

Act No. 361
Public Acts of 1994
Approved by the Governor
December 26, 1994
Filed with the Secretary of State
December 27, 1994

STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994

Introduced by Reps Dobb Bullard Munsell Bennane Agee Freeman Gustafson Bryant Brackenridge
Whyman Shugars Profit Palamara Kaza Gubow Pitoniak Points LeTarte DeMars Galloway and
Middaugh

ENROLLED HOUSE BILL No. 5769

AN ACT to amend section 13 of Act No 282 of the Public Acts of 1905 entitled 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 332 of the Public Acts of 1993 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 332 of the Public Acts of 1993 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 determine for the year in which the reports are required to be made the average rate of taxation 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 determined In 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 section 1211 of 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 Act No 331 of the Public Acts of 1993 being sections 211 901 to 211 906 of the Michigan Compiled Laws plus 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 being sections 380 1 to 380 1852 of the Michigan Compiled Laws 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 to complete the 1994 tax roll under section 14 However before June 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 this 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 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 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, 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 the same trackage if operations can be accomplished safely in the opinion of the grantor and if trackage arrangements and train operations are approved by the interstate commerce commission. The grantee shall pay the grantor reasonable charges agreed to between the 2 parties if the charges and terms of the agreement between the 2 parties are not in violation of the antitrust provisions of federal laws as amended by the Staggers rail act of 1980. Public Law 96 448 94 Stat 1895.

This act is ordered to take immediate effect.

Co Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor