~~Act No. 122 of the Public Acts~~
22 ~~of 1941~~ 1941 PA 122, MCL 205.1 TO 205.31, and shall deposit any
23 tax, interest, or penalty collected into the state school aid
24 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. The assessor
25 of the local tax collecting unit in which that property is
26 located shall notify the treasurer in possession of the tax roll
27 for a year for which the exemption is rescinded. If the tax roll

1 is in the local tax collecting unit's possession, the tax roll
2 shall be amended to reflect the rescission and the local trea-
3 surer shall prepare and issue a corrected tax bill for previously
4 unpaid taxes with interest and penalties computed based on the
5 interest and penalties that would have accrued from the date the
6 taxes were originally levied if there had not been an exemption
7 for that year. If the tax roll is in the county treasurer's pos-
8 session, the tax roll shall be amended to reflect the rescission
9 and the county treasurer shall prepare and submit a supplemental
10 tax bill for any additional taxes, together with any interest and
11 penalties. However, if the property has been transferred to a
12 bona fide purchaser, the taxes, interest, and penalties shall not
13 be billed to the bona fide purchaser, and the local tax collect-
14 ing unit if the local tax collecting unit has possession of the
15 tax roll or the county treasurer if the county has possession of
16 the tax roll shall notify the department of treasury of the
17 amount of tax due and interest through the date of that
18 notification. The department of treasury shall then assess the
19 owner who received the homestead property tax exemption when the
20 property was not a homestead as defined in section 7dd for the
21 tax and interest plus penalty accruing, if any, as for unpaid
22 taxes provided under ~~Act No. 122 of the Public Acts of 1941~~
23 1941 PA 122, MCL 205.1 TO 205.31, shall deposit any tax, inter-
24 est, or penalty collected into the state school aid fund.

25 (10) An owner of property for which a claim of exemption is
26 rescinded may appeal that rescission with either the July or
27 December board of review in either the year for which the

1 exemption is rescinded or in the immediately succeeding year. If
2 an appeal of a rescission of a claim for exemption is received
3 not later than 5 days prior to the date of the December board of
4 review, the local tax collecting unit shall convene a December
5 board of review and consider the appeal pursuant to this section
6 and section 53b. An owner of property for which a claim of
7 exemption is rescinded may appeal the decision of the board of
8 review to the residential and small claims division of the
9 Michigan tax tribunal within 35 days of that decision.

10 (11) If the homestead is part of a unit in a multiple-unit
11 dwelling or a dwelling unit in a multiple-purpose structure, an
12 owner shall claim an exemption for only that portion of the total
13 taxable value of the property used as the homestead of that owner
14 in a manner prescribed by the department of treasury. If a por-
15 tion of a parcel for which the owner claims an exemption is used
16 for a purpose other than as a homestead, the owner shall claim an
17 exemption for only that portion of the taxable value of the prop-
18 erty used as the homestead of that owner in a manner prescribed
19 by the department of treasury.

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

24 (13) The department of treasury shall make available the
25 affidavit forms and the forms to rescind an exemption, which may
26 be on the same form, to all city and township assessors, county
27 equalization officers, county registers of deeds, and closing

1 agents. A person who prepares a closing statement for the sale
2 of property shall provide affidavit and rescission forms to the
3 buyer and seller at the closing and, if requested by the buyer or
4 seller after execution by the buyer or seller, shall file the
5 forms with the local tax collecting unit in which the property is
6 located. If a closing statement preparer fails to provide home-
7 stead exemption affidavit and rescission forms to the buyer and
8 seller, or fails to file the affidavit and rescission forms with
9 the local tax collecting unit if requested by the buyer or
10 seller, the buyer may appeal to the department of treasury within
11 30 days of notice to the buyer that an exemption was not
12 recorded. If the department of treasury determines that the
13 buyer qualifies for the exemption, the department of treasury
14 shall notify the assessor of the local tax collecting unit that
15 the exemption is granted and the assessor of the local tax col-
16 lecting unit or, if the tax roll is in the possession of the
17 county treasurer, the county treasurer shall correct the tax roll
18 to reflect the exemption. This subsection does not create a
19 cause of action at law or in equity against a closing statement
20 preparer who fails to provide homestead exemption affidavit and
21 rescission forms to a buyer and seller or who fails to file the
22 affidavit and rescission forms with the local tax collecting unit
23 when requested to do so by the buyer or seller.

24 (14) An owner who owned and occupied a homestead on May 1
25 for which the exemption was not on the tax roll may file an
26 appeal with the July board of review in the year for which the
27 exemption was claimed or the immediately succeeding year or with

1 the December board of review in the year for which the exemption
2 was claimed or the immediately succeeding year. If an appeal of
3 a claim for exemption that was not on the tax roll is received
4 not later than 5 days prior to the date of the December board of
5 review, the local tax collecting unit shall convene a December
6 board of review and consider the appeal pursuant to this section
7 and section 53b.

8 (15) In 1994 only, an owner who owns and occupies a home-
9 stead after May 1 and before October 3 for which an affidavit was
10 not filed in 1994 may file an affidavit as provided in subsection
11 (2) not later than October 3, 1994. Upon receipt, the assessor
12 shall exempt the property from 50% of the number of mills levied
13 in 1994 under section 1211 of ~~Act No. 451 of the Public Acts of~~
14 ~~1976~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211, from
15 which homesteads are exempt, not to exceed 50% of the total
16 number of mills from which homesteads are exempt in 1994, on the
17 December tax roll. If there is not a December levy of the tax
18 under section 1211 of ~~Act No. 451 of the Public Acts of 1976~~
19 THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211, the owner may
20 appear in person or by mail before the December board of review
21 and obtain a rebate as provided in section 53b of 50% of the
22 number of mills levied in 1994 under section 1211 of ~~Act No. 451~~
23 ~~of the Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451,
24 MCL 380.1211, from which homesteads are exempt, not to exceed 50%
25 of the total number of mills from which homesteads are exempt in
26 1994. If an affidavit is not filed as provided in this
27 subsection, the owner may appear in person or by mail before the

1 July or December board of review in 1994 or the July or December
2 board of review in 1995 and obtain a rebate of 50% of the number
3 of mills levied in 1994 under section 1211 of ~~Act No. 451 of the~~
4 ~~Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451,
5 MCL 380.1211, from which homesteads are exempt, not to exceed 50%
6 of the total number of mills from which homesteads are exempt in
7 1994. This subsection does not apply unless the 1994 assessment
8 of the property is based on the valuation of a homestead or a
9 portion of a structure that has become a homestead. An affidavit
10 filed under this subsection is subject to all the provisions of
11 this section.

12 (16) An owner who owns and occupies a homestead for which
13 the exemption was on the tax roll in 1995 and each year after
14 1995 and for which an exemption was not on the tax roll in 1994
15 may appeal to the department of treasury before December 31, 1997
16 to have an exemption placed on the 1994 tax roll if all of the
17 following conditions are satisfied:

18 (a) The owner owned and occupied that homestead on May 1,
19 1994 or the owner owned and occupied that homestead after May 1,
20 1994 but before October 3, 1994.

21 (b) If a claim of exemption was denied in 1994, the owner
22 did not timely appeal that denial as provided in this section.

23 (c) The owner has owned and occupied that homestead since
24 1994.

25 (17) If the department of treasury grants a claim of exemp-
26 tion for 1994 under subsection (16), the county treasurer with
27 possession of the tax roll being adjusted shall amend the 1994

1 tax roll to reflect the exemption and shall issue a corrected tax
2 bill as follows:

3 (a) If the owner owned and occupied that homestead on May 1,
4 1994, that homestead is exempt from the tax levied in 1994 for
5 school operating purposes to the extent provided under
6 section 1211 of ~~Act No. 451 of the Public Acts of 1976~~ THE
7 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211, pursuant to
8 subsection (1).

9 (b) If the owner owned and occupied that homestead after May
10 1, 1994 but before October 3, 1994, that homestead is exempt from
11 50% of the number of mills levied in 1994 under section 1211 of
12 ~~Act No. 451 of the Public Acts of 1976~~ pursuant to
13 ~~subsection (14)~~ THE REVISED SCHOOL CODE, 1976 PA 451,
14 MCL 380.1211.

15 (18) If the department of treasury denies a claim of exemp-
16 tion for 1994 under subsection (16), an owner may appeal that
17 denial to the residential and small claims division of the
18 Michigan tax tribunal within 35 days of that denial.

19 (19) If the assessor or treasurer of the local tax collect-
20 ing unit believes that the department of treasury erroneously
21 denied a claim for exemption, the assessor or treasurer may
22 submit written information supporting the owner's claim for
23 exemption to the department of treasury within 35 days of the
24 owner's receipt of the notice denying the claim for exemption.
25 If, after reviewing the information provided, the department of
26 treasury determines that the claim for exemption was erroneously

1 denied, the department of treasury shall grant the exemption and
2 the tax roll shall be amended to reflect the exemption.

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

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

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

10 (22) For tax years beginning on and after January 1, 1994, a
11 cooperative housing corporation is entitled to a full or partial
12 exemption under this section for the tax year in which the coop-
13 erative housing corporation files all of the following with the
14 local tax collecting unit in which the cooperative housing corpo-
15 ration is located if filed on or before May 1 of the tax year, or
16 for the tax year following the year in which all of the following
17 are filed if filed after May 1 of the tax year:

18 (a) An affidavit form.

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

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

1 (d) A statement of the total number of units of the
2 cooperative housing corporation on which an exemption under this
3 section was claimed and that were transferred in the tax year
4 immediately preceding the tax year in which the filing under this
5 section was made.

6 Sec. 7dd. As used in sections 7cc and 7ee:

7 (a) "Homestead" means that portion of a dwelling or unit in
8 a multiple-unit dwelling that is subject to ad valorem taxes and
9 is owned and occupied as a principal residence by an owner of the
10 dwelling or unit. Homestead also includes all of an owner's
11 unoccupied property classified as residential that is adjoining
12 or contiguous to the dwelling subject to ad valorem taxes and
13 that is owned and occupied as a principal residence by the
14 owner. Contiguity is not broken by a road, a right-of-way, or
15 property purchased or taken under condemnation proceedings by a
16 public utility for power transmission lines if the 2 parcels sep-
17 arated by the purchased or condemned property were a single
18 parcel prior to the sale or condemnation. Homestead also
19 includes any portion of a principal residence of an owner that is
20 rented or leased to another person as a residence as long as that
21 portion of the principal residence that is rented or leased is
22 less than 50% of the total square footage of living space in that
23 principal residence. Homestead also includes a life care facil-
24 ity registered under the living care disclosure act, ~~Act No. 440~~
25 ~~of the Public Acts of 1976, being sections 554.801 to 554.844 of~~
26 ~~the Michigan Compiled Laws 1976 PA 440, MCL 554.801 TO 554.844.~~
27 Homestead also includes property owned by a cooperative housing

1 corporation and occupied as a principal residence by tenant
2 stockholders.

3 (b) "Owner" means any of the following:

4 (i) A person who owns property or who is purchasing property
5 under a land contract.

6 (ii) A person who is a partial owner of property.

7 (iii) A person who owns property as a result of being a ben-
8 eficiary of a will or trust or as a result of intestate
9 succession.

10 (iv) A person who owns or is purchasing a dwelling on leased
11 land.

12 (v) A person holding a life lease in property previously
13 sold or transferred to another.

14 (vi) A grantor who has placed the property in a revocable
15 trust or a qualified personal residence trust.

16 (vii) A cooperative housing corporation.

17 (viii) A facility registered under ~~Act No. 440 of the~~
18 ~~Public Acts of 1976~~ THE LIVING CARE DISCLOSURE ACT, 1976 PA 440,
19 MCL 554.801 TO 554.844.

20 (c) "Person", for purposes of defining owner as used in
21 section 7cc, means an individual and for purposes of defining
22 owner as used in section 7ee means an individual, partnership,
23 corporation, limited liability company, association, or other
24 legal entity.

25 (d) "Principal residence" means the 1 place where a person
26 has his or her true, fixed, and permanent home to which, whenever
27 absent, he or she intends to return and that shall continue as a

1 principal residence until another principal residence is
2 established. PRINCIPAL RESIDENCE DOES NOT INCLUDE RESIDENTIAL
3 PROPERTY OWNED BY A LOCAL GOVERNMENTAL UNIT THAT IS PROVIDED AS
4 AN OFFICIAL RESIDENCE FOR AN OFFICIAL OF THE LOCAL GOVERNMENTAL
5 UNIT. IF AN OFFICIAL OF A LOCAL GOVERNMENTAL UNIT IS REQUIRED TO
6 RESIDE IN AN OFFICIAL RESIDENCE OWNED BY THE LOCAL GOVERNMENTAL
7 UNIT, THE OFFICIAL'S PRINCIPAL RESIDENCE IS THE 1 PLACE WHERE HE
8 OR SHE INTENDS TO RETURN AFTER HIS OR HER OBLIGATION TO RESIDE IN
9 THE OFFICIAL RESIDENCE TERMINATES.

10 (e) "Qualified agricultural property" means unoccupied prop-
11 erty and related buildings classified as agricultural, or other
12 unoccupied property and related buildings located on that prop-
13 erty devoted primarily to agricultural use as defined in section
14 36101 of part 361 (farmland and open space preservation) of the
15 natural resources and environmental protection act, ~~Act No. 451~~
16 ~~of the Public Acts of 1994, being section 324.36101 of the~~
17 ~~Michigan Compiled Laws— 1994 PA 451, MCL 324.36101.~~ Related
18 buildings include a residence occupied by a person employed in or
19 actively involved in the agricultural use and who has not claimed
20 a homestead exemption on other property. Property used for com-
21 mercial storage, commercial processing, commercial distribution,
22 commercial marketing, or commercial shipping operations or other
23 commercial or industrial purposes is not qualified agricultural
24 property. A parcel of property is devoted primarily to agricul-
25 tural use only if more than 50% of the parcel's acreage is
26 devoted to agricultural use. An owner shall not receive an
27 exemption for that portion of the total state equalized valuation

1 of the property that is used for a commercial or industrial
2 purpose or that is a residence that is not a related building.