Act No. 151
Public Acts of 2023
Approved by the Governor
October 19, 2023
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STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023

Introduced by Senator Cavanagh

ENROLLED SENATE BILL No. 330

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," (MCL 211.1 to 211.155) by adding section 7c.

The People of the State of Michigan enact:

Sec. 7c. An exemption granted under section 7b as to taxes levied on or after January 1, 2025 remains in effect, without subsequent reapplication, until it is rescinded by the individual who was granted the exemption or is denied by the assessor, as follows:

(a) The individual shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, a form rescinding the exemption within 45 days after the occurrence of either of the following:

(*i*) The individual ceases to use and own as a homestead the property for which the exemption was granted.

(*ii*) The individual no longer meets the qualifications under section 7b to receive the exemption.

(b) A local assessing unit shall implement an audit program, in a form and manner prescribed by the state tax commission, that includes, but is not limited to, the audit of all information filed under section 7b(2). The audit must not occur on a property more than once every 3 years unless there is a reasonable belief that the property is ineligible for the exemption. If property is determined to be ineligible for exemption as a result of an audit, the individual who was granted the exemption under section 7b is subject to repayment of additional taxes including interest to be paid as provided in subdivisions (c) and (d).

(c) The assessor may deny a new claim, or an existing claim following an audit, as further provided in subdivision (d).

(d) The assessor shall, in a form and manner prescribed by the state tax commission, notify the individual of the denial of the new or existing claim, the reason for the denial, and that the denial may be appealed to the residential and small claims division of the tax tribunal within 35 days after the date of the notice. The assessor may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the tax roll is in the local tax collecting unit's possession, it shall amend the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days after the date of the discovery, issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall, within 30 days after the date of the removal, prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 176 of the 102nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Secretary of the Senate

Clerk of the House of Representatives

Approved____

Governor