

# HOUSE BILL No. 5017

September 26, 2013, Introduced by Reps. O'Brien, Bumstead, Foster, Rendon, Lane, Outman, Schmidt and Rogers and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
 "The general property tax act,"  
 by amending section 7ss (MCL 211.7ss), as added by 2012 PA 494.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 7ss. (1) For taxes levied after November 1, 2012, ~~new~~  
 2 ~~construction on~~ **REAL PROPERTY THAT IS** development property **AND ANY**  
 3 **NEW CONSTRUCTION LOCATED ON THAT DEVELOPMENT PROPERTY** is exempt  
 4 from the collection of the tax levied under section 1211 of the  
 5 revised school code, 1976 PA 451, MCL 380.1211, for 3 years or  
 6 until the ~~new construction~~ **REAL PROPERTY** is no longer located on  
 7 development property, whichever occurs 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 on or before June 1 for the

1 immediately succeeding summer tax levy and all subsequent tax  
2 levies or on or before November 1 for the immediately succeeding  
3 winter tax levy and all subsequent tax levies. The affidavit shall  
4 be on a form prescribed by the department of treasury.

5 (3) Upon receipt of an affidavit filed under subsection (2),  
6 the assessor shall determine if the real property ~~on which new~~  
7 ~~construction is located~~ is development property. If the real  
8 property is development property, the assessor shall exempt the  
9 **DEVELOPMENT PROPERTY AND ANY** new construction located on that  
10 development property from the collection of the tax levied under  
11 section 1211 of the revised school code, 1976 PA 451, MCL 380.1211,  
12 for 3 years or until the ~~new construction~~ **REAL PROPERTY** is no  
13 longer ~~located on~~ development property, whichever occurs first.

14 (4) Not more than 90 days after all or a portion of the  
15 exempted ~~new construction~~ **REAL PROPERTY** is no longer ~~located on~~  
16 development property, an owner shall rescind the exemption for the  
17 **DEVELOPMENT PROPERTY AND ANY** new construction **LOCATED ON THAT**  
18 **DEVELOPMENT PROPERTY** by filing with the local tax collecting unit a  
19 rescission form. The rescission form shall be as prescribed by the  
20 department of treasury.

21 (5) An owner of exempted ~~new construction~~ **REAL PROPERTY** that  
22 is no longer ~~located on~~ development property who fails to file a  
23 rescission form as required under subsection (4) is subject to a  
24 penalty of \$5.00 per day for each separate failure beginning after  
25 the 90 days have elapsed, up to a maximum of \$200.00. This penalty  
26 shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and  
27 shall be deposited in the state school aid fund established in

1 section 11 of article IX of the state constitution of 1963. This  
2 penalty may be waived by the department of treasury.

3 (6) An owner of ~~new construction that is located on~~  
4 development property for which an exemption was not on the tax roll  
5 may file an appeal with the July or December board of review in the  
6 year the exemption was claimed or the immediately succeeding year.  
7 An owner of ~~new construction that is located on~~ development  
8 property for which an exemption was denied by the assessor in the  
9 year the affidavit was filed may file an appeal with the July board  
10 of review for summer taxes or, if there is not a summer levy of  
11 school operating taxes, with the December board of review.

12 (7) If the assessor of the local tax collecting unit believes  
13 that ~~new construction~~ **REAL PROPERTY** for which an exemption has been  
14 granted is not ~~located on~~ development property, the assessor may  
15 deny or modify an existing exemption by notifying the owner in  
16 writing at the time required for providing a notice under section  
17 24c. A taxpayer may appeal the assessor's determination to the  
18 board of review meeting under section 30. A decision of the board  
19 of review may be appealed to the residential and small claims  
20 division of the Michigan tax tribunal.

21 (8) If an exemption under this section is erroneously granted,  
22 an owner may request in writing that the local tax collecting unit  
23 withdraw the exemption. If an owner requests that an exemption be  
24 withdrawn, the local assessor shall notify the owner that the  
25 exemption issued under this section has been denied based on that  
26 owner's request. If an exemption is withdrawn, the ~~new construction~~  
27 **REAL PROPERTY** that had been subject to that exemption shall be

1 immediately placed on the tax roll by the local tax collecting unit  
2 if the local tax collecting unit has possession of the tax roll or  
3 by the county treasurer if the county has possession of the tax  
4 roll as though the exemption had not been granted. A corrected tax  
5 bill shall be issued for the tax year being adjusted by the local  
6 tax collecting unit if the local tax collecting unit has possession  
7 of the tax roll or by the county treasurer if the county has  
8 possession of the tax roll. If an owner requests that an exemption  
9 under this section be withdrawn before that owner is contacted in  
10 writing by the local assessor regarding that owner's eligibility  
11 for the exemption and that owner pays the corrected tax bill issued  
12 under this subsection within 30 days after the corrected tax bill  
13 is issued, that owner is not liable for any penalty or interest on  
14 the additional tax. An owner who pays a corrected tax bill issued  
15 under this subsection more than 30 days after the corrected tax  
16 bill is issued is liable for the penalties and interest that would  
17 have accrued if the exemption had not been granted from the date  
18 the taxes were originally levied.

19 (9) As used in this section:

20 (a) "Development property" means real property on which a  
21 residential dwelling, condominium unit, or other residential  
22 structure is located, which residential dwelling, condominium unit,  
23 or other residential structure meets all of the following  
24 conditions:

25 (i) Is not occupied and has never been occupied.

26 (ii) Is available for sale.

27 (iii) Is not leased.

1           (iv) Is not used for any business or commercial purpose, **EXCEPT**  
2 **AS AN ON-SITE OFFICE IN A SPECIFIC DEVELOPMENT.**

3           (b) "New construction" means that term as defined in section  
4 34d.

5           Enacting section 1. This amendatory act is retroactive and is  
6 effective for taxes levied after November 1, 2012.