



Principal Residency and Conditional Foreclosure Rescission Effective June 2012

P.A. 115 recently changed the eligibility and deadline procedure for principal residency exemptions. In addition it added the Foreclosure Entity Conditional Rescission affidavit. The following summary pertains to the changes that have been enacted regarding Principal Residency deadlines that will affect refunds that you may be asked to make to tax roll.

Changes to Traditional Principal Residency Exemptions

The change in deadline for the traditional Principal Residency Exemption has been separated into two separate dates; June 1st and November 1st. The following is our understanding of this change:

- June 1st filing deadline will affect schools that bill their operating costs on the Summer Levy.
- November 1st filing will **only** affect schools that bill their operating costs on the Winter Levy. There will be no retro-active adjustments or refunds for School Operating that were billed in the Summer Levy.

The major change in this Statute is the “timeliness” aspect of the two filing deadlines. It eliminates the retro-active nature of the previous Homestead Statutes by requiring filing of the exemption form to be timely. In the event that forms are not timely, the local Board of Review **does not** have any authority to order a reinstatement of a Principal Residency exemption, after the fact.

It is our recommendation that you request a copy of the PRE affidavit for your records prior making any adjustment in your tax system or issuing a refund to a taxpayer. If you have any questions about the new PRE Statutes please don't hesitate to contact our office.

New Conditional Foreclosure Rescission

The Conditional Foreclosure Rescission will create several changes for the Treasurers' offices. In the event that your Assessor receives one of these forms, below are the requirements in order for a Bank to be granted a Conditional Foreclosure:



COUNTY OF ST. CLAIR



Office of the Treasurer

KELLY M. ROBERTS-BURNETT
Treasurer

PENNY C. SCHWEIHOFFER
Deputy Treasurer

1. The attached Form 4983, must be completed by any bank, land contract holder, credit union, or other lending institution that wishes to retain a PRE exemption on the property.
2. Filing must be timely; deadlines for filing are the same Traditional PRE.
3. Please note that this Act is not retroactive, which means that filing of Form 4963 will only affect taxes that are levied after the timely filing of the Form. In the event, that a School District splits School Operating at 50% between the Summer and Winter levies; the change will only affect upcoming bills.

Any property identified as a Conditional Foreclosure Exemption will retain a 100% exemption on the property but will be required to pay the 18 mills. This money will be applied under a separate fund know as State School Aid.

Collections for any qualifying property must be submitted to the School District in the same manner as School Operating, Debt, and Sink. If you have questions about the collection or distribution of this money please contact the PRE Unit in Lansing at 517-373-1950 or PTE-Section@michigan.gov.

The Tax Millage Heading for the new fund must be titled: School District Code SCH AID FC (Example 74010 SCH AID FC)

If you have any questions regarding Traditional Principal Residency or Conditional Foreclosure Rescissions please feel free to contact me.

Respectfully,

Molly K. Tierney

Molly K. Tierney
St. Clair County Treasurer's Office

- Encl., 1. Notice Concerning P. A. 115
2. Conditional Foreclosure Rescission Form 4983