

**SUBSTITUTE FOR
HOUSE BILL NO. 5261**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 9o (MCL 211.9o), as amended by 2017 PA 261.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9o. (1) Beginning December 31, 2013, eligible personal
2 property for which an exemption has been properly claimed under
3 this section is exempt from the collection of taxes under this act.
4 (2) An owner of eligible personal property shall claim the
5 exemption under this section by ~~annually~~ filing a statement with
6 the local tax collecting unit in which the eligible personal
7 property is located not later than February 20 ~~in each tax year~~ **OF**
8 **THE FIRST YEAR THE EXEMPTION IS CLAIMED** or, if February 20 **OF THE**
9 **FIRST YEAR THE EXEMPTION IS CLAIMED** is a Saturday, Sunday, or legal
10 holiday, not later than the next day that is not a Saturday,

1 Sunday, or legal holiday. For purposes of a statement delivered by
2 the United States Postal Service, the filing is timely if the
3 postmark date is on or before the filing deadline prescribed in
4 this subsection. If the statement is not timely filed with the
5 local tax collecting unit, a late submission may be filed directly
6 with the March board of review before its final adjournment by
7 submitting the statement prescribed in this subsection. The board
8 of review shall not accept a filing after adjournment of its March
9 meeting. An appeal of a denial by the March board of review may be
10 made by filing a petition with the Michigan tax tribunal within 35
11 days of the denial notice. A statement filed under this subsection
12 shall be in a form prescribed by the state tax commission and shall
13 include any address where any property owned by, leased to, or in
14 the possession of that owner or a related entity is located within
15 that local tax collecting unit. The statement shall require the
16 owner to attest that the combined true cash value of all industrial
17 personal property and commercial personal property in that local
18 tax collecting unit owned by, leased to, or in the possession of
19 that owner or a related entity on December 31 of the immediately
20 preceding year is less than \$80,000.00.

21 (3) If a statement claiming the exemption under this section
22 is filed as provided in subsection (2), the owner of that eligible
23 personal property is not required to file a statement under section
24 19.

25 (4) A person who claims an exemption for eligible personal
26 property under this section shall maintain books and records and
27 shall provide access to those books and records as provided in

1 section 22. A LOCAL UNIT OF GOVERNMENT MAY DEVELOP AND IMPLEMENT AN
2 AUDIT PROGRAM THAT INCLUDES, BUT IS NOT LIMITED TO, THE AUDIT OF
3 ALL INFORMATION SUBMITTED UNDER SUBSECTION (2) FOR THE CURRENT
4 CALENDAR YEAR AND THE 3 CALENDAR YEARS IMMEDIATELY PRECEDING THE
5 COMMENCEMENT OF AN AUDIT. ANY ASSESSMENT AS A RESULT OF AN AUDIT
6 MUST BE PAID IN FULL WITHIN 35 DAYS OF ISSUANCE AND MUST INCLUDE
7 INTEREST AS DESCRIBED IN SUBSECTION (5) .

8 (5) AN EXEMPTION GRANTED UNDER THIS SECTION REMAINS IN EFFECT
9 UNTIL THE PERSONAL PROPERTY IS NO LONGER ELIGIBLE PERSONAL
10 PROPERTY. AN OWNER WHOSE PERSONAL PROPERTY IS NO LONGER ELIGIBLE
11 PERSONAL PROPERTY SHALL FILE BY FEBRUARY 20 OF THE YEAR THAT THE
12 PROPERTY IS NO LONGER ELIGIBLE A RESCISSION AND THE STATEMENT
13 REQUIRED UNDER SECTION 19. THE RESCISSION SHALL BE FILED ON A FORM
14 PRESCRIBED BY THE DEPARTMENT OF TREASURY. UPON RECEIPT OF A
15 RESCISSION FORM, THE LOCAL ASSESSOR SHALL IMMEDIATELY REMOVE THE
16 EXEMPTION. AN OWNER WHO FAILS TO FILE A RESCISSION AND WHOSE
17 PROPERTY IS LATER DETERMINED TO BE INELIGIBLE FOR THE EXEMPTION
18 WILL BE SUBJECT TO REPAYMENT OF ANY ADDITIONAL TAXES WITH INTEREST
19 AS DESCRIBED IN THIS SUBSECTION. UPON DISCOVERY THAT THE PROPERTY
20 IS NO LONGER ELIGIBLE PERSONAL PROPERTY, THE ASSESSOR SHALL REMOVE
21 THE EXEMPTION OF THAT PERSONAL PROPERTY AND, IF THE TAX ROLL IS IN
22 THE LOCAL TAX COLLECTING UNIT'S POSSESSION, AMEND THE TAX ROLL TO
23 REFLECT THE REMOVAL OF THE EXEMPTION, AND THE LOCAL TREASURER SHALL
24 WITHIN 30 DAYS OF THE DATE OF THE DISCOVERY ISSUE A CORRECTED TAX
25 BILL FOR ANY ADDITIONAL TAXES WITH INTEREST AT THE RATE OF 1% PER
26 MONTH OR FRACTION OF A MONTH AND PENALTIES COMPUTED FROM THE DATE
27 THE TAXES WERE LAST PAYABLE WITHOUT INTEREST OR PENALTY. IF THE TAX

1 ROLL IS IN THE COUNTY TREASURER'S POSSESSION, THE TAX ROLL SHALL BE
2 AMENDED TO REFLECT THE REMOVAL OF THE EXEMPTION AND THE COUNTY
3 TREASURER SHALL WITHIN 30 DAYS OF THE DATE OF THE REMOVAL PREPARE
4 AND SUBMIT A SUPPLEMENTAL TAX BILL FOR ANY ADDITIONAL TAXES,
5 TOGETHER WITH INTEREST AT THE RATE OF 1% PER MONTH OR FRACTION OF A
6 MONTH AND PENALTIES COMPUTED FROM THE DATE THE TAXES WERE LAST
7 PAYABLE WITHOUT INTEREST OR PENALTY. INTEREST ON ANY TAX SET FORTH
8 IN A CORRECTED OR SUPPLEMENTAL TAX BILL AGAIN BEGINS TO ACCRUE 60
9 DAYS AFTER THE DATE THE CORRECTED OR SUPPLEMENTAL TAX BILL IS
10 ISSUED AT THE RATE OF 1% PER MONTH OR FRACTION OF A MONTH. TAXES
11 LEVIED IN A CORRECTED OR SUPPLEMENTAL TAX BILL SHALL BE RETURNED AS
12 DELINQUENT ON THE MARCH 1 IN THE YEAR IMMEDIATELY SUCCEEDING THE
13 YEAR IN WHICH THE CORRECTED OR SUPPLEMENTAL TAX BILL IS ISSUED.

14 (6) ~~(5)~~—If the assessor of the local tax collecting unit
15 believes that personal property for which a statement claiming an
16 exemption is timely and properly filed under subsection (2) is not
17 eligible personal property, the assessor may deny that claim for
18 exemption by notifying the person that filed the statement in
19 writing of the reason for the denial and advising the person that
20 the denial may be appealed to the board of review under section 30
21 during that tax year. ~~The assessor may deny a claim for exemption~~
22 ~~for the current year and for the 3 immediately preceding calendar~~
23 ~~years. If the assessor denies a claim for exemption, the assessor~~
24 ~~shall remove the exemption of that personal property and, if the~~
25 ~~tax roll is in the local tax collecting unit's possession, amend~~
26 ~~the tax roll to reflect the denial and the local treasurer shall~~
27 ~~within 30 days of the date of the denial issue a corrected tax bill~~

1 ~~for any additional taxes with interest at the rate of 1% per month~~
2 ~~or fraction of a month and penalties computed from the date the~~
3 ~~taxes were last payable without interest or penalty. If the tax~~
4 ~~roll is in the county treasurer's possession, the tax roll shall be~~
5 ~~amended to reflect the denial and the county treasurer shall within~~
6 ~~30 days of the date of the denial prepare and submit a supplemental~~
7 ~~tax bill for any additional taxes, together with interest at the~~
8 ~~rate of 1% per month or fraction of a month and penalties computed~~
9 ~~from the date the taxes were last payable without interest or~~
10 ~~penalty. Interest on any tax set forth in a corrected or~~
11 ~~supplemental tax bill shall again begin to accrue 60 days after the~~
12 ~~date the corrected or supplemental tax bill is issued at the rate~~
13 ~~of 1% per month or fraction of a month. Taxes levied in a corrected~~
14 ~~or supplemental tax bill shall be returned as delinquent on the~~
15 ~~March 1 in the year immediately succeeding the year in which the~~
16 ~~corrected or supplemental tax bill is issued.~~

17 **(7)** ~~(6)~~—If a person fraudulently claims an exemption for
18 personal property under this section, that person is subject to the
19 penalties provided for in section 21(2).

20 **(8)** ~~(7)~~—As used in this section:

21 (a) "Commercial personal property" means personal property
22 that is classified as commercial personal property under section
23 34c or would be classified as commercial personal property under
24 section 34c if not exempt from the collection of taxes under this
25 act under this section or section 9m or 9n.

26 (b) "Control", "controlled by", and "under common control
27 with" mean the possession of the power to direct or cause the

1 direction of the management and policies of a related entity,
2 directly or indirectly, whether derived from a management position,
3 official office, or corporate office held by an individual; by an
4 ownership interest, beneficial interest, or equitable interest; or
5 by contractual agreement or other similar arrangement. There is a
6 rebuttable presumption that control exists if any person, directly
7 or indirectly, owns, controls, or holds the power to vote, directly
8 or by proxy, 10% or more of the ownership interest of any other
9 person or has contributed more than 10% of the capital of the other
10 person. Indirect ownership includes ownership through attribution
11 or through 1 or more intermediary entities.

12 (c) "Eligible personal property" means property that meets all
13 of the following conditions:

14 (i) Is industrial personal property or commercial personal
15 property.

16 (ii) The combined true cash value of all industrial personal
17 property and commercial personal property in that local tax
18 collecting unit owned by, leased to, or in the possession of the
19 person claiming an exemption under this section or a related entity
20 on December 31 of the immediately preceding year is less than
21 \$80,000.00.

22 (iii) Is not leased to or used by a person that previously
23 owned the property or a person that, directly or indirectly,
24 controls, is controlled by, or is under common control with the
25 person that previously owned the property.

26 (d) "Industrial personal property" means personal property
27 that is classified as industrial personal property under section

1 34c or would be classified as industrial personal property under
2 section 34c if not exempt from the collection of taxes under this
3 act under this section or section 9m or 9n.

4 (e) "Person" means an individual, partnership, corporation,
5 association, limited liability company, or any other legal entity.

6 (f) "Related entity" means a person that, directly or
7 indirectly, controls, is controlled by, or is under common control
8 with the person claiming an exemption under this section.