

SENATE BILL No. 1090

March 11, 2004, Introduced by Senators OLSHOVE, CLARK-COLEMAN, GOSCHKA, TOY, VAN WOERKOM, SCHAUER, CHERRY, THOMAS, SCOTT, BRATER, CROPSEY, SWITALSKI, BARCIA, BERNERO, CLARKE, JELINEK, EMERSON and PATTERSON 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
3 to the extent provided under section 1211 of the revised school
4 code, 1976 PA 451, MCL 380.1211, if an owner of that principal
5 residence claims an exemption as provided in this section.
6 Notwithstanding the tax day provided in section 2, the status of
7 property as a principal residence shall be determined on the date
8 an affidavit claiming an exemption is filed under subsection
9 (2).

10 (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**
3 **of property who is absent from his or her principal residence**
4 **while under the care of another person may claim an exemption**
5 **under this section for his or her principal residence if that**
6 **owner does not claim an exemption for other property under this**
7 **section, does not rent his or her principal residence for more**
8 **than 2 weeks per year, and files the affidavit required under**
9 **this section.**

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23 state that is not rescinded or a substantially similar exemption,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25 rescinded.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

1 an owner of property filed an affidavit for an exemption under
2 this section before January 1, 2004, that affidavit shall be
3 considered the affidavit required under this subsection for a
4 principal residence exemption and that exemption shall remain in
5 effect until rescinded as provided in this section.

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

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

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

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

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

27 (e) That person has previously rescinded an exemption under

1 this section for the same property for which an exemption is now
2 claimed and there has not been a transfer of ownership of that
3 property after the previous exemption was rescinded, if either of
4 the following conditions is satisfied:

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

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

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

22 (6) ~~—(5)—~~ Not more than 90 days after exempted property is no
23 longer used as a principal residence by the owner claiming an
24 exemption, that owner shall rescind the claim of exemption by
25 filing with the local tax collecting unit a rescission form
26 prescribed by the department of treasury. An owner who fails to
27 file a rescission as required by this subsection is subject to a

1 penalty of \$5.00 per day for each separate failure beginning
2 after the 90 days have elapsed, up to a maximum of \$200.00. This
3 penalty shall be collected under 1941 PA 122, MCL 205.1 to
4 205.31, and shall be deposited in the state school aid fund
5 established in section 11 of article IX of the state constitution
6 of 1963. This penalty may be waived by the department of
7 treasury.

8 (7) ~~—(6)—~~ If the assessor of the local tax collecting unit
9 believes that the property for which an exemption is claimed is
10 not the principal residence of the owner claiming the exemption,
11 the assessor may deny a new or existing claim by notifying the
12 owner and the department of treasury in writing of the reason for
13 the denial and advising the owner that the denial may be appealed
14 to the residential and small claims division of the Michigan tax
15 tribunal within 35 days after the date of the notice. The
16 assessor may deny a claim for exemption for the current year and
17 for the 3 immediately preceding calendar years. If the assessor
18 denies an existing claim for exemption, the assessor shall remove
19 the exemption of the property and, if the tax roll is in the
20 local tax collecting unit's possession, amend the tax roll to
21 reflect the denial and the local treasurer shall within 30 days
22 of the date of the denial issue a corrected tax bill for any
23 additional taxes with interest at the rate of 1.25% per month or
24 fraction of a month and penalties computed from the date the
25 taxes were last payable without interest or penalty. If the tax
26 roll is in the county treasurer's possession, the tax roll shall
27 be amended to reflect the denial and the county treasurer shall

1 within 30 days of the date of the denial prepare and submit a
2 supplemental tax bill for any additional taxes, together with
3 interest at the rate of 1.25% per month or fraction of a month
4 and penalties computed from the date the taxes were last payable
5 without interest or penalty. Interest on any tax set forth in a
6 corrected or supplemental tax bill shall again begin to accrue 60
7 days after the date the corrected or supplemental tax bill is
8 issued at the rate of 1.25% per month or fraction of a month.
9 Taxes levied in a corrected or supplemental tax bill shall be
10 returned as delinquent on the March 1 in the year immediately
11 succeeding the year in which the corrected or supplemental tax
12 bill is issued. If the assessor denies an existing claim for
13 exemption, the interest due shall be distributed as provided in
14 subsection ~~—(23)—~~ (24). However, if the property has been
15 transferred to a bona fide purchaser before additional taxes were
16 billed to the seller as a result of the denial of a claim for
17 exemption, the taxes, interest, and penalties shall not be a lien
18 on the property and shall not be billed to the bona fide
19 purchaser, and the local tax collecting unit if the local tax
20 collecting unit has possession of the tax roll or the county
21 treasurer if the county has possession of the tax roll shall
22 notify the department of treasury of the amount of tax due,
23 interest, and penalties through the date of that notification.
24 The department of treasury shall then assess the owner who
25 claimed the exemption under this section for the tax, interest,
26 and penalties accruing as a result of the denial of the claim for
27 exemption, if any, as for unpaid taxes provided under 1941 PA

1 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty
2 collected into the state school aid fund and shall distribute any
3 interest collected as provided in subsection ~~—(23)—~~ (24). The
4 denial shall be made on a form prescribed by the department of
5 treasury. If the property for which the assessor has denied a
6 claim for exemption under this subsection is located in a county
7 in which the county treasurer or the county equalization director
8 have elected to audit exemptions under subsection ~~—(10)—~~ (11),
9 the assessor shall notify the county treasurer or the county
10 equalization director of the denial under this subsection.

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

19 (9) ~~—(8)—~~ The department of treasury shall determine if the
20 property is the principal residence of the owner claiming the
21 exemption. The department of treasury may review the validity of
22 exemptions for the current calendar year and for the 3
23 immediately preceding calendar years. If the department of
24 treasury determines that the property is not the principal
25 residence of the owner claiming the exemption, the department
26 shall send a notice of that determination to the local tax
27 collecting unit and to the owner of the property claiming the

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

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

1 school aid fund and shall distribute any interest collected as
2 provided in subsection ~~—(23)—~~ (24).

3 (10) ~~—(9)—~~ The department of treasury may enter into an
4 agreement regarding the implementation or administration of
5 subsection ~~—(8)—~~ (9) with the assessor of any local tax
6 collecting unit in a county that has not elected to audit
7 exemptions claimed under this section as provided in subsection
8 ~~—(10)—~~ (11). The agreement may specify that for a period of
9 time, not to exceed 120 days, the department of treasury will not
10 deny an exemption identified by the department of treasury in the
11 list provided under subsection ~~—(11)—~~ (12).

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

1 exemptions claimed under this section, the department of treasury
2 may continue to review the validity of exemptions as provided in
3 subsection ~~—(8)—~~ (9). If a county does not elect to audit the
4 exemptions claimed under this section as provided in this
5 subsection, the department of treasury shall conduct an audit of
6 exemptions claimed under this section in the initial 2-year audit
7 period for each local tax collecting unit in that county unless
8 the department of treasury has entered into an agreement with the
9 assessor for that local tax collecting unit under subsection
10 ~~—(9)—~~ (10).

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

1 county equalization director or his or her designee denies an
2 existing claim for exemption, the county treasurer or his or her
3 designee or the county equalization director or his or her
4 designee shall direct the assessor of the local tax collecting
5 unit in which the property is located to remove the exemption of
6 the property from the assessment roll and, if the tax roll is in
7 the local tax collecting unit's possession, direct the assessor
8 of the local tax collecting unit to amend the tax roll to reflect
9 the denial and the treasurer of the local tax collecting unit
10 shall within 30 days of the date of the denial issue a corrected
11 tax bill for any additional taxes with interest at the rate of
12 1.25% per month or fraction of a month and penalties computed
13 from the date the taxes were last payable without interest and
14 penalty. If the tax roll is in the county treasurer's
15 possession, the tax roll shall be amended to reflect the denial
16 and the county treasurer shall within 30 days of the date of the
17 denial prepare and submit a supplemental tax bill for any
18 additional taxes, together with interest at the rate of 1.25% per
19 month or fraction of a month and penalties computed from the date
20 the taxes were last payable without interest or penalty.
21 Interest on any tax set forth in a corrected or supplemental tax
22 bill shall again begin to accrue 60 days after the date the
23 corrected or supplemental tax bill is issued at the rate of 1.25%
24 per month or fraction of a month. Taxes levied in a corrected or
25 supplemental tax bill shall be returned as delinquent on the
26 March 1 in the year immediately succeeding the year in which the
27 corrected or supplemental tax bill is issued. If the county

1 treasurer or his or her designee or the county equalization
2 director or his or her designee denies an existing claim for
3 exemption, the interest due shall be distributed as provided in
4 subsection ~~—(23)—~~ (24). However, if the property has been
5 transferred to a bona fide purchaser before additional taxes were
6 billed to the seller as a result of the denial of a claim for
7 exemption, the taxes, interest, and penalties shall not be a lien
8 on the property and shall not be billed to the bona fide
9 purchaser, and the local tax collecting unit if the local tax
10 collecting unit has possession of the tax roll or the county
11 treasurer if the county has possession of the tax roll shall
12 notify the department of treasury of the amount of tax due and
13 interest through the date of that notification. The department
14 of treasury shall then assess the owner who claimed the exemption
15 under this section for the tax and interest plus penalty accruing
16 as a result of the denial of the claim for exemption, if any, as
17 for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31,
18 and shall deposit any tax or penalty collected into the state
19 school aid fund and shall distribute any interest collected as
20 provided in subsection ~~—(23)—~~ (24). The department of treasury
21 shall annually provide the county treasurer or his or her
22 designee or the county equalization director or his or her
23 designee a list of parcels of property located in that county for
24 which an exemption may be erroneously claimed. The county
25 treasurer or his or her designee or the county equalization
26 director or his or her designee shall forward copies of the list
27 provided by the department of treasury to each assessor in each

1 local tax collecting unit in that county within 10 days of
2 receiving the list.

3 (13) ~~—(12)—~~ If a county elects to audit exemptions claimed
4 under this section as provided in subsection ~~—(10)—~~ (11), the
5 county treasurer or the county equalization director may enter
6 into an agreement with the assessor of a local tax collecting
7 unit in that county regarding the implementation or
8 administration of this section. The agreement may specify that
9 for a period of time, not to exceed 120 days, the county will not
10 deny an exemption identified by the department of treasury in the
11 list provided under subsection ~~—(11)—~~ (12).

12 (14) ~~—(13)—~~ An owner may appeal a denial by the assessor of
13 the local tax collecting unit under subsection ~~—(6)—~~ (7), a final
14 decision of the department of treasury under subsection ~~—(8)—~~
15 (9), or a denial by the county treasurer or his or her designee
16 or the county equalization director or his or her designee under
17 subsection ~~—(11)—~~ (12) to the residential and small claims
18 division of the Michigan tax tribunal within 35 days of that
19 decision. An owner is not required to pay the amount of tax in
20 dispute in order to appeal a denial of a claim of exemption to
21 the department of treasury or to receive a final determination of
22 the residential and small claims division of the Michigan tax
23 tribunal. However, interest at the rate of 1.25% per month or
24 fraction of a month and penalties shall accrue and be computed
25 from the date the taxes were last payable without interest and
26 penalty. If the residential and small claims division of the
27 Michigan tax tribunal grants an owner's appeal of a denial and

1 that owner has paid the interest due as a result of a denial
2 under subsection ~~—(6), (8), or (11)—~~ **(7), (9), or (12)**, the
3 interest received after a distribution was made under subsection
4 ~~—(23)—~~ **(24)** shall be refunded.

5 **(15)** ~~—(14)—~~ For taxes levied after December 31, 2005, for
6 each county in which the county treasurer or the county
7 equalization director does not elect to audit the exemptions
8 claimed under this section as provided in subsection ~~—(10)—~~ **(11)**,
9 the department of treasury shall conduct an annual audit of
10 exemptions claimed under this section for the current calendar
11 year.

12 **(16)** ~~—(15)—~~ An affidavit filed by an owner for the exemption
13 under this section rescinds all previous exemptions filed by that
14 owner for any other property. The department of treasury shall
15 notify the assessor of the local tax collecting unit in which the
16 property for which a previous exemption was claimed is located
17 that the previous exemption is rescinded by the subsequent
18 affidavit. When an exemption is rescinded, the assessor of the
19 local tax collecting unit shall remove the exemption effective
20 December 31 of the year in which the affidavit was filed that
21 rescinded the exemption. For any year for which the rescinded
22 exemption has not been removed from the tax roll, the exemption
23 shall be denied as provided in this section. However, interest
24 and penalty shall not be imposed for a year for which a
25 rescission form has been timely filed under subsection ~~—(5)—~~
26 **(6)**.

27 **(17)** ~~—(16)—~~ If the principal residence is part of a unit in a

1 multiple-unit dwelling or a dwelling unit in a multiple-purpose
2 structure, an owner shall claim an exemption for only that
3 portion of the total taxable value of the property used as the
4 principal residence of that owner in a manner prescribed by the
5 department of treasury. If a portion of a parcel for which the
6 owner claims an exemption is used for a purpose other than as a
7 principal residence, the owner shall claim an exemption for only
8 that portion of the taxable value of the property used as the
9 principal residence of that owner in a manner prescribed by the
10 department of treasury.

11 (18) ~~—(17)—~~ When a county register of deeds records a
12 transfer of ownership of a property, he or she shall notify the
13 local tax collecting unit in which the property is located of the
14 transfer.

15 (19) ~~—(18)—~~ The department of treasury shall make available
16 the affidavit forms and the forms to rescind an exemption, which
17 may be on the same form, to all city and township assessors,
18 county equalization officers, county registers of deeds, and
19 closing agents. A person who prepares a closing statement for
20 the sale of property shall provide affidavit and rescission forms
21 to the buyer and seller at the closing and, if requested by the
22 buyer or seller after execution by the buyer or seller, shall
23 file the forms with the local tax collecting unit in which the
24 property is located. If a closing statement preparer fails to
25 provide exemption affidavit and rescission forms to the buyer and
26 seller, or fails to file the affidavit and rescission forms with
27 the local tax collecting unit if requested by the buyer or

1 seller, the buyer may appeal to the department of treasury within
2 30 days of notice to the buyer that an exemption was not
3 recorded. If the department of treasury determines that the
4 buyer qualifies for the exemption, the department of treasury
5 shall notify the assessor of the local tax collecting unit that
6 the exemption is granted and the assessor of the local tax
7 collecting unit or, if the tax roll is in the possession of the
8 county treasurer, the county treasurer shall correct the tax roll
9 to reflect the exemption. This subsection does not create a
10 cause of action at law or in equity against a closing statement
11 preparer who fails to provide exemption affidavit and rescission
12 forms to a buyer and seller or who fails to file the affidavit
13 and rescission forms with the local tax collecting unit when
14 requested to do so by the buyer or seller.

15 (20) ~~—(19)—~~ An owner who owned and occupied a principal
16 residence on May 1 for which the exemption was not on the tax
17 roll may file an appeal with the July board of review or December
18 board of review in the year for which the exemption was claimed
19 or the immediately succeeding 3 years. If an appeal of a claim
20 for exemption that was not on the tax roll is received not later
21 than 5 days prior to the date of the December board of review,
22 the local tax collecting unit shall convene a December board of
23 review and consider the appeal pursuant to this section and
24 section 53b.

25 (21) ~~—(20)—~~ If the assessor or treasurer of the local tax
26 collecting unit believes that the department of treasury
27 erroneously denied a claim for exemption, the assessor or

1 treasurer may submit written information supporting the owner's
2 claim for exemption to the department of treasury within 35 days
3 of the owner's receipt of the notice denying the claim for
4 exemption. If, after reviewing the information provided, the
5 department of treasury determines that the claim for exemption
6 was erroneously denied, the department of treasury shall grant
7 the exemption and the tax roll shall be amended to reflect the
8 exemption.

9 (22) ~~—(21)—~~ If granting the exemption under this section
10 results in an overpayment of the tax, a rebate, including any
11 interest paid, shall be made to the taxpayer by the local tax
12 collecting unit if the local tax collecting unit has possession
13 of the tax roll or by the county treasurer if the county has
14 possession of the tax roll within 30 days of the date the
15 exemption is granted. The rebate shall be without interest.

16 (23) ~~—(22)—~~ If an exemption under this section is erroneously
17 granted for an affidavit filed before October 1, 2003, an owner
18 may request in writing that the department of treasury withdraw
19 the exemption. The request to withdraw the exemption shall be
20 received not later than November 1, 2003. If an owner requests
21 that an exemption be withdrawn, the department of treasury shall
22 issue an order notifying the local assessor that the exemption
23 issued under this section has been denied based on the owner's
24 request. If an exemption is withdrawn, the property that had
25 been subject to that exemption shall be immediately placed on the
26 tax roll by the local tax collecting unit if the local tax
27 collecting unit has possession of the tax roll or by the county

1 treasurer if the county has possession of the tax roll as though
 2 the exemption had not been granted. A corrected tax bill shall
 3 be issued for the tax year being adjusted by the local tax
 4 collecting unit if the local tax collecting unit has possession
 5 of the tax roll or by the county treasurer if the county has
 6 possession of the tax roll. Unless a denial has been issued
 7 prior to July 1, 2003, if an owner requests that an exemption
 8 under this section be withdrawn and that owner pays the corrected
 9 tax bill issued under this subsection within 30 days after the
 10 corrected tax bill is issued, that owner is not liable for any
 11 penalty or interest on the additional tax. An owner who pays a
 12 corrected tax bill issued under this subsection more than 30 days
 13 after the corrected tax bill is issued is liable for the
 14 penalties and interest that would have accrued if the exemption
 15 had not been granted from the date the taxes were originally
 16 levied.

17 (24) ~~—(23)—~~ Subject to subsection ~~—(24)—~~ (25), interest at
 18 the rate of 1.25% per month or fraction of a month collected
 19 under subsection ~~—(6), (8), or (11)—~~ (7), (9), or (12) shall be
 20 distributed as follows:

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

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

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

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

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

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

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

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

4 (c) If the county treasurer or his or her designee or the
5 county equalization director or his or her designee denies the
6 exemption under this section, as follows:

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

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

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

10 **(25)** ~~—(24)—~~ Interest distributed under subsection ~~—(23)—~~ **(24)**
11 is subject to the following conditions:

12 (a) Interest distributed to a county shall be deposited into
13 a restricted fund to be used solely for the administration of
14 exemptions under this section. Money in that restricted fund
15 shall lapse to the county general fund on the December 31 in the
16 year 3 years after the first distribution of interest to the
17 county under subsection ~~—(23)—~~ **(24)** and on each succeeding
18 December 31 thereafter.

19 (b) Interest distributed to the department of treasury shall
20 be deposited into the principal residence property tax exemption
21 audit fund, which is created within the state treasury. The
22 state treasurer may receive money or other assets from any source
23 for deposit into the fund. The state treasurer shall direct the
24 investment of the fund. The state treasurer shall credit to the
25 fund interest and earnings from fund investments. Money in the
26 fund shall be considered a work project account and at the close
27 of the fiscal year shall remain in the fund and shall not lapse

1 to the general fund. Money from the fund shall be expended, upon
2 appropriation, only for the purpose of auditing exemption
3 affidavits.

4 (26) ~~—(25)—~~ Interest distributed under subsection ~~—(23)—~~ (24)
5 is in addition to and shall not affect the levy or collection of
6 the county property tax administration fee established under this
7 act.

8 (27) ~~—(26)—~~ A cooperative housing corporation is entitled to
9 a full or partial exemption under this section for the tax year
10 in which the cooperative housing corporation files all of the
11 following with the local tax collecting unit in which the
12 cooperative housing corporation is located if filed on or before
13 May 1:

14 (a) An affidavit form.

15 (b) A statement of the total number of units owned by the
16 cooperative housing corporation and occupied as the principal
17 residence of a tenant stockholder as of the date of the filing
18 under this subsection.

19 (c) A list that includes the name, address, and social
20 security number of each tenant stockholder of the cooperative
21 housing corporation occupying a unit in the cooperative housing
22 corporation as his or her principal residence as of the date of
23 the filing under this subsection.

24 (d) A statement of the total number of units of the
25 cooperative housing corporation on which an exemption under this
26 section was claimed and that were transferred in the tax year
27 immediately preceding the tax year in which the filing under this

1 section was made.

2 **(28)** ~~—(27)—~~ Before May 1, 2004 and before May 1, 2005, the
3 treasurer of each county shall forward to the department of
4 education a statement of the taxable value of each school
5 district and fraction of a school district within the county for
6 the preceding 4 calendar years. This requirement is in addition
7 to the requirement set forth in section 151 of the state school
8 aid act of 1979, 1979 PA 94, MCL 388.1751.