

HOUSE BILL No. 4122

January 27, 2009, Introduced by Rep. LeBlanc and referred to the Committee on Tax Policy.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7NN. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2008, NEW
2 CONSTRUCTION ON DEVELOPMENT PROPERTY IS EXEMPT FROM THE COLLECTION
3 OF TAXES UNDER THIS ACT FOR 24 MONTHS OR UNTIL THE NEW CONSTRUCTION
4 IS NO LONGER LOCATED ON DEVELOPMENT PROPERTY, WHICHEVER OCCURS
5 FIRST.

6 (2) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1), AN OWNER OF
7 DEVELOPMENT PROPERTY SHALL FILE AN AFFIDAVIT CLAIMING THE EXEMPTION
8 WITH THE LOCAL TAX COLLECTING UNIT BY MAY 1. THE AFFIDAVIT SHALL BE
9 ON A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY.

10 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2),

1 THE ASSESSOR SHALL DETERMINE IF THE REAL PROPERTY ON WHICH NEW
2 CONSTRUCTION IS LOCATED IS DEVELOPMENT PROPERTY. IF THE REAL
3 PROPERTY IS DEVELOPMENT PROPERTY, THE ASSESSOR SHALL EXEMPT THE NEW
4 CONSTRUCTION LOCATED ON THAT DEVELOPMENT PROPERTY FROM THE
5 COLLECTION OF TAXES UNDER THIS ACT FOR 24 MONTHS OR UNTIL THE NEW
6 CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT PROPERTY,
7 WHICHEVER OCCURS FIRST.

8 (4) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE
9 EXEMPTED NEW CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT
10 PROPERTY, AN OWNER SHALL RESCIND THE EXEMPTION FOR THE NEW
11 CONSTRUCTION BY FILING WITH THE LOCAL TAX COLLECTING UNIT A
12 RESCISSION FORM. THE RESCISSION FORM SHALL BE AS PRESCRIBED BY THE
13 DEPARTMENT OF TREASURY.

14 (5) AN OWNER OF EXEMPTED NEW CONSTRUCTION THAT IS NO LONGER
15 LOCATED ON DEVELOPMENT PROPERTY WHO FAILS TO FILE A RESCISSION FORM
16 AS REQUIRED UNDER SUBSECTION (4) IS SUBJECT TO A PENALTY OF \$5.00
17 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER THE 90 DAYS HAVE
18 ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY SHALL BE
19 COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND SHALL BE
20 DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF
21 ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS PENALTY MAY BE
22 WAIVED BY THE DEPARTMENT OF TREASURY.

23 (6) AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON
24 DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS NOT ON THE
25 TAX ROLL MAY FILE AN APPEAL WITH THE JULY OR DECEMBER BOARD OF
26 REVIEW IN THE YEAR THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY
27 SUCCEEDING YEAR. AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON

1 DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS DENIED BY
2 THE ASSESSOR IN THE YEAR THE AFFIDAVIT WAS FILED MAY FILE AN APPEAL
3 WITH THE JULY BOARD OF REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT
4 A SUMMER LEVY OF SCHOOL OPERATING TAXES, WITH THE DECEMBER BOARD OF
5 REVIEW.

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

15 (8) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,
16 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT
17 WITHDRAW THE EXEMPTION. IF AN OWNER REQUESTS THAT AN EXEMPTION BE
18 WITHDRAWN, THE LOCAL ASSESSOR SHALL NOTIFY THE OWNER THAT THE
19 EXEMPTION ISSUED UNDER THIS SECTION HAS BEEN DENIED BASED ON THAT
20 OWNER'S REQUEST. IF AN EXEMPTION IS WITHDRAWN, THE NEW CONSTRUCTION
21 THAT HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED
22 ON THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX
23 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
24 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH
25 THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE
26 ISSUED FOR THE TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING
27 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX

1 ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE
2 TAX ROLL. IF AN OWNER REQUESTS THAT AN EXEMPTION UNDER THIS SECTION
3 BE WITHDRAWN BEFORE THAT OWNER IS CONTACTED IN WRITING BY THE LOCAL
4 ASSESSOR REGARDING THAT OWNER'S ELIGIBILITY FOR THE EXEMPTION AND
5 THAT OWNER PAYS THE CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
6 WITHIN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED, THAT OWNER
7 IS NOT LIABLE FOR ANY PENALTY OR INTEREST ON THE ADDITIONAL TAX. AN
8 OWNER WHO PAYS A CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
9 MORE THAN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED IS LIABLE
10 FOR THE PENALTIES AND INTEREST THAT WOULD HAVE ACCRUED IF THE
11 EXEMPTION HAD NOT BEEN GRANTED FROM THE DATE THE TAXES WERE
12 ORIGINALLY LEVIED.

13 (9) AS USED IN THIS SECTION:

14 (A) "DEVELOPMENT PROPERTY" MEANS REAL PROPERTY ON WHICH A
15 RESIDENTIAL DWELLING, CONDOMINIUM UNIT, OR OTHER STRUCTURE IS
16 LOCATED, WHICH RESIDENTIAL DWELLING, CONDOMINIUM UNIT, OR OTHER
17 STRUCTURE IS NOT OCCUPIED AND HAS NEVER BEEN OCCUPIED.

18 (B) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION
19 34D.