

SENATE BILL No. 404

April 21, 2005, Introduced by Senators OLSHOVE, CHERRY, JACOBS, KUIPERS, BERNERO, CLARK-COLEMAN, JELINEK, SCOTT, GOSCHKA and ALLEN and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7cc (MCL 211.7cc), as amended by 2003 PA 247.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7cc. (1) A principal residence is exempt from the tax
2 levied by a local school district for school operating purposes to
3 the extent provided under section 1211 of the revised school code,
4 1976 PA 451, MCL 380.1211, if an owner of that principal residence
5 claims an exemption as provided in this section. Notwithstanding
6 the tax day provided in section 2, the status of property as a
7 principal residence shall be determined on the date an affidavit
8 claiming an exemption is filed under subsection (2).

9 (2) An owner of property may claim an exemption under this

1 section by filing an affidavit on or before May 1 with the local
2 tax collecting unit in which the property is located. **AN OWNER OF**
3 **PROPERTY WHO IS ABSENT FROM HIS OR HER PRINCIPAL RESIDENCE WHILE**
4 **UNDER THE CARE OF ANOTHER PERSON MAY CLAIM AN EXEMPTION UNDER THIS**
5 **SECTION FOR HIS OR HER PRINCIPAL RESIDENCE IF THAT OWNER DOES NOT**
6 **CLAIM AN EXEMPTION FOR OTHER PROPERTY UNDER THIS SECTION, DOES NOT**
7 **RENT HIS OR HER PRINCIPAL RESIDENCE FOR MORE THAN 2 WEEKS PER YEAR,**
8 **AND FILES THE AFFIDAVIT REQUIRED UNDER THIS SECTION.**

9 (3) The affidavit **REQUIRED UNDER THIS SECTION** shall state that
10 the property is owned and occupied as a principal residence by that
11 owner of the property on the date that the affidavit is signed. The
12 affidavit shall be on a form prescribed by the department of
13 treasury. One copy of the affidavit shall be retained by the owner,
14 1 copy shall be retained by the local tax collecting unit until any
15 appeal or audit period under this act has expired, and 1 copy shall
16 be forwarded to the department of treasury pursuant to subsection
17 ~~(4)~~ (5), together with all information submitted under subsection
18 ~~(26)~~ (27) for a cooperative housing corporation. The affidavit
19 shall require the owner claiming the exemption to indicate if that
20 owner or that owner's spouse has claimed another exemption on
21 property in this state that is not rescinded or a substantially
22 similar exemption, deduction, or credit on property in another
23 state that is not rescinded. If the affidavit requires an owner to
24 include a social security number, that owner's number is subject to
25 the disclosure restrictions in 1941 PA 122, MCL 205.1 to 205.31. If
26 an owner of property filed an affidavit for an exemption under this
27 section before January 1, 2004, that affidavit shall be considered

1 the affidavit required under this subsection for a principal
2 residence exemption and that exemption shall remain in effect until
3 rescinded as provided in this section.

4 (4) ~~-(3)-~~ A husband and wife who are required to file or who
5 do file a joint Michigan income tax return are entitled to not more
6 than 1 exemption under this section. For taxes levied after
7 December 31, 2002, a person is not entitled to an exemption under
8 this section if any of the following conditions occur:

9 (a) That person has claimed a substantially similar exemption,
10 deduction, or credit on property in another state that is not
11 rescinded.

12 (b) Subject to subdivision (a), that person or his or her
13 spouse owns property in a state other than this state for which
14 that person or his or her spouse claims an exemption, deduction, or
15 credit substantially similar to the exemption provided under this
16 section, unless that person and his or her spouse file separate
17 income tax returns.

18 (c) That person has filed a nonresident Michigan income tax
19 return, except active duty military personnel stationed in this
20 state with his or her principal residence in this state.

21 (d) That person has filed an income tax return in a state
22 other than this state as a resident, except active duty military
23 personnel stationed in this state with his or her principal
24 residence in this state.

25 (e) That person has previously rescinded an exemption under
26 this section for the same property for which an exemption is now
27 claimed and there has not been a transfer of ownership of that

1 property after the previous exemption was rescinded, if either of
2 the following conditions is satisfied:

3 (i) That person has claimed an exemption under this section for
4 any other property for that tax year.

5 (ii) That person has rescinded an exemption under this section
6 on other property, which exemption remains in effect for that tax
7 year, and there has not been a transfer of ownership of that
8 property.

9 (5) ~~—(4)—~~ Upon receipt of an affidavit filed under subsection
10 (2) and unless the claim is denied under this section, the assessor
11 shall exempt the property from the collection of the tax levied by
12 a local school district for school operating purposes to the extent
13 provided under section 1211 of the revised school code, 1976 PA
14 451, MCL 380.1211, as provided in subsection (1) until December 31
15 of the year in which the property is transferred or is no longer a
16 principal residence as defined in section 7dd. The local tax
17 collecting unit shall forward copies of affidavits to the
18 department of treasury according to a schedule prescribed by the
19 department of treasury.

20 (6) ~~—(5)—~~ Not more than 90 days after exempted property is no
21 longer used as a principal residence by the owner claiming an
22 exemption, that owner shall rescind the claim of exemption by
23 filing with the local tax collecting unit a rescission form
24 prescribed by the department of treasury. An owner who fails to
25 file a rescission as required by this subsection 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 (7) ~~—(6)—~~ If the assessor of the local tax collecting unit
6 believes that the property for which an exemption is claimed is not
7 the principal residence of the owner claiming the exemption, the
8 assessor may deny a new or existing claim by notifying the owner
9 and the department of treasury in writing of the reason for the
10 denial and advising the owner that the denial may be appealed to
11 the residential and small claims division of the Michigan tax
12 tribunal within 35 days after the date of the notice. The assessor
13 may deny a claim for exemption for the current year and for the 3
14 immediately preceding calendar years. If the assessor denies an
15 existing claim for exemption, the assessor shall remove the
16 exemption of the property and, if the tax roll is in the local tax
17 collecting unit's possession, amend the tax roll to reflect the
18 denial and the local treasurer shall within 30 days of the date of
19 the denial issue a corrected tax bill for any additional taxes with
20 interest at the rate of 1.25% per month or fraction of a month and
21 penalties computed from the date the taxes were last payable
22 without interest or penalty. If the tax roll is in the county
23 treasurer's possession, the tax roll shall be amended to reflect
24 the denial and the county treasurer shall within 30 days of the
25 date of the denial prepare and submit a supplemental tax bill for
26 any additional taxes, together with interest at the rate of 1.25%
27 per month or fraction of a month and penalties computed from the

1 date the taxes were last payable without interest or penalty.
2 Interest on any tax set forth in a corrected or supplemental tax
3 bill shall again begin to accrue 60 days after the date the
4 corrected or supplemental tax bill is issued at the rate of 1.25%
5 per month or fraction of a month. Taxes levied in a corrected or
6 supplemental tax bill shall be returned as delinquent on the March
7 1 in the year immediately succeeding the year in which the
8 corrected or supplemental tax bill is issued. If the assessor
9 denies an existing claim for exemption, the interest due shall be
10 distributed as provided in subsection ~~—(23)—~~ **(24)**. However, if the
11 property has been transferred to a bona fide purchaser before
12 additional taxes were billed to the seller as a result of the
13 denial of a claim for exemption, the taxes, interest, and penalties
14 shall not be a lien on the property and shall not be billed to the
15 bona fide purchaser, and the local tax collecting unit if the local
16 tax collecting unit has possession of the tax roll or the county
17 treasurer if the county has possession of the tax roll shall notify
18 the department of treasury of the amount of tax due, interest, and
19 penalties through the date of that notification. The department of
20 treasury shall then assess the owner who claimed the exemption
21 under this section for the tax, interest, and penalties accruing as
22 a result of the denial of the claim for exemption, if any, as for
23 unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and
24 shall deposit any tax or penalty collected into the state school
25 aid fund and shall distribute any interest collected as provided in
26 subsection ~~—(23)—~~ **(24)**. The denial shall be made on a form
27 prescribed by the department of treasury. If the property for which

1 the assessor has denied a claim for exemption under this subsection
2 is located in a county in which the county treasurer or the county
3 equalization director have elected to audit exemptions under
4 subsection ~~-(10)-~~ (11), the assessor shall notify the county
5 treasurer or the county equalization director of the denial under
6 this subsection.

7 (8) ~~-(7)-~~ If the assessor of the local tax collecting unit
8 believes that the property for which the exemption is claimed is
9 not the principal residence of the owner claiming the exemption and
10 has not denied the claim, the assessor shall include a
11 recommendation for denial with any affidavit that is forwarded to
12 the department of treasury or, for an existing claim, shall send a
13 recommendation for denial to the department of treasury, stating
14 the reasons for the recommendation.

15 (9) ~~-(8)-~~ The department of treasury shall determine if the
16 property is the principal residence of the owner claiming the
17 exemption. The department of treasury may review the validity of
18 exemptions for the current calendar year and for the 3 immediately
19 preceding calendar years. If the department of treasury determines
20 that the property is not the principal residence of the owner
21 claiming the exemption, the department shall send a notice of that
22 determination to the local tax collecting unit and to the owner of
23 the property claiming the exemption, indicating that the claim for
24 exemption is denied, stating the reason for the denial, and
25 advising the owner claiming the exemption of the right to appeal
26 the determination to the department of treasury and what those
27 rights of appeal are. The department of treasury may issue a notice

1 denying a claim if an owner fails to respond within 30 days of
2 receipt of a request for information from that department. An owner
3 may appeal the denial of a claim of exemption to the department of
4 treasury within 35 days of receipt of the notice of denial. An
5 appeal to the department of treasury shall be conducted according
6 to the provisions for an informal conference in section 21 of 1941
7 PA 122, MCL 205.21. Within 10 days after acknowledging an appeal of
8 a denial of a claim of exemption, the department of treasury shall
9 notify the assessor and the treasurer for the county in which the
10 property is located that an appeal has been filed. Upon receipt of
11 a notice that the department of treasury has denied a claim for
12 exemption, the assessor shall remove the exemption of the property
13 and, if the tax roll is in the local tax collecting unit's
14 possession, amend the tax roll to reflect the denial and the local
15 treasurer shall within 30 days of the date of the denial issue a
16 corrected tax bill for any additional taxes with interest at the
17 rate of 1.25% per month or fraction of a month and penalties
18 computed from the date the taxes were last payable without interest
19 and penalty. If the tax roll is in the county treasurer's
20 possession, the tax roll shall be amended to reflect the denial and
21 the county treasurer shall within 30 days of the date of the denial
22 prepare and submit a supplemental tax bill for any additional
23 taxes, together with interest at the rate of 1.25% per month or
24 fraction of a month and penalties computed from the date the taxes
25 were last payable without interest or penalty. Interest on any tax
26 set forth in a corrected or supplemental tax bill shall again begin
27 to accrue 60 days after the date the corrected or supplemental tax

1 bill is issued at the rate of 1.25% per month or fraction of a
2 month. Taxes levied in a corrected or supplemental tax bill shall
3 be returned as delinquent on the March 1 in the year immediately
4 succeeding the year in which the corrected or supplemental tax bill
5 is issued. If the department of treasury denies an existing claim
6 for exemption, the interest due shall be distributed as provided in
7 subsection ~~—(23)—~~ (24). However, if the property has been
8 transferred to a bona fide purchaser before additional taxes were
9 billed to the seller as a result of the denial of a claim for
10 exemption, the taxes, interest, and penalties shall not be a lien
11 on the property and shall not be billed to the bona fide purchaser,
12 and the local tax collecting unit if the local tax collecting unit
13 has possession of the tax roll or the county treasurer if the
14 county has possession of the tax roll shall notify the department
15 of treasury of the amount of tax due and interest through the date
16 of that notification. The department of treasury shall then assess
17 the owner who claimed the exemption under this section for the tax
18 and interest plus penalty accruing as a result of the denial of the
19 claim for exemption, if any, as for unpaid taxes provided under
20 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or
21 penalty collected into the state school aid fund and shall
22 distribute any interest collected as provided in subsection ~~—(23)—~~
23 (24).

24 (10) ~~—(9)—~~ The department of treasury may enter into an
25 agreement regarding the implementation or administration of
26 subsection ~~—(8)—~~ (9) with the assessor of any local tax collecting
27 unit in a county that has not elected to audit exemptions claimed

1 under this section as provided in subsection ~~-(10)-~~ (11). The
2 agreement may specify that for a period of time, not to exceed 120
3 days, the department of treasury will not deny an exemption
4 identified by the department of treasury in the list provided under
5 subsection ~~-(11)-~~ (12).

6 (11) ~~-(10)-~~ A county may elect to audit the exemptions
7 claimed under this section in all local tax collecting units
8 located in that county as provided in this subsection. The election
9 to audit exemptions shall be made by the county treasurer, or by
10 the county equalization director with the concurrence by resolution
11 of the county board of commissioners. The initial election to audit
12 exemptions shall require an audit period of 2 years. Subsequent
13 elections to audit exemptions shall be made every 2 years and shall
14 require 2 annual audit periods. An election to audit exemptions
15 shall be made by submitting an election to audit form to the
16 assessor of each local tax collecting unit in that county and to
17 the department of treasury not later than October 1 in the year in
18 which an election to audit is made. The election to audit form
19 required under this subsection shall be in a form prescribed by the
20 department of treasury. If a county elects to audit the exemptions
21 claimed under this section, the department of treasury may continue
22 to review the validity of exemptions as provided in subsection ~~-(8)-~~
23 (9). If a county does not elect to audit the exemptions claimed
24 under this section as provided in this subsection, the department
25 of treasury shall conduct an audit of exemptions claimed under this
26 section in the initial 2-year audit period for each local tax
27 collecting unit in that county unless the department of treasury

1 has entered into an agreement with the assessor for that local tax
2 collecting unit under subsection ~~-(9)-~~ (10).

3 (12) ~~-(11)-~~ If a county elects to audit the exemptions
4 claimed under this section as provided in subsection ~~-(10)-~~ (11)
5 and the county treasurer or his or her designee or the county
6 equalization director or his or her designee believes that the
7 property for which an exemption is claimed is not the principal
8 residence of the owner claiming the exemption, the county treasurer
9 or his or her designee or the county equalization director or his
10 or her designee may deny an existing claim by notifying the owner,
11 the assessor of the local tax collecting unit, and the department
12 of treasury in writing of the reason for the denial and advising
13 the owner that the denial may be appealed to the residential and
14 small claims division of the Michigan tax tribunal within 35 days
15 after the date of the notice. The county treasurer or his or her
16 designee or the county equalization director or his or her designee
17 may deny a claim for exemption for the current year and for the 3
18 immediately preceding calendar years. If the county treasurer or
19 his or her designee or the county equalization director or his or
20 her designee denies an existing claim for exemption, the county
21 treasurer or his or her designee or the county equalization
22 director or his or her designee shall direct the assessor of the
23 local tax collecting unit in which the property is located to
24 remove the exemption of the property from the assessment roll and,
25 if the tax roll is in the local tax collecting unit's possession,
26 direct the assessor of the local tax collecting unit to amend the
27 tax roll to reflect the denial and the treasurer of the local tax

1 collecting unit shall within 30 days of the date of the denial
2 issue a corrected tax bill for any additional taxes with interest
3 at the rate of 1.25% per month or fraction of a month and penalties
4 computed from the date the taxes were last payable without interest
5 and penalty. If the tax roll is in the county treasurer's
6 possession, the tax roll shall be amended to reflect the denial and
7 the county treasurer shall within 30 days of the date of the denial
8 prepare and submit a supplemental tax bill for any additional
9 taxes, together with interest at the rate of 1.25% per month or
10 fraction of a month and penalties computed from the date the taxes
11 were last payable without interest or penalty. Interest on any tax
12 set forth in a corrected or supplemental tax bill shall again begin
13 to accrue 60 days after the date the corrected or supplemental tax
14 bill is issued at the rate of 1.25% per month or fraction of a
15 month. Taxes levied in a corrected or supplemental tax bill shall
16 be returned as delinquent on the March 1 in the year immediately
17 succeeding the year in which the corrected or supplemental tax bill
18 is issued. If the county treasurer or his or her designee or the
19 county equalization director or his or her designee denies an
20 existing claim for exemption, the interest due shall be distributed
21 as provided in subsection ~~(23)~~ (24). However, if the property has
22 been transferred to a bona fide purchaser before additional taxes
23 were billed to the seller as a result of the denial of a claim for
24 exemption, the taxes, interest, and penalties shall not be a lien
25 on the property and shall not be billed to the bona fide purchaser,
26 and the local tax collecting unit if the local tax collecting unit
27 has possession of the tax roll or the county treasurer if the

1 county has possession of the tax roll shall notify the department
2 of treasury of the amount of tax due and interest through the date
3 of that notification. The department of treasury shall then assess
4 the owner who claimed the exemption under this section for the tax
5 and interest plus penalty accruing as a result of the denial of the
6 claim for exemption, if any, as for unpaid taxes provided under
7 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or
8 penalty collected into the state school aid fund and shall
9 distribute any interest collected as provided in subsection ~~(23)~~
10 (24). The department of treasury shall annually provide the county
11 treasurer or his or her designee or the county equalization
12 director or his or her designee a list of parcels of property
13 located in that county for which an exemption may be erroneously
14 claimed. The county treasurer or his or her designee or the county
15 equalization director or his or her designee shall forward copies
16 of the list provided by the department of treasury to each assessor
17 in each local tax collecting unit in that county within 10 days of
18 receiving the list.

19 (13) ~~(12)~~ If a county elects to audit exemptions claimed
20 under this section as provided in subsection ~~(10)~~ (11), the
21 county treasurer or the county equalization director may enter into
22 an agreement with the assessor of a local tax collecting unit in
23 that county regarding the implementation or administration of this
24 section. The agreement may specify that for a period of time, not
25 to exceed 120 days, the county will not deny an exemption
26 identified by the department of treasury in the list provided under
27 subsection ~~(11)~~ (12).

1 (14) ~~-(13)-~~ An owner may appeal a denial by the assessor of
2 the local tax collecting unit under subsection ~~-(6)-~~ (7), a final
3 decision of the department of treasury under subsection ~~-(8)-~~ (9),
4 or a denial by the county treasurer or his or her designee or the
5 county equalization director or his or her designee under
6 subsection ~~-(11)-~~ (12) to the residential and small claims division
7 of the Michigan tax tribunal within 35 days of that decision. An
8 owner is not required to pay the amount of tax in dispute in order
9 to appeal a denial of a claim of exemption to the department of
10 treasury or to receive a final determination of the residential and
11 small claims division of the Michigan tax tribunal. However,
12 interest at the rate of 1.25% per month or fraction of a month and
13 penalties shall accrue and be computed from the date the taxes were
14 last payable without interest and penalty. If the residential and
15 small claims division of the Michigan tax tribunal grants an
16 owner's appeal of a denial and that owner has paid the interest due
17 as a result of a denial under subsection ~~-(6), -(8), or -(11)-~~ (7),
18 (9), OR (12), the interest received after a distribution was made
19 under subsection ~~-(23)-~~ (24) shall be refunded.

20 (15) ~~-(14)-~~ For taxes levied after December 31, 2005, for
21 each county in which the county treasurer or the county
22 equalization director does not elect to audit the exemptions
23 claimed under this section as provided in subsection ~~-(10)-~~ (11),
24 the department of treasury shall conduct an annual audit of
25 exemptions claimed under this section for the current calendar
26 year.

27 (16) ~~-(15)-~~ An affidavit filed by an owner for the exemption

1 under this section rescinds all previous exemptions filed by that
2 owner for any other property. The department of treasury shall
3 notify the assessor of the local tax collecting unit in which the
4 property for which a previous exemption was claimed is located that
5 the previous exemption is rescinded by the subsequent affidavit.
6 When an exemption is rescinded, the assessor of the local tax
7 collecting unit shall remove the exemption effective December 31 of
8 the year in which the affidavit was filed that rescinded the
9 exemption. For any year for which the rescinded exemption has not
10 been removed from the tax roll, the exemption shall be denied as
11 provided in this section. However, interest and penalty shall not
12 be imposed for a year for which a rescission form has been timely
13 filed under subsection ~~(5)~~ (6).

14 (17) ~~(16)~~ If the principal residence is part of a unit in a
15 multiple-unit dwelling or a dwelling unit in a multiple-purpose
16 structure, an owner shall claim an exemption for only that portion
17 of the total taxable value of the property used as the principal
18 residence of that owner in a manner prescribed by the department of
19 treasury. If a portion of a parcel for which the owner claims an
20 exemption is used for a purpose other than as a principal
21 residence, the owner shall claim an exemption for only that portion
22 of the taxable value of the property used as the principal
23 residence of that owner in a manner prescribed by the department of
24 treasury.

25 (18) ~~(17)~~ When a county register of deeds records a
26 transfer of ownership of a property, he or she shall notify the
27 local tax collecting unit in which the property is located of the

1 transfer.

2 (19) ~~—(18)—~~ The department of treasury shall make available
3 the affidavit forms and the forms to rescind an exemption, which
4 may be on the same form, to all city and township assessors, county
5 equalization officers, county registers of deeds, and closing
6 agents. A person who prepares a closing statement for the sale of
7 property shall provide affidavit and rescission forms to the buyer
8 and seller at the closing and, if requested by the buyer or seller
9 after execution by the buyer or seller, shall file the forms with
10 the local tax collecting unit in which the property is located. If
11 a closing statement preparer fails to provide exemption affidavit
12 and rescission forms to the buyer and seller, or fails to file the
13 affidavit and rescission forms with the local tax collecting unit
14 if requested by the buyer or seller, the buyer may appeal to the
15 department of treasury within 30 days of notice to the buyer that
16 an exemption was not recorded. If the department of treasury
17 determines that the buyer qualifies for the exemption, the
18 department of treasury shall notify the assessor of the local tax
19 collecting unit that the exemption is granted and the assessor of
20 the local tax collecting unit or, if the tax roll is in the
21 possession of the county treasurer, the county treasurer shall
22 correct the tax roll to reflect the exemption. This subsection does
23 not create a cause of action at law or in equity against a closing
24 statement preparer who fails to provide exemption affidavit and
25 rescission forms to a buyer and seller or who fails to file the
26 affidavit and rescission forms with the local tax collecting unit
27 when requested to do so by the buyer or seller.

1 (20) ~~—(19)—~~ An owner who owned and occupied a principal
2 residence on May 1 for which the exemption was not on the tax roll
3 may file an appeal with the July board of review or December board
4 of review in the year for which the exemption was claimed or the
5 immediately succeeding 3 years. If an appeal of a claim for
6 exemption that was not on the tax roll is received not later than 5
7 days prior to the date of the December board of review, the local
8 tax collecting unit shall convene a December board of review and
9 consider the appeal pursuant to this section and section 53b.

10 (21) ~~—(20)—~~ If the assessor or treasurer of the local tax
11 collecting unit believes that the department of treasury
12 erroneously denied a claim for exemption, the assessor or treasurer
13 may submit written information supporting the owner's claim for
14 exemption to the department of treasury within 35 days of the
15 owner's receipt of the notice denying the claim for exemption. If,
16 after reviewing the information provided, the department of
17 treasury determines that the claim for exemption was erroneously
18 denied, the department of treasury shall grant the exemption and
19 the tax roll shall be amended to reflect the exemption.

20 (22) ~~—(21)—~~ If granting the exemption under this section
21 results in an overpayment of the tax, a rebate, including any
22 interest paid, shall be made to the taxpayer by the local tax
23 collecting unit if the local tax collecting unit has possession of
24 the tax roll or by the county treasurer if the county has
25 possession of the tax roll within 30 days of the date the exemption
26 is granted. The rebate shall be without interest.

27 (23) ~~—(22)—~~ If an exemption under this section is erroneously

1 granted for an affidavit filed before October 1, 2003, an owner may
2 request in writing that the department of treasury withdraw the
3 exemption. The request to withdraw the exemption shall be received
4 not later than November 1, 2003. If an owner requests that an
5 exemption be withdrawn, the department of treasury shall issue an
6 order notifying the local assessor that the exemption issued under
7 this section has been denied based on the owner's request. If an
8 exemption is withdrawn, the property that had been subject to that
9 exemption shall be immediately placed on the tax roll by the local
10 tax collecting unit if the local tax collecting unit has possession
11 of the tax roll or by the county treasurer if the county has
12 possession of the tax roll as though the exemption had not been
13 granted. A corrected tax bill shall be issued for the tax year
14 being adjusted by the local tax collecting unit if the local tax
15 collecting unit has possession of the tax roll or by the county
16 treasurer if the county has possession of the tax roll. Unless a
17 denial has been issued prior to July 1, 2003, if an owner requests
18 that an exemption under this section be withdrawn and that owner
19 pays the corrected tax bill issued under this subsection within 30
20 days after the corrected tax bill is issued, that owner is not
21 liable for any penalty or interest on the additional tax. An owner
22 who pays a corrected tax bill issued under this subsection more
23 than 30 days after the corrected tax bill is issued is liable for
24 the penalties and interest that would have accrued if the exemption
25 had not been granted from the date the taxes were originally
26 levied.

27 (24) ~~-(23)-~~ Subject to subsection ~~-(24)-~~ (25), interest at

1 the rate of 1.25% per month or fraction of a month collected under
2 subsection ~~-(6), (8), or (11)-~~ (7), (9), OR (12) shall be
3 distributed as follows:

4 (a) If the assessor of the local tax collecting unit denies
5 the exemption under this section, as follows:

6 (i) To the local tax collecting unit, 70%.

7 (ii) To the department of treasury, 10%.

8 (iii) To the county in which the property is located, 20%.

9 (b) If the department of treasury denies the exemption under
10 this section, as follows:

11 (i) To the local tax collecting unit, 20%.

12 (ii) To the department of treasury, 70%.

13 (iii) To the county in which the property is located, 10%.

14 (c) If the county treasurer or his or her designee or the
15 county equalization director or his or her designee denies the
16 exemption under this section, as follows:

17 (i) To the local tax collecting unit, 20%.

18 (ii) To the department of treasury, 10%.

19 (iii) To the county in which the property is located, 70%.

20 (25) ~~-(24)-~~ Interest distributed under subsection ~~-(23)-~~ (24)
21 is subject to the following conditions:

22 (a) Interest distributed to a county shall be deposited into a
23 restricted fund to be used solely for the administration of
24 exemptions under this section. Money in that restricted fund shall
25 lapse to the county general fund on the December 31 in the year 3
26 years after the first distribution of interest to the county under
27 subsection ~~-(23)-~~ (24) and on each succeeding December 31

1 thereafter.

2 (b) Interest distributed to the department of treasury shall
3 be deposited into the principal residence property tax exemption
4 audit fund, which is created within the state treasury. The state
5 treasurer may receive money or other assets from any source for
6 deposit into the fund. The state treasurer shall direct the
7 investment of the fund. The state treasurer shall credit to the
8 fund interest and earnings from fund investments. Money in the fund
9 shall be considered a work project account and at the close of the
10 fiscal year shall remain in the fund and shall not lapse to the
11 general fund. Money from the fund shall be expended, upon
12 appropriation, only for the purpose of auditing exemption
13 affidavits.

14 (26) ~~-(25)-~~ Interest distributed under subsection ~~-(23)-~~ (24)
15 is in addition to and shall not affect the levy or collection of
16 the county property tax administration fee established under this
17 act.

18 (27) ~~-(26)-~~ A cooperative housing corporation is entitled to
19 a full or partial exemption under this section for the tax year in
20 which the cooperative housing corporation files all of the
21 following with the local tax collecting unit in which the
22 cooperative housing corporation is located if filed on or before
23 May 1:

24 (a) An affidavit form.

25 (b) A statement of the total number of units owned by the
26 cooperative housing corporation and occupied as the principal
27 residence of a tenant stockholder as of the date of the filing

1 under this subsection.

2 (c) A list that includes the name, address, and social
3 security number of each tenant stockholder of the cooperative
4 housing corporation occupying a unit in the cooperative housing
5 corporation as his or her principal residence as of the date of the
6 filing under this subsection.

7 (d) A statement of the total number of units of the
8 cooperative housing corporation on which an exemption under this
9 section was claimed and that were transferred in the tax year
10 immediately preceding the tax year in which the filing under this
11 section was made.

12 (28) ~~—(27)—~~ Before May 1, 2004 and before May 1, 2005, the
13 treasurer of each county shall forward to the department of
14 education a statement of the taxable value of each school district
15 and fraction of a school district within the county for the
16 preceding 4 calendar years. This requirement is in addition to the
17 requirement set forth in section 151 of the state school aid act of
18 1979, 1979 PA 94, MCL 388.1751.