

HOUSE BILL No. 5470

January 14, 1998, Introduced by Reps. Owen, Brackenridge and Bobier and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 2a and 34c (MCL 211.2a and 211.34c), section 2a as amended by 1982 PA 539 and section 34c as amended by 1994 PA 476; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2a. (1) ~~For~~ BEFORE DECEMBER 31, 1997, FOR purposes
2 of section 2, a mobile home ~~which~~ THAT is not ~~covered by~~
3 SUBJECT TO THE SPECIFIC TAX LEVIED UNDER section 41 of ~~Act No.~~
4 ~~243 of the Public Acts of 1959, being section 125.1041 of the~~
5 ~~Michigan Compiled Laws, and while~~ 1959 PA 243, MCL 125.1041,
6 located on ~~land otherwise assessable as~~ real property ~~under~~
7 ~~this act, and~~ NOT EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS
8 ACT, whether or not permanently affixed to ~~the soil, shall be~~
9 THAT REAL PROPERTY, IS considered real property and shall be

1 assessed as part of the real property ~~upon~~ ON which the mobile
2 home is located.

3 (2) AFTER DECEMBER 30, 1997, FOR PURPOSES OF SECTION 2, A
4 MOBILE HOME LOCATED ON REAL PROPERTY, WHETHER OR NOT PERMANENTLY
5 AFFIXED TO THAT REAL PROPERTY, IS REAL PROPERTY AND SHALL BE
6 ASSESSED AS PART OF THE REAL PROPERTY ON WHICH THE MOBILE HOME IS
7 LOCATED, EXCEPT AS OTHERWISE PROVIDED IN SECTION 34C. FOR TAXES
8 LEVIED AFTER DECEMBER 31, 1997 AND BEFORE JANUARY 1, 1998, A
9 MOBILE HOME'S TAXABLE VALUE IS 50% OF THAT MOBILE HOME'S TRUE
10 CASH VALUE. FOR TAXES LEVIED AFTER DECEMBER 31, 1998, A MOBILE
11 HOME'S TAXABLE VALUE IS THAT VALUE DETERMINED UNDER SECTION 27A.

12 (3) ~~(2)~~ As used in this section, "mobile home" does not
13 include a travel trailer or camping trailer ~~which~~ THAT is
14 either parked in a campground licensed by this state for not more
15 than 180 days in any calendar year, or parked ~~upon~~ ON private
16 property, including a designated storage area of a licensed camp-
17 ground, for the sole purpose of storage.

18 (4) ~~(3)~~ As used in this section, "mobile home" does not
19 include a truck camper ~~which is~~ parked in a campground licensed
20 by this state ~~which~~ THAT is a portable structure, designed and
21 constructed to be loaded onto ~~,~~ or affixed to ~~,~~ the bed or
22 chassis of a truck, and ~~which~~ THAT is used to provide temporary
23 living quarters for recreational camping or travel.

24 (5) ~~(4) For purposes of~~ AS USED IN this section: ~~, the~~
25 ~~following definitions shall apply:~~

26 (a) ~~A travel trailer is~~ "TRAVEL TRAILER" MEANS a vehicular
27 portable structure mounted on wheels ~~and of~~ THAT IS a size and

1 weight ~~as~~ THAT DOES not ~~to~~ require special highway movement
2 permits ~~when~~ IF drawn by a stock passenger automobile or ~~when~~
3 IF drawn with a fifth wheel hitch mounted on a motor vehicle, and
4 THAT is primarily designed, constructed, and used to provide tem-
5 porary living quarters for recreational camping or travel.

6 (b) ~~A camping trailer is~~ "CAMPING TRAILER" MEANS a vehicu-
7 lar portable temporary living quarters used for recreational
8 camping or travel ~~and of~~ THAT IS a size and weight ~~as~~ THAT
9 DOES not ~~to~~ require special highway movement permits ~~when~~ IF
10 drawn by a motor vehicle.

11 Sec. 34c. (1) Not later than the first Monday in March in
12 each year, the assessor shall classify every item of assessable
13 property according to the definitions contained in this section.
14 Following the March board of review, the assessor shall tabulate
15 the total number of items and the valuations as approved by the
16 board of review for each classification and for the totals of
17 real and personal property in the local tax collecting unit. The
18 assessor shall transmit to the county equalization department and
19 to the state tax commission the tabulation of assessed valuations
20 and other statistical information the state tax commission con-
21 siders necessary to meet the requirements of this act and ~~Act~~
22 ~~No. 44 of the Public Acts of 1911, being sections 209.1 to 209.8~~
23 ~~of the Michigan Compiled Laws~~ 1911 PA 44, MCL 209.1 TO 209.8.

24 (2) The classifications of assessable real property are
25 described as follows:

26 (a) Agricultural real property includes parcels used
27 partially or wholly for agricultural operations, with or without

1 buildings, and parcels assessed to the department of natural
2 resources and valued by the state tax commission. As used in
3 this subdivision, "agricultural operations" means the following:

4 (i) Farming in all its branches, including cultivating
5 soil.

6 (ii) Growing and harvesting any agricultural, horticultural,
7 or floricultural commodity.

8 (iii) Dairying.

9 (iv) Raising livestock, bees, fish, fur-bearing animals, or
10 poultry.

11 (v) Turf and tree farming.

12 (vi) Performing any practices on a farm incident to, or in
13 conjunction with, farming operations. A commercial storage, pro-
14 cessing, distribution, marketing, or shipping operation is not
15 part of agricultural operations.

16 (b) Commercial real property includes the following:

17 (i) Platted or unplatted parcels used for commercial pur-
18 poses, whether wholesale, retail, or service, with or without
19 buildings.

20 (ii) Parcels used by fraternal societies.

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

23 (c) Developmental real property includes parcels containing
24 more than 5 acres without buildings, or more than 15 acres with a
25 market value in excess of its value in use. Developmental real
26 property may include farm land or open space land adjacent to a

1 population center, or farm land subject to several competing
2 valuation influences.

3 (d) Industrial real property includes the following:

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

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

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

12 (e) Residential real property includes the following:

13 (i) Platted or unplatted parcels ~~—~~ with or without build-
14 ings, ~~and~~ condominium apartments located within or outside a
15 village or city, AND, FOR TAXES LEVIED AFTER DECEMBER 31, 1997, A
16 MOBILE HOME ON A PLATTED OR UNPLATTED PARCEL, which are used for,
17 or probably will be used for, residential purposes.

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

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

1 (3) The classifications of assessable personal property are
2 described as follows:

3 (a) Agricultural personal property includes farm buildings
4 on leased land and any agricultural equipment and produce not
5 exempt by law.

6 (b) Commercial personal property includes the following:

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

9 (ii) Outdoor advertising signs and billboards.

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

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

15 (v) Commercial buildings on leased land.

16 (c) Industrial personal property includes the following:

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

19 (ii) Industrial buildings on leased land.

20 (iii) Personal property of mining companies valued by the
21 state geologist.

22 (d) Residential personal property includes a home, cottage,
23 ~~or~~ cabin, OR, FOR TAXES LEVIED AFTER DECEMBER 31, 1997, A
24 MOBILE HOME on leased land, and a mobile home that would be
25 assessable as real property under section 2a except that the
26 ~~land~~ REAL PROPERTY on which it is located is ~~not assessable~~

1 ~~because the land is~~ exempt FROM THE COLLECTION OF TAXES UNDER
2 THIS ACT.

3 (e) Utility personal property includes the following:

4 (i) Electric transmission and distribution systems, substa-
5 tion equipment, spare parts, gas distribution systems, and water
6 transmission and distribution systems.

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

9 (iii) Inventories not exempt by law.

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

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

13 (vi) Gas storage equipment.

14 (vii) Transmission lines of gas or oil transporting
15 companies.

16 (viii) Utility buildings on leased land.

17 (4) Buildings on leased land of any classification are
18 improvements where the owner of the improvement is not the owner
19 of the land or fee and has not bound himself or herself to pay
20 taxes levied against the land or fee and the improvement has been
21 assessed as personal property pursuant to section 14(6).

22 (5) If the total usage of a parcel includes more than 1
23 classification, the assessor shall determine the classification
24 that most significantly influences the total valuation of the
25 parcel.

26 (6) An owner of any assessable property who disputes the
27 classification of that parcel shall notify the assessor and may

1 protest the assigned classification to the March board of
2 review. An owner or assessor may appeal the decision of the
3 March board of review by filing a petition with the state tax
4 commission not later than June 30 in that tax year. The state
5 tax commission shall arbitrate the petition based on the written
6 petition and the written recommendations of the assessor and the
7 state tax commission staff. An appeal may not be taken from the
8 decision of the state tax commission regarding classification
9 complaint petitions and the state tax commission's determination
10 is final and binding for the year of the petition.

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

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

18 Enacting section 1. 1959 PA 243, MCL 125.1001 to 125.1043,
19 is repealed effective December 31, 1997.