

SENATE BILL No. 979

December 6, 2007, Introduced by Senators HARDIMAN, ALLEN, SANBORN, KUIPERS, GILBERT, RICHARDVILLE, BIRKHOLZ, HUNTER, STAMAS, BROWN, KAHN, GEORGE, CLARKE, CLARK-COLEMAN, PAPPAGEORGE, BARCIA, JACOBS, THOMAS and SCOTT and referred to the Committee on Commerce and Tourism.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7ll. (1) THE GOVERNING BODY OF A LOCAL TAX COLLECTING UNIT
2 MAY ADOPT A RESOLUTION TO EXEMPT FROM THE COLLECTION OF TAXES UNDER
3 THIS ACT ALL NEW CONSTRUCTION ON ELIGIBLE DEVELOPMENT PROPERTY
4 LOCATED IN AN ELIGIBLE DISTRICT DESIGNATED IN THE RESOLUTION. THE
5 CLERK OF THE LOCAL TAX COLLECTING UNIT SHALL NOTIFY IN WRITING THE
6 ASSESSOR OF THE LOCAL TAX COLLECTING UNIT IN WHICH THE ELIGIBLE
7 DISTRICT IS LOCATED AND THE LEGISLATIVE BODY OF EACH TAXING UNIT
8 THAT LEVIES AD VALOREM PROPERTY TAXES IN THE LOCAL TAX COLLECTING
9 UNIT IN WHICH THE ELIGIBLE DISTRICT IS LOCATED. BEFORE ACTING ON

1 THE RESOLUTION, THE GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT
2 SHALL AFFORD THE ASSESSOR AND A REPRESENTATIVE OF THE AFFECTED
3 TAXING UNITS AN OPPORTUNITY FOR A HEARING.

4 (2) AFTER ADOPTION OF A RESOLUTION UNDER SUBSECTION (1), AN
5 OWNER OF ELIGIBLE DEVELOPMENT PROPERTY LOCATED IN AN ELIGIBLE
6 DISTRICT MAY CLAIM AN EXEMPTION UNDER THIS SECTION BY FILING AN
7 AFFIDAVIT CLAIMING THE EXEMPTION WITH THE LOCAL TAX COLLECTING UNIT
8 BY MAY 1. THE AFFIDAVIT SHALL BE ON A FORM PRESCRIBED BY THE
9 DEPARTMENT OF TREASURY.

10 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2),
11 THE ASSESSOR SHALL DETERMINE IF THE REAL PROPERTY ON WHICH NEW
12 CONSTRUCTION IS LOCATED IS ELIGIBLE DEVELOPMENT PROPERTY AND IS
13 LOCATED IN AN ELIGIBLE DISTRICT. IF THE REAL PROPERTY IS ELIGIBLE
14 DEVELOPMENT PROPERTY AND IS LOCATED IN AN ELIGIBLE DISTRICT, THE
15 ASSESSOR SHALL EXEMPT THE NEW CONSTRUCTION LOCATED ON THAT ELIGIBLE
16 DEVELOPMENT PROPERTY FROM THE COLLECTION OF TAXES UNDER THIS ACT.

17 (4) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE
18 EXEMPTED NEW CONSTRUCTION IS NO LONGER LOCATED ON ELIGIBLE
19 DEVELOPMENT PROPERTY, AN OWNER SHALL RESCIND THE EXEMPTION FOR THE
20 NEW CONSTRUCTION BY FILING WITH THE LOCAL TAX COLLECTING UNIT A
21 RESCISSION FORM. THE RESCISSION FORM SHALL BE AS PRESCRIBED BY THE
22 DEPARTMENT OF TREASURY.

23 (5) AN OWNER OF EXEMPTED NEW CONSTRUCTION THAT IS NO LONGER
24 LOCATED ON ELIGIBLE DEVELOPMENT PROPERTY WHO FAILS TO FILE A
25 RESCISSION FORM AS REQUIRED UNDER SUBSECTION (4) IS SUBJECT TO A
26 PENALTY OF \$5.00 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER
27 THE 90 DAYS HAVE ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY

1 SHALL BE COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND
2 SHALL BE DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN
3 SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS
4 PENALTY MAY BE WAIVED BY THE DEPARTMENT OF TREASURY.

5 (6) AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON ELIGIBLE
6 DEVELOPMENT PROPERTY THAT IS LOCATED IN AN ELIGIBLE DISTRICT ON MAY
7 1 FOR WHICH AN EXEMPTION WAS NOT ON THE TAX ROLL MAY FILE AN APPEAL
8 WITH THE JULY OR DECEMBER BOARD OF REVIEW IN THE YEAR THE EXEMPTION
9 WAS CLAIMED OR THE IMMEDIATELY SUCCEEDING YEAR. AN OWNER OF NEW
10 CONSTRUCTION THAT IS LOCATED ON ELIGIBLE DEVELOPMENT PROPERTY THAT
11 IS LOCATED IN AN ELIGIBLE DISTRICT ON MAY 1 FOR WHICH AN EXEMPTION
12 WAS DENIED BY THE ASSESSOR IN THE YEAR THE AFFIDAVIT WAS FILED MAY
13 FILE AN APPEAL WITH THE JULY BOARD OF REVIEW FOR SUMMER TAXES OR,
14 IF THERE IS NOT A SUMMER LEVY OF SCHOOL OPERATING TAXES, WITH THE
15 DECEMBER BOARD OF REVIEW.

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

26 (8) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,
27 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT

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

24 (9) AS USED IN THIS SECTION:

25 (A) "ELIGIBLE DEVELOPMENT PROPERTY" MEANS REAL PROPERTY ON
26 WHICH A CONDOMINIUM UNIT OR APARTMENT BUILDING WITH MORE THAN 4
27 UNITS IS LOCATED, WHICH CONDOMINIUM UNIT OR APARTMENT BUILDING IS

1 NOT OCCUPIED AND HAS NEVER BEEN OCCUPIED.

2 (B) "ELIGIBLE DISTRICT" MEANS A DOWNTOWN DISTRICT AS THAT TERM
3 IS DEFINED IN 1975 PA 197, MCL 125.1651 TO 125.1681.

4 (C) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION
5 34D.