

HOUSE BILL No. 6448

September 11, 2008, Introduced by Reps. Bieda and Condino and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.155) by adding section 700.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 700. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2008, NEW
2 CONSTRUCTION ON DEVELOPMENT PROPERTY IS EXEMPT FROM THE COLLECTION
3 OF TAXES UNDER THIS ACT.

4 (2) TO CLAIM AN EXEMPTION UNDER SUBSECTION (1), AN OWNER OF
5 DEVELOPMENT PROPERTY SHALL FILE AN AFFIDAVIT CLAIMING THE EXEMPTION
6 WITH THE LOCAL TAX COLLECTING UNIT BY MAY 1. THE AFFIDAVIT SHALL BE
7 ON A FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY.

8 (3) UPON RECEIPT OF AN AFFIDAVIT FILED UNDER SUBSECTION (2),
9 THE ASSESSOR SHALL DETERMINE IF THE REAL PROPERTY ON WHICH NEW
10 CONSTRUCTION IS LOCATED IS DEVELOPMENT PROPERTY. IF THE REAL

1 PROPERTY IS DEVELOPMENT PROPERTY, THE ASSESSOR SHALL EXEMPT THE NEW
2 CONSTRUCTION LOCATED ON THAT DEVELOPMENT PROPERTY FROM THE
3 COLLECTION OF TAXES UNDER THIS ACT.

4 (4) NOT MORE THAN 90 DAYS AFTER ALL OR A PORTION OF THE
5 EXEMPTED NEW CONSTRUCTION IS NO LONGER LOCATED ON DEVELOPMENT
6 PROPERTY, AN OWNER SHALL RESCIND THE EXEMPTION FOR THE NEW
7 CONSTRUCTION BY FILING WITH THE LOCAL TAX COLLECTING UNIT A
8 RESCISSION FORM. THE RESCISSION FORM SHALL BE AS PRESCRIBED BY THE
9 DEPARTMENT OF TREASURY.

10 (5) AN OWNER OF EXEMPTED NEW CONSTRUCTION THAT IS NO LONGER
11 LOCATED ON DEVELOPMENT PROPERTY WHO FAILS TO FILE A RESCISSION FORM
12 AS REQUIRED UNDER SUBSECTION (4) IS SUBJECT TO A PENALTY OF \$5.00
13 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER THE 90 DAYS HAVE
14 ELAPSED, UP TO A MAXIMUM OF \$200.00. THIS PENALTY SHALL BE
15 COLLECTED UNDER 1941 PA 122, MCL 205.1 TO 205.31, AND SHALL BE
16 DEPOSITED IN THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF
17 ARTICLE IX OF THE STATE CONSTITUTION OF 1963. THIS PENALTY MAY BE
18 WAIVED BY THE DEPARTMENT OF TREASURY.

19 (6) AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON
20 DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS NOT ON THE
21 TAX ROLL MAY FILE AN APPEAL WITH THE JULY OR DECEMBER BOARD OF
22 REVIEW IN THE YEAR THE EXEMPTION WAS CLAIMED OR THE IMMEDIATELY
23 SUCCEEDING YEAR. AN OWNER OF NEW CONSTRUCTION THAT IS LOCATED ON
24 DEVELOPMENT PROPERTY ON MAY 1 FOR WHICH AN EXEMPTION WAS DENIED BY
25 THE ASSESSOR IN THE YEAR THE AFFIDAVIT WAS FILED MAY FILE AN APPEAL
26 WITH THE JULY BOARD OF REVIEW FOR SUMMER TAXES OR, IF THERE IS NOT
27 A SUMMER LEVY OF SCHOOL OPERATING TAXES, WITH THE DECEMBER BOARD OF

1 REVIEW.

2 (7) IF THE ASSESSOR OF THE LOCAL TAX COLLECTING UNIT BELIEVES
3 THAT NEW CONSTRUCTION FOR WHICH AN EXEMPTION HAS BEEN GRANTED IS
4 NOT LOCATED ON DEVELOPMENT PROPERTY, THE ASSESSOR MAY DENY OR
5 MODIFY AN EXISTING EXEMPTION BY NOTIFYING THE OWNER IN WRITING AT
6 THE TIME REQUIRED FOR PROVIDING A NOTICE UNDER SECTION 24C. A
7 TAXPAYER MAY APPEAL THE ASSESSOR'S DETERMINATION TO THE BOARD OF
8 REVIEW MEETING UNDER SECTION 30. A DECISION OF THE BOARD OF REVIEW
9 MAY BE APPEALED TO THE RESIDENTIAL AND SMALL CLAIMS DIVISION OF THE
10 MICHIGAN TAX TRIBUNAL.

11 (8) IF AN EXEMPTION UNDER THIS SECTION IS ERRONEOUSLY GRANTED,
12 AN OWNER MAY REQUEST IN WRITING THAT THE LOCAL TAX COLLECTING UNIT
13 WITHDRAW THE EXEMPTION. IF AN OWNER REQUESTS THAT AN EXEMPTION BE
14 WITHDRAWN, THE LOCAL ASSESSOR SHALL NOTIFY THE OWNER THAT THE
15 EXEMPTION ISSUED UNDER THIS SECTION HAS BEEN DENIED BASED ON THAT
16 OWNER'S REQUEST. IF AN EXEMPTION IS WITHDRAWN, THE NEW CONSTRUCTION
17 THAT HAD BEEN SUBJECT TO THAT EXEMPTION SHALL BE IMMEDIATELY PLACED
18 ON THE TAX ROLL BY THE LOCAL TAX COLLECTING UNIT IF THE LOCAL TAX
19 COLLECTING UNIT HAS POSSESSION OF THE TAX ROLL OR BY THE COUNTY
20 TREASURER IF THE COUNTY HAS POSSESSION OF THE TAX ROLL AS THOUGH
21 THE EXEMPTION HAD NOT BEEN GRANTED. A CORRECTED TAX BILL SHALL BE
22 ISSUED FOR THE TAX YEAR BEING ADJUSTED BY THE LOCAL TAX COLLECTING
23 UNIT IF THE LOCAL TAX COLLECTING UNIT HAS POSSESSION OF THE TAX
24 ROLL OR BY THE COUNTY TREASURER IF THE COUNTY HAS POSSESSION OF THE
25 TAX ROLL. IF AN OWNER REQUESTS THAT AN EXEMPTION UNDER THIS SECTION
26 BE WITHDRAWN BEFORE THAT OWNER IS CONTACTED IN WRITING BY THE LOCAL
27 ASSESSOR REGARDING THAT OWNER'S ELIGIBILITY FOR THE EXEMPTION AND

1 THAT OWNER PAYS THE CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
2 WITHIN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED, THAT OWNER
3 IS NOT LIABLE FOR ANY PENALTY OR INTEREST ON THE ADDITIONAL TAX. AN
4 OWNER WHO PAYS A CORRECTED TAX BILL ISSUED UNDER THIS SUBSECTION
5 MORE THAN 30 DAYS AFTER THE CORRECTED TAX BILL IS ISSUED IS LIABLE
6 FOR THE PENALTIES AND INTEREST THAT WOULD HAVE ACCRUED IF THE
7 EXEMPTION HAD NOT BEEN GRANTED FROM THE DATE THE TAXES WERE
8 ORIGINALLY LEVIED.

9 (9) AS USED IN THIS SECTION:

10 (A) "DEVELOPMENT PROPERTY" MEANS REAL PROPERTY ON WHICH A
11 RESIDENTIAL DWELLING, CONDOMINIUM UNIT, OR OTHER RESIDENTIAL
12 STRUCTURE IS LOCATED, WHICH RESIDENTIAL DWELLING, CONDOMINIUM UNIT,
13 OR OTHER RESIDENTIAL STRUCTURE IS NOT OCCUPIED AND HAS NEVER BEEN
14 OCCUPIED.

15 (B) "NEW CONSTRUCTION" MEANS THAT TERM AS DEFINED IN SECTION
16 34D.