

SENATE BILL No. 190

March 14, 1991, Introduced by Senator V. SMITH and referred to the Committee on Finance.

A bill to amend section 13 of Act No. 282 of the Public Acts of 1905, entitled as amended

"An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act,"

as amended by Act No. 322 of the Public Acts of 1980, being section 207.13 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13 of Act No. 282 of the Public Acts of
2 1905, as amended by Act No. 322 of the Public Acts of 1980, being

1 section 207.13 of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 13. (1) The state board of assessors, from the infor-
4 mation contained in the reports provided for in section 12, shall
5 ascertain and determine the average rate of taxation for the year
6 in which the reports are required to be made, levied upon other
7 property upon which ad valorem taxes are assessed for state,
8 county, township, school, and municipal purposes, and enter the
9 determination upon its records, together with the method by which
10 the average rate was ascertained and determined. In ascertaining
11 and determining the average rate of taxation, the board shall
12 divide the state equalized value as set by the state board of
13 equalization for the previous year into the total ad valorem
14 taxes as reported by each county clerk as provided for under sec-
15 tion 12.

16 (2) A railroad company ~~shall be~~ IS allowed a credit
17 against the tax imposed by this act for the taxable year in an
18 amount equal to 25% of the amount expended for the maintenance or
19 improvement of rights of way, including those items, except
20 depreciation, in the official maintenance-of-way and capital
21 track accounts of the railroad company, in this state during the
22 calendar year preceding the tax year but not to exceed the total
23 liability for the tax under this act. The manner of applying for
24 the credit and the proof of expenditures required shall be pre-
25 scribed by the state board of assessors. THIS SUBSECTION APPLIES
26 THROUGH DECEMBER 31, 1992.

1 (3) ~~—A—~~ BEFORE JANUARY 1, 1993, A railroad company ~~which~~
2 THAT claims a credit under this section shall ~~be required to~~
3 file an annual report with the state board of assessors ~~which~~
4 ~~shall include~~ THAT INCLUDES detailed data of right of way work
5 conducted in the state during the past calendar year. The state
6 board of assessors shall transmit a copy of the report to the
7 chairperson of the senate finance committee and the house tax-
8 tion committee. This report ~~which~~ shall be submitted to the
9 state board of assessors, shall include the number of notices of
10 violation from railway inspectors by railroad section, and shall
11 include a detailed account of the location of the work and the
12 nature of the work. The location of the work shall be defined by
13 the railroad section or mile posts surrounding the work area plus
14 the county, ~~or~~ the city, or township in which the work was
15 performed. This report shall include a separation of costs by
16 labor and materials on each project. The report also shall
17 include an itemized account of what work was done. This account
18 shall be itemized by the following categories:

- 19 (a) Miles of track laid.
20 (b) Tons of new ballast installed.
21 (c) Number of ties installed.
22 (d) Miles of tracks surfaced.
23 (e) Signals installed.
24 (f) Under drainage work done.

25 (4) The railroad companies, in order to qualify for the full
26 25% credit under this act, must demonstrate to the state board of
27 assessors that the highest priority of expenditures for the

1 maintenance or improvement of rights of way has been given to
2 rail lines ~~which~~ THAT handle hazardous materials, especially
3 those that are located in urban or residential areas.

4 (5) A railroad company ~~which~~ THAT claims a credit under
5 this section shall be required to file an annual report with the
6 state board of assessors ~~which~~ THAT shall include detailed data
7 on the tonnages of hazardous materials handled in relation to
8 tonnages of other traffic handled over the rail line for which a
9 tax credit is being applied.

10 (6) ~~(5)~~ A railroad company utilizing the property tax
11 credit provisions of this act shall grant to another railroad
12 company upon application by the latter, trackage rights over its
13 line for trains, providing ~~said~~ THOSE train operations do not
14 interfere with the movement of Michigan freight using THE same
15 trackage, ~~and~~ providing operations can be accomplished safely
16 in the opinion of the grantor and ~~which~~ PROVIDING THE trackage
17 arrangements and train operations have been approved by the
18 interstate commerce commission. ~~and~~ THE grantee shall pay THE
19 grantor those reasonable charges agreed to between the 2 parties,
20 providing ~~said~~ THE charges and terms of the agreement between
21 ~~said~~ THE 2 parties are not in violation of the anti-trust pro-
22 visions of federal laws as amended by the staggers rail act of
23 1980, ~~of the 96th United States Congress~~ PUBLIC LAW 96-448, 94
24 STAT. 1895.