

Act No. 69
Public Acts of 1996
Approved by the Governor
February 25, 1996
Filed with the Secretary of State
February 26, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Rep. Freeman

ENROLLED HOUSE BILL No. 5320

AN ACT to amend sections 673, 1211d, and 1262a of Act No. 451 of the Public Acts of 1976, entitled as amended "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, and intermediate school districts; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," section 1211d as added by Act No. 258 of the Public Acts of 1994 and section 1262a as added by Act No. 141 of the Public Acts of 1992, being sections 380.673, 380.1211d, and 380.1262a of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 673, 1211d, and 1262a of Act No. 451 of the Public Acts of 1976, section 1211d as added by Act No. 258 of the Public Acts of 1994 and section 1262a as added by Act No. 141 of the Public Acts of 1992, being sections 380.673, 380.1211d, and 380.1262a of the Michigan Compiled Laws, are amended to read as follows:

Sec. 673. An intermediate school board that has an agreement with an appropriate local authority may operate an educational recreation program if the educational recreation program operated by the intermediate school district under this section is approved by the state board.

Sec. 1211d. (1) Except as otherwise provided in subsection (2), as used in this section and in section 1211:

(a) "Homestead" means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling or unit. Homestead also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. Contiguity is not broken by a road or a right-of-way. Homestead also includes any portion of a principal single-family dwelling or a single-family unit in a multiple-unit dwelling used as a residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in the principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

- (b) "Owner" means a person who is 1 of the following:
 - (i) A person who owns property or who is purchasing property under a land contract.
 - (ii) A person who is a partial owner of property.
 - (iii) A person who owns property as a result of being a beneficiary of a will or trust or as a result of intestate succession.
 - (iv) A person who owns or is purchasing a dwelling on leased land.
 - (v) A person holding a life lease in property previously sold or transferred to another.
 - (vi) A grantor who has placed the property in a revocable trust or a qualified personal residence trust.
- (c) "Person", for purposes of a homestead, means an individual and, for purposes of qualified agricultural property, means an individual, partnership, corporation, limited liability company, association, or other legal entity.
- (d) "Principal residence" means the 1 place where a person has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established.
- (e) "Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of part 361 (farmland and open space preservation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.36101 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed an exemption on a homestead on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agriculture use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or a residence that is not a related building.

(2) If a term defined in this section is defined in section 7dd of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.7dd of the Michigan Compiled Laws, differently than that term is defined in subsection (1), then that term as used in this section and in section 1211 means that term as defined in section 7dd of Act No. 206 of the Public Acts of 1893.

Sec. 1262a. (1) As used in this section:

- (a) "Agricultural property" means that term as defined in section 20101 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20101 of the Michigan Compiled Laws.
- (b) "Board" means the board of a school district, a local act school district, or an intermediate school district.
- (c) "Hazardous substance" means that term as defined in section 20101 of part 201 of Act No. 451 of the Public Acts of 1994.
- (d) "Property" means real property, and includes a structure on real property.
- (e) "Release" means that term as defined in section 20101 of part 201 of Act No. 451 of the Public Acts of 1994.

(2) Subject to subsection (3), before commencing construction that requires grading, foundation or footing work, or other ground breaking activities for a new structure, expansion of an existing structure, or improvement to an outdoor recreation area, any of which is intended for student use, a board shall do all of the following:

(a) Conduct a visual inspection of the property upon or within which the structure will be situated and review the ownership and history of use of the property, using reasonably available government records, to determine whether a probability exists that a hazardous substance has been released, deposited, stored, disposed of, or otherwise located upon the property. If the review of ownership and use history indicates that the site is or has been agricultural property, the application of any fertilizer, soil conditioner, manure, or pesticide is presumed to have been applied to that agricultural property in accordance with label instructions and generally accepted agricultural and management practices, and is consequently presumed not to be a release. The presumption established by this section is rebuttable, and does not apply to a house, barn, or other permanent structure on agricultural property, or to agricultural property upon which a fertilizer, soil conditioner, manure, or pesticide is or was stored.

(b) If the visual inspection or review of the ownership or use history indicates that a release or threat of release has occurred or may occur, or if the history of use cannot be ascertained, the board shall conduct an environmental assessment of the property that includes an on-site evaluation of the nature and extent, if any, of the release or threat of release, and an inspection of each permanent structure, if any, on the property for the presence of a hazardous substance.

(c) If the environmental assessment described in subdivision (b) discloses a release or threat of a release, the board shall do all of the following:

(i) Prepare a report of the findings and conclusions of the environmental assessment, and make that report available to the public.

(ii) Provide public notice of the availability of the report described in subparagraph (i).

(iii) Submit the report described in subparagraph (i) to the department of natural resources.

(3) This section does not apply to a minor improvement or to the maintenance and repair of an existing structure. As used in this section, "minor improvement" means an improvement to property valued at a total of \$10,000.00 or less. The amount of the minor improvement shall be adjusted each year to reflect the annual average percentage increase or decrease in the Detroit consumer price index. The adjustment shall be made by multiplying the annual average percentage increase or decrease in the Detroit consumer price index for the immediately preceding calendar year by the maximum amount of a minor improvement exempt from this section in the immediately preceding calendar year. The resultant product shall be added to the maximum dollar amount of the minor improvement exempt from this section in the immediately preceding tax year and then rounded off to the nearest whole number, which shall be the new amount of minor improvement exemption for the current year. As used in this section, "Detroit consumer price index" means the most comprehensive index of consumer prices available for the Detroit area from the United States department of labor, bureau of labor statistics.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.