



HOUSE BILL No. 5769

September 14 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 and referred to the Committee on Taxation

A bill 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

1 Section 1 Section 13 of Act No 282 of the Public Acts of
2 1905 as amended by Act No 332 of the Public Acts of 1993 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 FOR THE YEAR IN WHICH THE REPORTS ARE
6 REQUIRED TO BE MADE the average rate of taxation ~~for the year in~~
7 ~~which the reports are required to be made,~~ levied upon other
8 commercial industrial and utility property upon which ad
9 valorem taxes are assessed for state, county, township, school
10 and municipal purposes and enter the determination upon its
11 records, together with the method by which the average rate was
12 ~~ascertained and~~ determined In ~~ascertaining and~~ determining
13 the average rate of taxation the board shall divide the state
14 equalized value as set by the state board of equalization for the
15 previous year into the total ad valorem taxes as reported by each
16 county clerk as provided for under section 12 In determining
17 the average rate of taxation for 1994, ad valorem taxes levied
18 for the year in which the reports are required by a local school
19 district for school operating purposes under SECTION 1211 OF the
20 school code of 1976 Act No 451 of the Public Acts of 1976
21 being section 380 1211 of the Michigan Compiled Laws, shall be
22 excluded from the calculation required by this section and the
23 state board of assessors shall add to the tax rate calculated
24 under this section after the exclusion required by this sentence
25 the number of mills levied under the state education tax act, ACT
26 NO 331 OF THE PUBLIC ACTS OF 1993, BEING SECTIONS 211 901 TO
27 211 906 OF THE MICHIGAN COMPILED LAWS, plus ~~the statewide~~

~~1 average number of allocated mills or separately voted mills~~
~~2 levied under the property tax limitation act, Act No 62 of the~~
~~3 Public Acts of 1933, being sections 211 213 to 211 217a of the~~
~~4 Michigan Compiled Laws, if any, and~~ the statewide average number
5 of mills levied in 1994 by local school districts for school
6 operating purposes under Act No 451 of the Public Acts of 1976
7 If the state board of assessors is unable to determine the aver-
8 age rate of taxation for 1994 before June 1, 1994, the state
9 board of assessors shall determine a preliminary average rate of
10 taxation that shall be used ~~for purposes of completing~~ TO
11 COMPLETE the 1994 tax roll under section 14 However, before
12 April 1, 1995, the state board of assessors shall determine and
13 certify the average rate of taxation for 1994 and prepare a sup-
14 plemental 1994 tax roll using the 1994 assessed valuations for
15 the purpose of levying a supplemental tax or making a refund
16 The supplemental tax is due and payable and the refund, if any
17 is due July 1 1995 without interest If the supplemental tax is
18 paid after August 1 1995 the tax is payable with interest due
19 at the rate of 1% per month or portion of a month calculated from
20 January 15 1995 to the date of payment

21 (2) A railroad company is allowed a credit against the tax
22 imposed by this act for the taxable year in an amount equal to
23 25% of the amount expended for the maintenance or improvement of
24 rights of way, including those items except depreciation, in the
25 official maintenance-of-way and capital track accounts of the
26 railroad company ~~—~~ in this state during the calendar year
27 immediately preceding the tax year but not to exceed the total

1 liability for the tax under this act The manner of applying for
2 the credit and the proof of expenditures required shall be pre-
3 scribed by the state board of assessors

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

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

1 (4) The railroad companies in order to qualify for the full
2 25 credit under this act must demonstrate to the state board of
3 assessors that the highest priority of expenditures for the main-
4 tenance or improvement of rights of way has been given to rail
5 lines that handle hazardous materials especially those that are
6 located in urban or residential areas A railroad company that
7 claims a credit under this section is required to file an annual
8 report with the state board of assessors that shall include
9 detailed data on the tonnages of hazardous materials handled in
10 relation to tonnages of other traffic handled over the rail line
11 for which a tax credit is being applied

12 (5) A railroad company utilizing the property tax credit
13 provisions of this act shall grant to another railroad company
14 upon application by the latter trackage rights over its line for
15 trains, providing that the train operations do not interfere with
16 the movement of Michigan freight using THE same trackage
17 ~~providing that~~ IF operations can be accomplished safely in the
18 opinion of the grantor ~~and providing that~~ IF trackage
19 arrangements and train operations ~~have been~~ ARE approved by the
20 interstate commerce commission The grantee shall pay the
21 grantor ~~those~~ reasonable charges agreed to between the 2 par-
22 ties ~~providing~~ IF the charges and terms of the agreement
23 between the 2 parties are not in violation of the ~~anti-trust~~
24 ANTITRUST provisions of federal laws as amended by the ~~stagers~~
25 STAGGERS rail act of 1980, Public Law 96-448, 94 Stat 1895