

**SUBSTITUTE FOR  
HOUSE BILL NO. 6028**

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  
10 section by filing an affidavit on or before May 1 with the local  
11 tax collecting unit in which the property is located. The affidavit

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13 rescinded or a substantially similar exemption, deduction, or  
14 credit on property in another state that is not rescinded.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21 exemption shall remain in effect until rescinded as provided in  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

23 (3) A husband and wife who are required to file or who do file  
24 a joint Michigan income tax return are entitled to not more than 1  
25 exemption under this section. For taxes levied after December 31,  
26 2002, a person is not entitled to an exemption under this section  
27 if any of the following conditions occur:

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3 rescinded.

4 (b) Subject to subdivision (a), that person or his or her  
5 spouse owns property in a state other than this state for which  
6 that person or his or her spouse claims an exemption, deduction, or  
7 credit substantially similar to the exemption provided under this  
8 section, unless that person and his or her spouse file separate  
9 income tax returns.

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

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

17 (e) That person has previously rescinded an exemption under  
18 this section for the same property for which an exemption is now  
19 claimed and there has not been a transfer of ownership of that  
20 property after the previous exemption was rescinded, if either of  
21 the following conditions is satisfied:

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

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

1           (4) Upon receipt of an affidavit filed under subsection (2)  
2 and unless the claim is denied under this section, the assessor  
3 shall exempt the property from the collection of the tax levied by  
4 a local school district for school operating purposes to the extent  
5 provided under section 1211 of the revised school code, 1976 PA  
6 451, MCL 380.1211, as provided in subsection (1) until December 31  
7 of the year in which the property is transferred or is no longer a  
8 principal residence as defined in section 7dd. The local tax  
9 collecting unit shall forward copies of affidavits to the  
10 department of treasury according to a schedule prescribed by the  
11 department of treasury.

12           (5) Not more than 90 days after exempted property is no longer  
13 used as a principal residence by the owner claiming an exemption,  
14 that owner shall rescind the claim of exemption by filing with the  
15 local tax collecting unit a rescission form prescribed by the  
16 department of treasury. An owner who fails to file a rescission as  
17 required by this subsection is subject to a penalty of \$5.00 per  
18 day for each separate failure beginning after the 90 days have  
19 elapsed, up to a maximum of \$200.00. This penalty shall be  
20 collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be  
21 deposited in the state school aid fund established in section 11 of  
22 article IX of the state constitution of 1963. This penalty may be  
23 waived by the department of treasury.

24           (6) If the assessor of the local tax collecting unit believes  
25 that the property for which an exemption is claimed is not the  
26 principal residence of the owner claiming the exemption, the  
27 assessor may deny a new or existing claim by notifying the owner

1 and the department of treasury in writing of the reason for the  
2 denial and advising the owner that the denial may be appealed to  
3 the residential and small claims division of the Michigan tax  
4 tribunal within 35 days after the date of the notice. **THE ASSESSOR**  
5 **SHALL NOT DENY A NEW OR EXISTING CLAIM BECAUSE THE OWNER, AS A**  
6 **CONDITION OF HIS OR HER EMPLOYMENT AT A BOARDING SCHOOL IN THIS**  
7 **STATE, IS REQUIRED TO LIVE ON CAMPUS FOR THE PERIOD OF TIME THAT**  
8 **THE BOARDING SCHOOL IS IN SESSION.** The assessor may deny a claim  
9 for exemption for the current year and for the 3 immediately  
10 preceding calendar years. If the assessor denies an existing claim  
11 for exemption, the assessor shall remove the exemption of the  
12 property and, if the tax roll is in the local tax collecting unit's  
13 possession, amend the tax roll to reflect the denial and the local  
14 treasurer shall within 30 days of the date of the denial issue a  
15 corrected tax bill for any additional taxes with interest at the  
16 rate of 1.25% per month or fraction of a month and penalties  
17 computed from the date the taxes were last payable without interest  
18 or penalty. If the tax roll is in the county treasurer's  
19 possession, the tax roll shall be amended to reflect the denial and  
20 the county treasurer shall within 30 days of the date of the denial  
21 prepare and submit a supplemental tax bill for any additional  
22 taxes, together with interest at the rate of 1.25% per month or  
23 fraction of a month and penalties computed from the date the taxes  
24 were last payable without interest or penalty. Interest on any tax  
25 set forth in a corrected or supplemental tax bill shall again begin  
26 to accrue 60 days after the date the corrected or supplemental tax  
27 bill is issued at the rate of 1.25% per month or fraction of a

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

1 director of the denial under this subsection.

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

10 (8) The department of treasury shall determine if the property  
11 is the principal residence of the owner claiming the exemption. The  
12 department of treasury may review the validity of exemptions for  
13 the current calendar year and for the 3 immediately preceding  
14 calendar years. If the department of treasury determines that the  
15 property is not the principal residence of the owner claiming the  
16 exemption, the department shall send a notice of that determination  
17 to the local tax collecting unit and to the owner of the property  
18 claiming the exemption, indicating that the claim for exemption is  
19 denied, stating the reason for the denial, and advising the owner  
20 claiming the exemption of the right to appeal the determination to  
21 the department of treasury and what those rights of appeal are. The  
22 department of treasury may issue a notice denying a claim if an  
23 owner fails to respond within 30 days of receipt of a request for  
24 information from that department. An owner may appeal the denial of  
25 a claim of exemption to the department of treasury within 35 days  
26 of receipt of the notice of denial. An appeal to the department of  
27 treasury shall be conducted according to the provisions for an

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



1 due shall be distributed as provided in subsection (23). However,  
2 if the property has been transferred to a bona fide purchaser  
3 before additional taxes were billed to the seller as a result of  
4 the denial of a claim for exemption, the taxes, interest, and  
5 penalties shall not be a lien on the property and shall not be  
6 billed to the bona fide purchaser, and the local tax collecting  
7 unit if the local tax collecting unit has possession of the tax  
8 roll or the county treasurer if the county has possession of the  
9 tax roll shall notify the department of treasury of the amount of  
10 tax due and interest through the date of that notification. The  
11 department of treasury shall then assess the owner who claimed the  
12 exemption under this section for the tax and interest plus penalty  
13 accruing as a result of the denial of the claim for exemption, if  
14 any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to  
15 205.31, and shall deposit any tax or penalty collected into the  
16 state school aid fund and shall distribute any interest collected  
17 as provided in subsection (23).

18 (9) The department of treasury may enter into an agreement  
19 regarding the implementation or administration of subsection (8)  
20 with the assessor of any local tax collecting unit in a county that  
21 has not elected to audit exemptions claimed under this section as  
22 provided in subsection (10). The agreement may specify that for a  
23 period of time, not to exceed 120 days, the department of treasury  
24 will not deny an exemption identified by the department of treasury  
25 in the list provided under subsection (11).

26 (10) A county may elect to audit the exemptions claimed under  
27 this section in all local tax collecting units located in that

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

23 (11) If a county elects to audit the exemptions claimed under  
24 this section as provided in subsection (10) and the county  
25 treasurer or his or her designee or the county equalization  
26 director or his or her designee believes that the property for  
27 which an exemption is claimed is not the principal residence of the

1 owner claiming the exemption, the county treasurer or his or her  
2 designee or the county equalization director or his or her designee  
3 may deny an existing claim by notifying the owner, the assessor of  
4 the local tax collecting unit, and the department of treasury in  
5 writing of the reason for the denial and advising the owner that  
6 the denial may be appealed to the residential and small claims  
7 division of the Michigan tax tribunal within 35 days after the date  
8 of the notice. The county treasurer or his or her designee or the  
9 county equalization director or his or her designee may deny a  
10 claim for exemption for the current year and for the 3 immediately  
11 preceding calendar years. If the county treasurer or his or her  
12 designee or the county equalization director or his or her designee  
13 denies an existing claim for exemption, the county treasurer or his  
14 or her designee or the county equalization director or his or her  
15 designee shall direct the assessor of the local tax collecting unit  
16 in which the property is located to remove the exemption of the  
17 property from the assessment roll and, if the tax roll is in the  
18 local tax collecting unit's possession, direct the assessor of the  
19 local tax collecting unit to amend the tax roll to reflect the  
20 denial and the treasurer of the local tax collecting unit shall  
21 within 30 days of the date of the denial issue a corrected tax bill  
22 for any additional taxes with interest at the rate of 1.25% per  
23 month or fraction of a month and penalties computed from the date  
24 the taxes were last payable without interest and penalty. If the  
25 tax roll is in the county treasurer's possession, the tax roll  
26 shall be amended to reflect the denial and the county treasurer  
27 shall within 30 days of the date of the denial prepare and submit a

1 supplemental tax bill for any additional taxes, together with  
2 interest at the rate of 1.25% per month or fraction of a month and  
3 penalties computed from the date the taxes were last payable  
4 without interest or penalty. Interest on any tax set forth in a  
5 corrected or supplemental tax bill shall again begin to accrue 60  
6 days after the date the corrected or supplemental tax bill is  
7 issued at the rate of 1.25% per month or fraction of a month. Taxes  
8 levied in 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. If  
11 the county treasurer or his or her designee or the county  
12 equalization director or his or her designee denies an existing  
13 claim for exemption, the interest due shall be distributed as  
14 provided in subsection (23). 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 purchaser,  
19 and the local tax collecting unit if the local tax collecting unit  
20 has possession of the tax roll or the county treasurer if the  
21 county has possession of the tax roll shall notify the department  
22 of treasury of the amount of tax due and interest through the date  
23 of that notification. The department of treasury shall then assess  
24 the owner who claimed the exemption under this section for the tax  
25 and interest plus penalty accruing as a result of the denial of the  
26 claim for exemption, if any, as for unpaid taxes provided under  
27 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or

1 penalty collected into the state school aid fund and shall  
2 distribute any interest collected as provided in subsection (23).  
3 The department of treasury shall annually provide the county  
4 treasurer or his or her designee or the county equalization  
5 director or his or her designee a list of parcels of property  
6 located in that county for which an exemption may be erroneously  
7 claimed. The county treasurer or his or her designee or the county  
8 equalization director or his or her designee shall forward copies  
9 of the list provided by the department of treasury to each assessor  
10 in each local tax collecting unit in that county within 10 days of  
11 receiving the list.

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

20 (13) An owner may appeal a denial by the assessor of the local  
21 tax collecting unit under subsection (6), a final decision of the  
22 department of treasury under subsection (8), or a denial by the  
23 county treasurer or his or her designee or the county equalization  
24 director or his or her designee under subsection (11) to the  
25 residential and small claims division of the Michigan tax tribunal  
26 within 35 days of that decision. An owner is not required to pay  
27 the amount of tax in dispute in order to appeal a denial of a claim

1 of exemption to the department of treasury or to receive a final  
2 determination of the residential and small claims division of the  
3 Michigan tax tribunal. However, interest at the rate of 1.25% per  
4 month or fraction of a month and penalties shall accrue and be  
5 computed from the date the taxes were last payable without interest  
6 and penalty. If the residential and small claims division of the  
7 Michigan tax tribunal grants an owner's appeal of a denial and that  
8 owner has paid the interest due as a result of a denial under  
9 subsection (6), (8), or (11), the interest received after a  
10 distribution was made under subsection (23) shall be refunded.

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

17 (15) An affidavit filed by an owner for the exemption under  
18 this section rescinds all previous exemptions filed by that owner  
19 for any other property. The department of treasury shall notify the  
20 assessor of the local tax collecting unit in which the property for  
21 which a previous exemption was claimed is located that the previous  
22 exemption is rescinded by the subsequent affidavit. When an  
23 exemption is rescinded, the assessor of the local tax collecting  
24 unit shall remove the exemption effective December 31 of the year  
25 in which the affidavit was filed that rescinded the exemption. For  
26 any year for which the rescinded exemption has not been removed  
27 from the tax roll, the exemption shall be denied as provided in

1 this section. However, interest and penalty shall not be imposed  
2 for a year for which a rescission form has been timely filed under  
3 subsection (5).

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

15 (17) When a county register of deeds records a transfer of  
16 ownership of a property, he or she shall notify the local tax  
17 collecting unit in which the property is located of the transfer.

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

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

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

26 (20) If the assessor or treasurer of the local tax collecting  
27 unit believes that the department of treasury erroneously denied a



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

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

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

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

16 (23) Subject to subsection (24), interest at the rate of 1.25%  
17 per month or fraction of a month collected under subsection (6),  
18 (8), or (11) shall be distributed as follows:

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

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

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

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

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

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

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

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

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

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

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

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

8           (24) Interest distributed under subsection (23) is subject to  
9 the following conditions:

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

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

1           (25) Interest distributed under subsection (23) is in addition  
2 to and shall not affect the levy or collection of the county  
3 property tax administration fee established under this act.

4           (26) A cooperative housing corporation is entitled to a full  
5 or partial exemption under this section for the tax year in which  
6 the cooperative housing corporation files all of the following with  
7 the local tax collecting unit in which the cooperative housing  
8 corporation is located if filed on or before May 1:

9           (a) An affidavit form.

10           (b) A statement of the total number of units owned by the  
11 cooperative housing corporation and occupied as the principal  
12 residence of a tenant stockholder as of the date of the filing  
13 under this subsection.

14           (c) A list that includes the name, address, and social  
15 security number of each tenant stockholder of the cooperative  
16 housing corporation occupying a unit in the cooperative housing  
17 corporation as his or her principal residence as of the date of the  
18 filing under this subsection.

19           (d) A statement of the total number of units of the  
20 cooperative housing corporation on which an exemption under this  
21 section was claimed and that were transferred in the tax year  
22 immediately preceding the tax year in which the filing under this  
23 section was made.

24           (27) Before May 1, 2004 and before May 1, 2005, the treasurer  
25 of each county shall forward to the department of education a  
26 statement of the taxable value of each school district and fraction  
27 of a school district within the county for the preceding 4 calendar

1 years. This requirement is in addition to the requirement set forth  
2 in section 151 of the state school aid act of 1979, 1979 PA 94, MCL  
3 388.1751.