

HOUSE BILL No. 6482

September 18, 2008, Introduced by Reps. Moore, Calley, DeRoche, Pavlov, Green, Horn, Opsommer and Hansen and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 53b (MCL 211.53b), as amended by 2008 PA 122,
and by adding section 7qq.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7QQ. (1) EXCEPT AS OTHERWISE LIMITED IN THIS SUBSECTION,
2 QUALIFIED FORECLOSED PROPERTY IS EXEMPT FROM THE TAX LEVIED BY A
3 LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES TO THE EXTENT
4 PROVIDED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA
5 451, MCL 380.1211, ACCORDING TO THE PROVISIONS OF THIS SECTION.

6 (2) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1), THE OWNER OF
7 QUALIFIED FORECLOSED PROPERTY SHALL FILE AN AFFIDAVIT CLAIMING THE
8 EXEMPTION WITH THE LOCAL TAX COLLECTING UNIT BY DECEMBER 31.

1 (3) THE AFFIDAVIT SHALL BE ON A FORM PRESCRIBED BY THE
2 DEPARTMENT OF TREASURY AND SHALL REQUIRE THE PERSON SUBMITTING THE
3 AFFIDAVIT TO ATTEST THAT THE PROPERTY FOR WHICH THE EXEMPTION IS
4 CLAIMED IS QUALIFIED FORECLOSED PROPERTY.

5 (4) THE ASSESSOR SHALL DETERMINE IF THE PROPERTY IS QUALIFIED
6 FORECLOSED PROPERTY AND IF SO SHALL EXEMPT THE PROPERTY FROM THE
7 COLLECTION OF THE TAX AS PROVIDED IN SUBSECTION (1) UNTIL DECEMBER
8 31 OF THE YEAR IN WHICH THE PROPERTY IS NO LONGER QUALIFIED
9 FORECLOSED PROPERTY OR 3 YEARS AFTER THE PROPERTY IS FIRST EXEMPT
10 UNDER THIS SECTION, WHICHEVER OCCURS FIRST.

11 (5) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE
12 EXEMPTED PROPERTY IS NO LONGER QUALIFIED FORECLOSED PROPERTY, THE
13 OWNER SHALL RESCIND THE EXEMPTION FOR THE APPLICABLE PORTION OF THE
14 PROPERTY BY FILING WITH THE LOCAL TAX COLLECTING UNIT A RESCISSION
15 FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. AN OWNER WHO FAILS
16 TO FILE A RESCISSION AS REQUIRED BY THIS SUBSECTION IS SUBJECT TO A
17 PENALTY OF \$5.00 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER
18 THE 90 DAYS HAVE ELAPSED, UP TO A MAXIMUM OF \$1,000.00. THIS
19 PENALTY SHALL BE COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31,
20 AND SHALL BE DEPOSITED IN THE GENERAL FUND OF THIS STATE.

21 (6) AN OWNER OF PROPERTY THAT IS QUALIFIED FORECLOSED PROPERTY
22 ON DECEMBER 31 FOR WHICH AN EXEMPTION WAS NOT ON THE TAX ROLL MAY
23 FILE AN APPEAL WITH THE JULY OR DECEMBER BOARD OF REVIEW UNDER
24 SECTION 53B IN THE YEAR THE EXEMPTION WAS CLAIMED OR THE
25 IMMEDIATELY SUCCEEDING YEAR. AN OWNER OF PROPERTY THAT IS QUALIFIED
26 FORECLOSED PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS DENIED BY
27 THE ASSESSOR IN THE YEAR THE AFFIDAVIT WAS FILED MAY FILE AN APPEAL

1 WITH THE JULY BOARD OF REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT
2 A SUMMER LEVY OF SCHOOL OPERATING TAXES, WITH THE DECEMBER BOARD OF
3 REVIEW UNDER SECTION 53B.

4 (7) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
5 THAT THE PROPERTY FOR WHICH AN EXEMPTION HAS BEEN GRANTED IS NOT
6 QUALIFIED FORECLOSED PROPERTY, THE ASSESSOR MAY DENY OR MODIFY AN
7 EXISTING EXEMPTION BY NOTIFYING THE OWNER IN WRITING AT THE TIME
8 REQUIRED FOR PROVIDING A NOTICE UNDER SECTION 24C. A TAXPAYER MAY
9 APPEAL THE ASSESSOR'S DETERMINATION TO THE BOARD OF REVIEW MEETING
10 UNDER SECTION 30. A DECISION OF THE BOARD OF REVIEW MAY BE APPEALED
11 TO THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE MICHIGAN TAX
12 TRIBUNAL.

13 (8) IF PROPERTY FOR WHICH AN EXEMPTION HAS BEEN GRANTED UNDER
14 THIS SECTION IS NOT QUALIFIED FORECLOSED PROPERTY, THE PROPERTY
15 THAT HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED
16 ON THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX
17 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
18 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH
19 THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE
20 ISSUED FOR EACH TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING
21 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX
22 ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE
23 TAX ROLL.

24 (9) AS USED IN THIS SECTION, "QUALIFIED FORECLOSED PROPERTY"
25 MEANS EITHER OF THE FOLLOWING:

26 (A) PROPERTY OWNED BY A BANK, SAVINGS AND LOAN, OR OTHER
27 FINANCIAL INSTITUTION AS A RESULT OF MORTGAGE FORECLOSURE

1 PROCEEDINGS IF THAT PROPERTY HAD BEEN EXEMPT AS A PRINCIPAL
2 RESIDENCE UNDER SECTION 7CC WHEN MORTGAGE FORECLOSURE PROCEEDINGS
3 WERE INITIATED.

4 (B) PROPERTY THAT HAD BEEN EXEMPT AS A PRINCIPAL RESIDENCE
5 UNDER SECTION 7CC WHEN MORTGAGE FORECLOSURE PROCEEDINGS WERE
6 INITIATED AND THAT WAS PURCHASED FROM A BANK, SAVINGS AND LOAN, OR
7 OTHER FINANCIAL INSTITUTION AFTER THAT BANK, SAVINGS AND LOAN, OR
8 OTHER FINANCIAL INSTITUTION INITIATED FORECLOSURE PROCEEDINGS, THAT
9 IS NOT OCCUPIED, IS FOR SALE, IS NOT LEASED, AND IS NOT USED FOR
10 ANY BUSINESS OR COMMERCIAL PURPOSE.

11 Sec. 53b. (1) If there has been a qualified error, the
12 qualified error shall be verified by the local assessing officer
13 and approved by the board of review. Except as otherwise provided
14 in subsection (7), the board of review shall meet for the purposes
15 of this section on Tuesday following the second Monday in December
16 and, for summer property taxes, on Tuesday following the third
17 Monday in July. Except as otherwise provided in subsection (7), if
18 there is not a levy of summer property taxes, the board of review
19 may meet for the purposes of this section on Tuesday following the
20 third Monday in July. If approved, the board of review shall file
21 an affidavit within 30 days relative to the qualified error with
22 the proper officials and all affected official records shall be
23 corrected. If the qualified error results in an overpayment or
24 underpayment, the rebate, including any interest paid, shall be
25 made to the taxpayer or the taxpayer shall be notified and payment
26 made within 30 days of the notice. A rebate shall be without
27 interest. The treasurer in possession of the appropriate tax roll

1 may deduct the rebate from the appropriate tax collecting unit's
2 subsequent distribution of taxes. The treasurer in possession of
3 the appropriate tax roll shall bill to the appropriate tax
4 collecting unit the tax collecting unit's share of taxes rebated.
5 Except as otherwise provided in subsection (6) and section 27a(4),
6 a correction under this subsection may be made in the year in which
7 the qualified error was made or in the following year only.

8 (2) Action pursuant to this section may be initiated by the
9 taxpayer or the assessing officer.

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

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

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

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

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

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

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

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

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

8 (b) A mutual mistake of fact.

9 (c) An adjustment under section 27a(4) or an exemption under
10 section 7hh(3)(b).

11 (d) For board of review determinations in 2006 through 2009, 1
12 or more of the following:

13 (i) An error of measurement or calculation of the physical
14 dimensions or components of the real property being assessed.

15 (ii) An error of omission or inclusion of a part of the real
16 property being assessed.

17 (iii) An error regarding the correct taxable status of the real
18 property being assessed.

19 (iv) An error made by the taxpayer in preparing the statement
20 of assessable personal property under section 19.

21 Enacting section 1. This amendatory act does not take effect
22 unless Senate Bill No. ____ or House Bill No. 6483(request no.
23 07934'08 a) of the 94th Legislature is enacted into law.