

Act No. 332
Public Acts of 1993
Approved by the Governor
December 31, 1993
Filed with the Secretary of State
December 31, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Reps. Bobier, Horton, Munsell, Bender, Johnson, Bullard, Bandstra, Dalman, Shugars, McBryde, Llewellyn, Stille, Dobb, Dolan, Walberg and Martin

ENROLLED HOUSE BILL No. 5116

AN ACT 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:

Section 1. Section 13 of Act No. 282 of the Public Acts of 1905, as amended by Act No. 322 of the Public Acts of 1980, being section 207.13 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 13. (1) The state board of assessors, from the information contained in the reports provided for in section 12, shall ascertain and determine the average rate of taxation for the year in which the reports are required to be made, levied upon other commercial, industrial, and utility property upon which ad valorem taxes are assessed for state, county, township, school, and municipal purposes, and enter the determination upon its records, together with the method by which the average rate was ascertained and determined. In ascertaining and determining the average rate of taxation, the board shall divide the state equalized value as set by the state board of equalization for the previous year into the total ad valorem taxes as reported by each county clerk as provided for under section 12. In determining the average rate of taxation for 1994, ad valorem taxes levied for the year in which the reports are required by a local school district for school operating purposes under the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws, shall be excluded from the calculation required by this section and the state board of assessors shall add to the tax rate calculated under this section after the exclusion required by this sentence, the number of mills levied under the state education tax act plus the statewide average number of allocated mills or separately voted mills levied under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.213 to 211.217a of the Michigan Compiled Laws, if any, and the statewide average number of mills levied in 1994 by local school districts for school operating purposes under Act No. 451 of the Public Acts of 1976. If the state board of assessors is unable to determine the average rate of taxation for 1994 before June 1, 1994, the state board of assessors shall determine a preliminary average rate of taxation that shall be used for purposes of completing the 1994 tax roll under section 14. However, before April 1, 1995, the state board of assessors shall determine and certify the average rate of taxation for 1994 and prepare a supplemental 1994 tax roll using the 1994 assessed valuations for the

purpose of levying a supplemental tax or making a refund. The supplemental tax is due and payable and the refund, if any, is due July 1, 1995 without interest. If the supplemental tax is paid after August 1, 1995, the tax is payable with interest due at the rate of 1% per month or portion of a month calculated from January 15, 1995 to the date of payment.

(2) A railroad company is allowed a credit against the tax imposed by this act for the taxable year in an amount equal to 25% of the amount expended for the maintenance or improvement of rights of way, including those items, except depreciation, in the official maintenance-of-way and capital track accounts of the railroad company, in this state during the calendar year immediately preceding the tax year but not to exceed the total liability for the tax under this act. The manner of applying for the credit and the proof of expenditures required shall be prescribed by the state board of assessors.

(3) A railroad company that claims a credit under this section is required to file an annual report with the state board of assessors that shall include detailed data of right of way work conducted in the state during the past calendar year. The state board of assessors shall transmit a copy of the report to the chairperson of the senate finance committee and the house taxation committee. This report that shall be submitted to the state board of assessors, shall include the number of notices of violation from railway inspectors by railroad section and shall include a detailed account of the location of the work and the nature of the work. The location of the work shall be defined by the railroad section or mile posts surrounding the work area plus the county or the city or township in which the work was performed. This report shall include a separation of costs by labor and materials on each project. The report also shall include an itemized account of what work was done. This account shall be itemized by the following categories:

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

(4) The railroad companies, in order to qualify for the full 25% credit under this act, must demonstrate to the state board of assessors that the highest priority of expenditures for the maintenance or improvement of rights of way has been given to rail lines that handle hazardous materials, especially those that are located in urban or residential areas.

A railroad company that claims a credit under this section is required to file an annual report with the state board of assessors that shall include detailed data on the tonnages of hazardous materials handled in relation to tonnages of other traffic handled over the rail line for which a tax credit is being applied.

(5) A railroad company utilizing the property tax credit provisions of this act shall grant to another railroad company upon application by the latter, trackage rights over its line for trains, providing that the train operations do not interfere with the movement of Michigan freight using same trackage, providing that operations can be accomplished safely in the opinion of the grantor, and providing that trackage arrangements and train operations have been approved by the interstate commerce commission. The grantee shall pay the grantor those reasonable charges agreed to between the 2 parties, providing the charges and terms of the agreement between the 2 parties are not in violation of the anti-trust provisions of federal laws as amended by the staggers rail act of 1980, Public Law 96-448, 94 Stat. 1895.

Section 2. This amendatory act shall not take effect unless Senate Joint Resolution S is submitted to the voters and the following bills are enacted into law:

- (a) House Bill No. 5109.
- (b) House Bill No. 5110.
- (c) House Bill No. 5009.
- (d) House Bill No. 5010.
- (e) House Bill No. 5118.
- (f) House Bill No. 5097.
- (g) House Bill No. 5123.
- (h) House Bill No. 4279.
- (i) House Bill No. 5102.
- (j) House Bill No. 5103.
- (k) House Bill No. 5104.
- (l) House Bill No. 5106.
- (m) House Bill No. 5111.
- (n) House Bill No. 5115.

- (o) House Bill No. 5112.
- (p) House Bill No. 5120.
- (q) House Bill No. 5129.
- (r) House Bill No. 5224.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.