

**SUBSTITUTE FOR
SENATE BILL NO. 236**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 34c (MCL 211.34c), as amended by 1996 PA
476.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 34c. (1) Not later than the first Monday in March in
2 each year, the assessor shall classify every item of assessable
3 property according to the definitions contained in this section.
4 Following the March board of review, the assessor shall tabulate
5 the total number of items and the valuations as approved by the
6 board of review for each classification and for the totals of
7 real and personal property in the local tax collecting unit. The
8 assessor shall transmit to the county equalization department and
9 to the state tax commission the tabulation of assessed valuations
10 and other statistical information the state tax commission

SB 236, As Passed Senate, May 28, 1998

SB 236 as amended May 21, 1998

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1 considers necessary to meet the requirements of this act and ~~Act~~
2 ~~No. 44 of the Public Acts of 1911, being sections 209.1 to 209.8~~
3 ~~of the Michigan Compiled Laws~~ 1911 PA 44, MCL 209.1 TO 209.8.

4 (2) The classifications of assessable real property are
5 described as follows:

6 (a) Agricultural real property includes parcels used par-
7 tially or wholly for agricultural operations, with or without
8 buildings, and parcels assessed to the department of natural
9 resources and valued by the state tax commission. As used in
10 this subdivision, "agricultural operations" means the following:

11 (i) Farming in all its branches, including cultivating
12 soil.

13 (ii) Growing and harvesting any agricultural, horticultural,
14 or floricultural commodity.

15 (iii) Dairying.

16 (iv) Raising livestock, bees, fish, fur-bearing animals, or
17 poultry.

18 (v) Turf and tree farming.

19 (vi) BREEDING AND GRAZING CAPTIVE CERVIDAE FOR COMMERCIAL OR
20 RETAIL SALE BUT DOES NOT INCLUDE RECREATIONAL OPERATIONS OR OPER-
21 ATIONS THAT ALLOW REDACTED HUNTING OF CAPTIVE CERVIDAE FOR SPORT. AS
22 USED IN THIS SUBPARAGRAPH, "CAPTIVE CERVIDAE" MEANS THAT TERM AS
23 DEFINED IN SECTION 3 OF THE ANIMAL INDUSTRY ACT OF 1987, 1988 PA
24 466, MCL 287.703.

25 (vii) ~~(vi)~~ Performing any practices on a farm incident to,
26 or in conjunction with, farming operations. A commercial

1 storage, processing, distribution, marketing, or shipping
2 operation is not part of agricultural operations.

3 (b) Commercial real property includes the following:

4 (i) Platted or unplatted parcels used for commercial pur-
5 poses, whether wholesale, retail, or service, with or without
6 buildings.

7 (ii) Parcels used by fraternal societies.

8 (iii) Parcels used as golf courses, boat clubs, ski areas,
9 or apartment buildings with more than 4 units.

10 (c) Developmental real property includes parcels containing
11 more than 5 acres without buildings, or more than 15 acres with a
12 market value in excess of its value in use. Developmental real
13 property may include farm land or open space land adjacent to a
14 population center, or farm land subject to several competing val-
15 uation influences.

16 (d) Industrial real property includes the following:

17 (i) Platted or unplatted parcels used for manufacturing and
18 processing purposes, with or without buildings.

19 (ii) Parcels used for utilities sites for generating plants,
20 pumping stations, switches, substations, compressing stations,
21 warehouses, rights-of-way, flowage land, and storage areas.

22 (iii) Parcels used for removal or processing of gravel,
23 stone, or mineral ores, whether valued by the local assessor or
24 by the state geologist.

25 (e) Residential real property includes the following:

26 (i) Platted or unplatted parcels, with or without buildings,
27 and condominium apartments located within or outside a village or

1 city, which are used for, or probably will be used for,
2 residential purposes.

3 (ii) Parcels that are used for, or probably will be used
4 for, recreational purposes, such as lake lots and hunting lands,
5 located in an area used predominantly for recreational purposes.

6 (f) Timber-cutover real property includes parcels that are
7 stocked with forest products of merchantable type and size, cut-
8 over forest land with little or no merchantable products, and
9 marsh lands or other barren land. However, when a typical pur-
10 chase of this type of land is for residential or recreational
11 uses, the classification shall be changed to residential.

12 (3) The classifications of assessable personal property are
13 described as follows:

14 (a) Agricultural personal property includes farm buildings
15 on leased land and any agricultural equipment and produce not
16 exempt by law.

17 (b) Commercial personal property includes the following:

18 (i) All equipment, furniture, and fixtures on commercial
19 parcels, and inventories not exempt by law.

20 (ii) Outdoor advertising signs and billboards.

21 (iii) Well drilling rigs and other equipment attached to a
22 transporting vehicle but not designed for operation while the
23 vehicle is moving on the highway.

24 (iv) Unlicensed commercial vehicles or commercial vehicles
25 licensed as special mobile equipment or by temporary permits.

26 (v) Commercial buildings on leased land.

1 (c) Industrial personal property includes the following:

2 (i) All machinery and equipment, furniture and fixtures, and
3 dies on industrial parcels, and inventories not exempt by law.

4 (ii) Industrial buildings on leased land.

5 (iii) Personal property of mining companies valued by the
6 state geologist.

7 (d) Residential personal property includes a home, cottage,
8 or cabin on leased land, and a mobile home that would be asses-
9 sable as real property under section 2a except that the land on
10 which it is located is not assessable because the land is
11 exempt.

12 (e) Utility personal property includes the following:

13 (i) Electric transmission and distribution systems, substa-
14 tion equipment, spare parts, gas distribution systems, and water
15 transmission and distribution systems.

16 (ii) Oil wells and allied equipment such as tanks, gathering
17 lines, field pump units, and buildings.

18 (iii) Inventories not exempt by law.

19 (iv) Gas wells with allied equipment and gathering lines.

20 (v) Oil or gas field equipment stored in the open or in
21 warehouses such as drilling rigs, motors, pipes, and parts.

22 (vi) Gas storage equipment.

23 (vii) Transmission lines of gas or oil transporting
24 companies.

25 (viii) Utility buildings on leased land.

26 (4) Buildings on leased land of any classification are
27 improvements where the owner of the improvement is not the owner

1 of the land or fee and has not bound himself or herself to pay
2 taxes levied against the land or fee and the improvement has been
3 assessed as personal property pursuant to section 14(6).

4 (5) If the total usage of a parcel includes more than 1
5 classification, the assessor shall determine the classification
6 that most significantly influences the total valuation of the
7 parcel.

8 (6) An owner of any assessable property who disputes the
9 classification of that parcel shall notify the assessor and may
10 protest the assigned classification to the March board of
11 review. An owner or assessor may appeal the decision of the
12 March board of review by filing a petition with the state tax
13 commission not later than June 30 in that tax year. The state
14 tax commission shall arbitrate the petition based on the written
15 petition and the written recommendations of the assessor and the
16 state tax commission staff. An appeal may not be taken from the
17 decision of the state tax commission regarding classification
18 complaint petitions and the state tax commission's determination
19 is final and binding for the year of the petition.

20 (7) The department of treasury may appeal the classification
21 of any assessable property to the residential and small claims
22 division of the Michigan tax tribunal not later than December 31
23 in the tax year for which the classification is appealed.

24 (8) This section shall not be construed to encourage the
25 assessment of property at other than the uniform percentage of
26 true cash value prescribed by this act.