

# HOUSE BILL No. 6028

May 3, 2006, Introduced by Reps. Taub, Sheen, Garfield, Stakoe, Shaffer, Amos, Marleau, Meyer, Hildenbrand, Jones, Pearce, Palmer, David Law, Gaffney and Accavitti and referred to the Committee on Tax Policy.

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

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15 rescinded or a substantially similar exemption, deduction, or  
16 credit on property in another state that is not rescinded.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23 exemption shall remain in effect until rescinded as provided in  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

25 (3) A husband and wife who are required to file or who do file  
26 a joint Michigan income tax return are entitled to not more than 1  
27 exemption under this section. **AN OWNER OF PROPERTY WHO AS A**

1    **CONDITION OF EMPLOYMENT AT A BOARDING SCHOOL IN THIS STATE IS**  
2    **REQUIRED TO LIVE ON CAMPUS FOR THE PERIOD OF TIME THAT THE BOARDING**  
3    **SCHOOL IS IN SESSION IS ENTITLED TO 1 EXEMPTION UNDER THIS SECTION**  
4    **IF THAT OWNER OF PROPERTY FILES AN AFFIDAVIT CLAIMING THE EXEMPTION**  
5    **AS PROVIDED IN SUBSECTION (2).** For taxes levied after December 31,  
6    2002, a person is not entitled to an exemption under this section  
7    if any of the following conditions occur:

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

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

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

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

24          (e) That person has previously rescinded an exemption under  
25   this section for the same property for which an exemption is now  
26   claimed and there has not been a transfer of ownership of that  
27   property after the previous exemption was rescinded, if either of

1 the following conditions is satisfied:

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

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

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

19 (5) Not more than 90 days after exempted property is no longer  
20 used as a principal residence by the owner claiming an exemption,  
21 that owner shall rescind the claim of exemption by filing with the  
22 local tax collecting unit a rescission form prescribed by the  
23 department of treasury. An owner who fails to file a rescission as  
24 required by this subsection is subject to a penalty of \$5.00 per  
25 day for each separate failure beginning after the 90 days have  
26 elapsed, up to a maximum of \$200.00. This penalty shall be  
27 collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be

1 deposited in the state school aid fund established in section 11 of  
2 article IX of the state constitution of 1963. This penalty may be  
3 waived by the department of treasury.

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

1 Interest on any tax set forth in a corrected or supplemental tax  
2 bill shall again begin to accrue 60 days after the date the  
3 corrected or supplemental tax bill is issued at the rate of 1.25%  
4 per month or fraction of a month. Taxes levied in a corrected or  
5 supplemental tax bill shall be returned as delinquent on the March  
6 1 in the year immediately succeeding the year in which the  
7 corrected or supplemental tax bill is issued. If the assessor  
8 denies an existing claim for exemption, the interest due shall be  
9 distributed as provided in subsection (23). However, if the  
10 property has been transferred to a bona fide purchaser before  
11 additional taxes were billed to the seller as a result of the  
12 denial of a claim for exemption, the taxes, interest, and penalties  
13 shall not be a lien on the property and shall not be billed to the  
14 bona fide purchaser, and the local tax collecting unit if the local  
15 tax collecting unit has possession of the tax roll or the county  
16 treasurer if the county has possession of the tax roll shall notify  
17 the department of treasury of the amount of tax due, interest, and  
18 penalties through the date of that notification. The department of  
19 treasury shall then assess the owner who claimed the exemption  
20 under this section for the tax, interest, and penalties accruing as  
21 a result of the denial of the claim for exemption, if any, as for  
22 unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and  
23 shall deposit any tax or penalty collected into the state school  
24 aid fund and shall distribute any interest collected as provided in  
25 subsection (23). The denial shall be made on a form prescribed by  
26 the department of treasury. If the property for which the assessor  
27 has denied a claim for exemption under this subsection is located

1 in a county in which the county treasurer or the county  
2 equalization director have elected to audit exemptions under  
3 subsection (10), the assessor shall notify the county treasurer or  
4 the county equalization director of the denial under this  
5 subsection.

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

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

1 information from that department. An owner may appeal the denial of  
2 a claim of exemption to the department of treasury within 35 days  
3 of receipt of the notice of denial. An appeal to the department of  
4 treasury shall be conducted according to the provisions for an  
5 informal conference in section 21 of 1941 PA 122, MCL 205.21.  
6 Within 10 days after acknowledging an appeal of a denial of a claim  
7 of exemption, the department of treasury shall notify the assessor  
8 and the treasurer for the county in which the property is located  
9 that an appeal has been filed. Upon receipt of a notice that the  
10 department of treasury has denied a claim for exemption, the  
11 assessor shall remove the exemption of the property and, if the tax  
12 roll is in the local tax collecting unit's possession, amend the  
13 tax roll to reflect the denial and the local treasurer shall within  
14 30 days of the date of the denial issue a corrected tax bill for  
15 any additional taxes with interest at the rate of 1.25% per month  
16 or fraction of a month and penalties computed from the date the  
17 taxes were last payable without interest and penalty. If the tax  
18 roll is in the county treasurer's possession, the tax roll shall be  
19 amended to reflect the denial and the county treasurer shall within  
20 30 days of the date of the denial prepare and submit a supplemental  
21 tax bill for any additional taxes, together with interest at the  
22 rate of 1.25% per month or fraction of a month and penalties  
23 computed from the date the taxes were last payable without interest  
24 or penalty. Interest on any tax set forth in a corrected or  
25 supplemental tax bill shall again begin to accrue 60 days after the  
26 date the corrected or supplemental tax bill is issued at the rate  
27 of 1.25% per month or fraction of a month. Taxes levied in a



1 corrected or supplemental tax bill shall be returned as delinquent  
2 on the March 1 in the year immediately succeeding the year in which  
3 the corrected or supplemental tax bill is issued. If the department  
4 of treasury denies an existing claim for exemption, the interest  
5 due shall be distributed as provided in subsection (23). However,  
6 if the property has been transferred to a bona fide purchaser  
7 before additional taxes were billed to the seller as a result of  
8 the denial of a claim for exemption, the taxes, interest, and  
9 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 and interest through the date of that notification. The  
15 department of treasury shall then assess the owner who claimed the  
16 exemption under this section for the tax and interest plus penalty  
17 accruing as a result of the denial of the claim for exemption, if  
18 any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to  
19 205.31, and shall deposit any tax or penalty collected into the  
20 state school aid fund and shall distribute any interest collected  
21 as provided in subsection (23).

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

1 will not deny an exemption identified by the department of treasury  
2 in the list provided under subsection (11).

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

27 (11) If a county elects to audit the exemptions claimed under

1 this section as provided in subsection (10) and the county  
2 treasurer or his or her designee or the county equalization  
3 director or his or her designee believes that the property for  
4 which an exemption is claimed is not the principal residence of the  
5 owner claiming the exemption, the county treasurer or his or her  
6 designee or the county equalization director or his or her designee  
7 may deny an existing claim by notifying the owner, the assessor of  
8 the local tax collecting unit, and the department of treasury in  
9 writing of the reason for the denial and advising the owner that  
10 the denial may be appealed to the residential and small claims  
11 division of the Michigan tax tribunal within 35 days after the date  
12 of the notice. The county treasurer or his or her designee or the  
13 county equalization director or his or her designee may deny a  
14 claim for exemption for the current year and for the 3 immediately  
15 preceding calendar years. If the county treasurer or his or her  
16 designee or the county equalization director or his or her designee  
17 denies an existing claim for exemption, the county treasurer or his  
18 or her designee or the county equalization director or his or her  
19 designee shall direct the assessor of the local tax collecting unit  
20 in which the property is located to remove the exemption of the  
21 property from the assessment roll and, if the tax roll is in the  
22 local tax collecting unit's possession, direct the assessor of the  
23 local tax collecting unit to amend the tax roll to reflect the  
24 denial and the treasurer of the local tax collecting unit shall  
25 within 30 days of the date of the denial issue a corrected tax bill  
26 for any additional taxes with interest at the rate of 1.25% per  
27 month or fraction of a month and penalties computed from the date

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

1 the owner who claimed the exemption under this section for the tax  
2 and interest plus penalty accruing as a result of the denial of the  
3 claim for exemption, if any, as for unpaid taxes provided under  
4 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or  
5 penalty collected into the state school aid fund and shall  
6 distribute any interest collected as provided in subsection (23).  
7 The department of treasury shall annually provide the county  
8 treasurer or his or her designee or the county equalization  
9 director or his or her designee a list of parcels of property  
10 located in that county for which an exemption may be erroneously  
11 claimed. The county treasurer or his or her designee or the county  
12 equalization director or his or her designee shall forward copies  
13 of the list provided by the department of treasury to each assessor  
14 in each local tax collecting unit in that county within 10 days of  
15 receiving the list.

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

24 (13) An owner may appeal a denial by the assessor of the local  
25 tax collecting unit under subsection (6), a final decision of the  
26 department of treasury under subsection (8), or a denial by the  
27 county treasurer or his or her designee or the county equalization

1 director or his or her designee under subsection (11) to the  
2 residential and small claims division of the Michigan tax tribunal  
3 within 35 days of that decision. An owner is not required to pay  
4 the amount of tax in dispute in order to appeal a denial of a claim  
5 of exemption to the department of treasury or to receive a final  
6 determination of the residential and small claims division of the  
7 Michigan tax tribunal. However, interest at the rate of 1.25% per  
8 month or fraction of a month and penalties shall accrue and be  
9 computed from the date the taxes were last payable without interest  
10 and penalty. If the residential and small claims division of the  
11 Michigan tax tribunal grants an owner's appeal of a denial and that  
12 owner has paid the interest due as a result of a denial under  
13 subsection (6), (8), or (11), the interest received after a  
14 distribution was made under subsection (23) shall be refunded.

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

21 (15) An affidavit filed by an owner for the exemption under  
22 this section rescinds all previous exemptions filed by that owner  
23 for any other property. The department of treasury shall notify the  
24 assessor of the local tax collecting unit in which the property for  
25 which a previous exemption was claimed is located that the previous  
26 exemption is rescinded by the subsequent affidavit. When an  
27 exemption is rescinded, the assessor of the local tax collecting

1 unit shall remove the exemption effective December 31 of the year  
2 in which the affidavit was filed that rescinded the exemption. For  
3 any year for which the rescinded exemption has not been removed  
4 from the tax roll, the exemption shall be denied as provided in  
5 this section. However, interest and penalty shall not be imposed  
6 for a year for which a rescission form has been timely filed under  
7 subsection (5).

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

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

22 (18) The department of treasury shall make available the  
23 affidavit forms and the forms to rescind an exemption, which may be  
24 on the same form, to all city and township assessors, county  
25 equalization officers, county registers of deeds, and closing  
26 agents. A person who prepares a closing statement for the sale of  
27 property shall provide affidavit and rescission forms to the buyer

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

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



1 shall convene a December board of review and consider the appeal  
2 pursuant to this section and section 53b.

3 (20) If the assessor or treasurer of the local tax collecting  
4 unit believes that the department of treasury erroneously denied a  
5 claim for exemption, the assessor or treasurer may submit written  
6 information supporting the owner's claim for exemption to the  
7 department of treasury within 35 days of the owner's receipt of the  
8 notice denying the claim for exemption. If, after reviewing the  
9 information provided, the department of treasury determines that  
10 the claim for exemption was erroneously denied, the department of  
11 treasury shall grant the exemption and the tax roll shall be  
12 amended to reflect the exemption.

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

20 (22) If an exemption under this section is erroneously granted  
21 for an affidavit filed before October 1, 2003, an owner may request  
22 in writing that the department of treasury withdraw the exemption.  
23 The request to withdraw the exemption shall be received not later  
24 than November 1, 2003. If an owner requests that an exemption be  
25 withdrawn, the department of treasury shall issue an order  
26 notifying the local assessor that the exemption issued under this  
27 section has been denied based on the owner's request. If an

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (24) Interest distributed under subsection (23) is subject to  
13 the following conditions:

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

20 (b) Interest distributed to the department of treasury shall  
21 be deposited into the principal residence property tax exemption  
22 audit fund, which is created within the state treasury. The state  
23 treasurer may receive money or other assets from any source for  
24 deposit into the fund. The state treasurer shall direct the  
25 investment of the fund. The state treasurer shall credit to the  
26 fund interest and earnings from fund investments. Money in the fund  
27 shall be considered a work project account and at the close of the

1 fiscal year shall remain in the fund and shall not lapse to the  
2 general fund. Money from the fund shall be expended, upon  
3 appropriation, only for the purpose of auditing exemption  
4 affidavits.

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

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

13 (a) An affidavit form.

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

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

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

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