

HOUSE BILL No. 5165

November 10, 2011, Introduced by Reps. Agema, Glardon, Bumstead, Genetski, Lori, Shirkey, Nesbitt, MacMaster, Yonker and Kowall 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 700.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 700. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2011, NEW
2 CONSTRUCTION ON DEVELOPMENT PROPERTY IS EXEMPT FROM THE TAX LEVIED
3 BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES TO THE
4 EXTENT PROVIDED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976
5 PA 451, MCL 380.1211, FOR 24 MONTHS OR UNTIL THE NEW CONSTRUCTION
6 IS NO LONGER LOCATED ON DEVELOPMENT PROPERTY, WHICHEVER OCCURS
7 FIRST.

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

1 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2),
2 THE ASSESSOR SHALL DETERMINE IF THE REAL PROPERTY ON WHICH NEW
3 CONSTRUCTION IS LOCATED IS DEVELOPMENT PROPERTY. IF THE REAL
4 PROPERTY IS DEVELOPMENT PROPERTY, THE ASSESSOR SHALL EXEMPT THE NEW
5 CONSTRUCTION LOCATED ON THAT DEVELOPMENT PROPERTY FROM THE TAX
6 LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES TO
7 THE EXTENT PROVIDED UNDER SECTION 1211 OF THE REVISED SCHOOL CODE,
8 1976 PA 451, MCL 380.1211, FOR 24 MONTHS OR UNTIL THE NEW
9 CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT PROPERTY,
10 WHICHEVER OCCURS FIRST.

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

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

26 (6) AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON
27 DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS NOT ON THE

1 TAX ROLL MAY FILE AN APPEAL WITH THE JULY OR DECEMBER BOARD OF
2 REVIEW IN THE YEAR THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY
3 SUCCEEDING YEAR. AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON
4 DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS DENIED BY
5 THE ASSESSOR IN THE YEAR THE AFFIDAVIT WAS FILED MAY FILE AN APPEAL
6 WITH THE JULY BOARD OF REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT
7 A SUMMER LEVY OF SCHOOL OPERATING TAXES, WITH THE DECEMBER BOARD OF
8 REVIEW.

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

18 (8) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,
19 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT
20 WITHDRAW THE EXEMPTION. IF AN OWNER REQUESTS THAT AN EXEMPTION BE
21 WITHDRAWN, THE LOCAL ASSESSOR SHALL NOTIFY THE OWNER THAT THE
22 EXEMPTION ISSUED UNDER THIS SECTION HAS BEEN DENIED BASED ON THAT
23 OWNER'S REQUEST. IF AN EXEMPTION IS WITHDRAWN, THE NEW CONSTRUCTION
24 THAT HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED
25 ON THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX
26 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
27 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH

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

16 (9) AS USED IN THIS SECTION:

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

21 (B) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION
22 34D.

23 Enacting section 1. This amendatory act does not take effect
24 unless Senate Bill No. ____ or House Bill No. 5166 (request no.
25 04203'11 a) of the 96th Legislature is enacted into law.