

REPRINT

SUBSTITUTE FOR

HOUSE BILL NO. 4373

(As passed the House, November 30, 2000)

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 2, 8, 9f, 14, and 34c (MCL 211.2, 211.8,
211.9f, 211.14, and 211.34c), section 2 as amended by 1993 PA
313, section 8 as amended by 1983 PA 254, section 9f as amended
by 1999 PA 20, and section 34c as amended by 1996 PA 476.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) For the purpose of taxation, real property
2 includes all ~~lands~~ OF THE FOLLOWING:

3 (A) ALL LAND within ~~the~~ THIS state, all buildings and fix-
4 tures on the land, and ALL appurtenances ~~thereto~~ TO THE LAND,
5 except as expressly exempted by law. ~~—, and includes all—~~

6 (B) ALL real property owned by ~~the~~ THIS state or purchased
7 or condemned for public highway purposes by any board, officer,
8 commission, or department of ~~the~~ THIS state and sold on land

1 contract, notwithstanding the fact that the deed has not been
2 executed transferring title.

3 (C) FOR TAXES LEVIED AFTER DECEMBER 31, 2002, BUILDINGS AND
4 IMPROVEMENTS LOCATED UPON LEASED REAL PROPERTY, EXCEPT BUILDINGS
5 AND IMPROVEMENTS EXEMPT UNDER SECTION 9F, IF THE VALUE OF THE
6 BUILDINGS OR IMPROVEMENTS IS NOT OTHERWISE INCLUDED IN THE
7 ASSESSMENT OF THE REAL PROPERTY.

HOWEVER, BUILDINGS AND IMPROVEMENTS LOCATED ON LEASED REAL
PROPERTY SHALL NOT BE TREATED AS REAL PROPERTY UNLESS THEY WOULD BE
TREATED AS REAL PROPERTY IF THEY WERE LOCATED ON REAL PROPERTY OWNED
BY THE TAXPAYER.

8 (2) The taxable status of persons and real and personal
9 property for a tax year shall be determined as of each December
10 31 of the immediately preceding year, which is considered the tax
11 day, any provisions in the charter of any city or village to the
12 contrary notwithstanding. An assessing officer is not restricted
13 to any particular period in the preparation of the assessment
14 roll but may survey, examine, or review ~~properties~~ PROPERTY at
15 any time before or after the tax day.

16 (3) Notwithstanding a provision to the contrary in any law,
17 if real property is acquired for public purposes by purchase or
18 condemnation, all general property taxes, but not penalties,
19 levied during the 12 months immediately preceding, but not
20 including, the day title passes to the public agency shall be
21 prorated in accordance with this subsection. The seller or con-
22 demnee is responsible for the portion of taxes from the levy date
23 or dates to, but not including, the day title passes and the
24 public agency is responsible for the remainder of the taxes. If
25 the date that title will pass cannot be ascertained definitely
26 and an agreement in advance to prorate taxes is desirable, an
27 estimated date for the passage of title may be agreed to. In the

1 absence of an agreement, the public agency shall compute the
2 proration of taxes as of the date title passes. The question of
3 proration of taxes shall not be considered in any condemnation
4 proceeding. As used in this ~~paragraph~~ SUBSECTION, "levy date"
5 means the day on which general property taxes become due and
6 payable. In addition to the portion of taxes for which the
7 public agency is responsible under the provisions of this subsec-
8 tion, the public agency is also responsible for all general prop-
9 erty taxes levied on or after the date title passes and before
10 the property is removed from the tax rolls.

11 (4) In a real estate transaction between private parties in
12 the absence of an agreement to the contrary, the seller is
13 responsible for that portion of the annual taxes levied during
14 the 12 months immediately preceding, but not including, the day
15 title passes, from the levy date or dates to, but not including,
16 the day title passes and the buyer is responsible for the remain-
17 der of the annual taxes. As used in this subsection, "levy date"
18 means the day on which a general property tax becomes due and
19 payable.

20 Sec. 8. For the purposes of taxation, personal property
21 ~~shall include~~ INCLUDES ALL OF THE FOLLOWING:

22 (a) All goods, chattels, and effects within ~~the~~ THIS
23 state.

24 (b) All goods, chattels, and effects belonging to inhab-
25 itants of this state, located without this state, except that
26 property actually and permanently invested in business in another
27 state shall not be included.

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1 (c) All interests owned by individuals in ~~lands~~ REAL
2 PROPERTY, the fee ~~of~~ TITLE TO which is in this state or the
3 United States, except as otherwise provided in this act.

4 (d) ~~All~~ FOR TAXES LEVIED BEFORE JANUARY 1, 2003, buildings
5 and improvements located upon leased ~~lands~~ REAL PROPERTY,
6 except ~~where~~ IF the value of the real property is also assessed
7 to the lessee or owner of those buildings and improvements. FOR
8 TAXES LEVIED AFTER DECEMBER 31, 2002, BUILDINGS AND IMPROVEMENTS
9 LOCATED UPON LEASED REAL PROPERTY, EXCEPT BUILDINGS AND IMPROVE-
10 MENTS EXEMPT UNDER SECTION 9F, SHALL BE ASSESSED AS REAL PROPERTY
11 UNDER SECTION 2 TO THE OWNER OF THE BUILDINGS OR IMPROVEMENTS IN
12 THE LOCAL TAX COLLECTING UNIT IN WHICH THE BUILDINGS OR IMPROVE-
13 MENTS ARE LOCATED IF THE VALUE OF THE BUILDINGS OR IMPROVEMENTS
14 IS NOT OTHERWISE INCLUDED IN THE ASSESSMENT OF THE REAL
15 PROPERTY. FOR TAXES LEVIED AFTER DECEMBER 31, 2001, BUILDINGS
16 AND IMPROVEMENTS EXEMPT UNDER SECTION 9F AND LOCATED ON LEASED
17 REAL PROPERTY SHALL BE ASSESSED AS PERSONAL PROPERTY.

18 (e) Tombs or vaults built within any burial grounds ~~—~~ and
19 kept for hire or rent, in whole or in part, and the stock of a
20 corporation or association owning the tombs, vaults, or burial
21 grounds.

22 (f) All other personal property not enumerated in this sec-
23 tion ~~—~~ and not especially exempted by law.

24 (g) The personal property of gas and coke companies, natural
25 gas companies, electric light companies, waterworks companies,
26 hydraulic companies, and pipe line companies transporting oil or
27 gas as public or common carriers, to be assessed in the

1 ~~township, village, or city where~~ LOCAL TAX COLLECTING UNIT IN
2 WHICH the personal property is located. The mains, pipes, sup-
3 ports, and wires of these companies, including the supports and
4 wire or other line used for communication purposes in the opera-
5 tion of those facilities, and the rights of way and the easements
6 or other interests in ~~land~~ REAL PROPERTY by virtue of which the
7 mains, pipes, supports, and wires are erected and maintained,
8 shall be assessed as personal property in the ~~township, village,~~
9 ~~or city~~ LOCAL TAX COLLECTING UNIT where laid, placed, or
10 located. Interests in underground rock strata used for gas stor-
11 age purposes, whether by lease or ownership separate from the
12 surface of real property, shall be separately valued and assessed
13 as personal property in the ~~township, village, or city~~ LOCAL
14 TAX COLLECTING UNIT in which IT IS located to the person who
15 holds the interest. ~~These interests~~ INTERESTS in ~~such~~ under-
16 ground rock strata shall be reported as personal property to the
17 ~~assessor~~ APPROPRIATE ASSESSING OFFICER for all ~~such~~ property
18 descriptions included in the storage field in the ~~township, vil-~~
19 ~~lage, or city~~ LOCAL TAX COLLECTING UNIT and a separate valuation
20 shall be assessed for each school district. The personal prop-
21 erty of street railroad, plank road, cable or electric railroad
22 or transportation companies, bridge companies, and all other com-
23 panies not required to pay a specific tax to ~~the~~ THIS state in
24 lieu of all other taxes, shall, except as ~~hereinafter~~ OTHERWISE
25 provided IN THIS SECTION, be assessed in the ~~township, village,~~
26 ~~or city where~~ LOCAL TAX COLLECTING UNIT IN WHICH the property is
27 located, used, or laid, and the track, road, or bridge of ~~such~~

1 a company ~~shall be held to be~~ IS CONSIDERED personal property.
2 None of the property assessable as personal property under this
3 subdivision shall be affected by any assessment or tax levied on
4 the ~~lands~~ REAL PROPERTY through or over which the ~~same~~
5 PERSONAL PROPERTY is laid, placed, or located, nor shall any
6 right of way, easement, or other interest in ~~land~~ REAL
7 PROPERTY, assessable as personal property under this subdivision,
8 be extinguished or otherwise affected in case the REAL property
9 subject ~~thereto shall be~~ TO ASSESSMENT IS sold in the exercise
10 of the taxing power.

11 (h) ~~During~~ FOR TAXES LEVIED BEFORE JANUARY 1, 2003, DURING
12 the tenancy of a lessee, leasehold improvements and structures
13 installed and constructed on real property by the lessee, pro-
14 vided and to the extent the improvements or structures add to the
15 ~~true cash~~ TAXABLE value of the real property notwithstanding
16 that the real property is encumbered by a lease agreement, and
17 the value added by the improvements or structures is not other-
18 wise included in the assessment of the real property or not oth-
19 erwise assessable under subdivision (j). The cost of leasehold
20 improvements and structures on real property shall not be the
21 sole indicator of value. Leasehold improvements and structures
22 assessed under this subdivision shall be assessed to the lessee.
23 FOR TAXES LEVIED AFTER DECEMBER 31, 2002, LEASEHOLD IMPROVEMENTS
24 AND STRUCTURES INSTALLED AND CONSTRUCTED ON LEASED REAL PROPERTY,
25 EXCEPT LEASEHOLD IMPROVEMENTS AND STRUCTURES EXEMPT UNDER SECTION
26 9F, SHALL BE ASSESSED AS REAL PROPERTY UNDER SECTION 2 TO THE
27 OWNER OF THE LEASEHOLD IMPROVEMENTS OR STRUCTURES IN THE LOCAL

1 TAX COLLECTING UNIT IN WHICH THE LEASEHOLD IMPROVEMENTS OR
2 STRUCTURES ARE LOCATED IF THE VALUE OF THE LEASEHOLD IMPROVEMENTS
3 OR STRUCTURES IS NOT OTHERWISE INCLUDED IN THE ASSESSMENT OF THE
4 REAL PROPERTY OR OTHERWISE ASSESSABLE UNDER SUBDIVISION (J). FOR
5 TAXES LEVIED AFTER DECEMBER 31, 2001, LEASEHOLD IMPROVEMENTS AND
6 STRUCTURES EXEMPT UNDER SECTION 9F AND LOCATED ON LEASED REAL
7 PROPERTY SHALL BE ASSESSED AS PERSONAL PROPERTY TO THE LESSEE.

8 (i) A leasehold estate received by a sublessor from which
9 the sublessor receives net rentals in excess of net rentals
10 required to be paid by the sublessor except to the extent that
11 the excess rentals are attributable to the installation and con-
12 struction of improvements and structures assessed under
13 subdivision (h) or (j) or included in the assessment of the real
14 property. For purposes of this act, a leasehold estate ~~shall~~
15 ~~be~~ IS considered to be owned by the lessee receiving ~~such~~
16 additional net rentals. A lessee in possession ~~shall be~~ IS
17 required to provide the assessor with the name and address of its
18 lessor. Taxes ~~imposed by~~ COLLECTED UNDER this act on ~~such~~
19 leasehold estates shall become a lien against the rentals paid by
20 the sublessee to the sublessor.

21 (j) To the extent not assessed as real property, a leasehold
22 estate of a lessee created by the difference between the income
23 that would be received by the lessor from the lessee on the basis
24 of the present economic income of the property as defined and
25 allowed by section 27(4), minus the actual value to the lessor
26 under the lease. This subdivision ~~shall~~ DOES not apply to
27 property ~~when~~ IF subject to a lease entered into before

1 January 1, 1984 for which the terms of the lease governing the
2 rental rate or the tax liability have not been renegotiated after
3 December 31, 1983. This subdivision ~~shall~~ DOES not apply to a
4 nonprofit housing cooperative. As used in this subdivision,
5 "nonprofit cooperative housing corporation" means a nonprofit
6 cooperative housing corporation ~~which~~ THAT is engaged in pro-
7 viding housing services to its stockholders and members and
8 ~~which~~ THAT does not pay dividends or interest upon stock or
9 membership investment but ~~which~~ THAT does distribute all earn-
10 ings to its stockholders or members.

11 Sec. 9f. (1) The governing body of an eligible local
12 assessing district may adopt a resolution to exempt from the col-
13 lection of taxes under this act all new personal property owned
14 or leased by an eligible business located in 1 or more eligible
15 districts designated in the resolution. The clerk of the eligi-
16 ble local assessing district shall notify in writing the assessor
17 of the local tax collecting unit in which the eligible district
18 is located and the legislative body of each taxing unit that
19 levies ad valorem property taxes in the eligible local assessing
20 district in which the eligible district is located. Before
21 acting on the resolution, the governing body of the eligible
22 local assessing district shall afford the assessor and a repre-
23 sentative of the affected taxing units an opportunity for a
24 hearing.

25 (2) The exemption under this section is effective on the
26 December 31 immediately succeeding the adoption of the resolution
27 by the governing body of the eligible local assessing district

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1 and shall continue in effect for a period specified in the
2 resolution. A copy of the resolution shall be filed with the
3 state tax commission. A resolution is not effective unless
4 approved by the state tax commission as provided in subsection
5 (3).

6 (3) Not more than 60 days after receipt of a copy of the
7 resolution adopted under subsection (1), the state tax commission
8 shall approve or disapprove the resolution. The state treasurer,
9 with the written concurrence of the ~~Michigan jobs commission or,~~
10 ~~if Executive Order No. 1999-1 goes into effect April 5, 1999,~~
11 ~~the~~ president of the Michigan strategic fund, shall advise the
12 state tax commission as to whether exempting new personal prop-
13 erty of the eligible business is necessary to reduce unemploy-
14 ment, promote economic growth, and increase capital investment in
15 this state.

16 (4) NOTWITHSTANDING THE AMENDATORY ACT THAT ADDED SECTION
17 2(1)(C), ALL OF THE FOLLOWING SHALL APPLY TO AN EXEMPTION UNDER
18 THIS SECTION THAT WAS APPROVED BY THE STATE TAX COMMISSION ON OR
19 BEFORE APRIL 30, 1999, REGARDLESS OF THE EFFECTIVE DATE OF THE
20 EXEMPTION:

21 (A) THE EXEMPTION SHALL BE CONTINUED FOR THE TERM AUTHORIZED
22 BY THE RESOLUTION ADOPTED BY THE GOVERNING BODY OF THE ELIGIBLE
23 LOCAL ASSESSING DISTRICT AND APPROVED BY THE STATE TAX COMMISSION
24 WITH RESPECT TO BUILDINGS AND IMPROVEMENTS CONSTRUCTED ON LEASED
25 REAL PROPERTY DURING THE TERM OF THE EXEMPTION IF THE VALUE OF
26 THE REAL PROPERTY IS NOT ASSESSED TO THE OWNER OF THE BUILDINGS
27 AND IMPROVEMENTS.

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1 (B) THE EXEMPTION SHALL NOT BE IMPAIRED OR RESTRICTED WITH
2 RESPECT TO BUILDINGS AND IMPROVEMENTS CONSTRUCTED ON LEASED REAL
3 PROPERTY DURING THE TERM OF THE EXEMPTION IF THE VALUE OF THE
4 REAL PROPERTY IS NOT ASSESSED TO THE OWNER OF THE BUILDINGS AND
5 IMPROVEMENTS.

6 (5) ~~—(4)—~~ As used in this section:

7 (a) "Eligible business" means, effective August 7, 1998, a
8 business engaged primarily in manufacturing, mining, research and
9 development, wholesale trade, or office operations. Eligible
10 business does not include a casino, retail establishment, profes-
11 sional sports stadium, or that portion of an eligible business
12 used exclusively for retail sales. As used in this subdivision,
13 "casino" means a casino regulated by this state pursuant to the
14 Michigan gaming control and revenue act, the Initiated Law of
15 1996, MCL 432.201 to 432.226, and all property associated or
16 affiliated with the operation of a casino, including, but not
17 limited to, a parking lot, hotel, motel, or retail store.

18 (b) "Eligible district" means 1 or more of the following:

19 (i) An industrial development district as that term is
20 defined in 1974 PA 198, MCL 207.551 to 207.572.

21 (ii) A renaissance zone as that term is defined in the
22 Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to
23 125.2696.

24 (iii) An enterprise zone as that term is defined in the
25 enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

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1 (iv) A brownfield redevelopment zone as that term is
2 ~~defined in~~ DESIGNATED UNDER the brownfield redevelopment
3 financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

4 (v) An empowerment zone designated under subchapter U of
5 chapter 1 of the internal revenue code of 1986, 26 U.S.C. 1391 to
6 1397C and 1397E to 1397F.

7 (vi) An authority district or a development area as those
8 terms are defined in the tax increment finance authority act,
9 1980 PA 450, MCL 125.1801 to 125.1830.

10 (vii) An authority district as that term is defined in the
11 local development financing act, 1986 PA 281, MCL 125.2151 to
12 125.2174.

13 (viii) A downtown district or a development area as those
14 terms are defined in 1975 PA 197, MCL 125.1651 to 125.1681.

15 (c) "Eligible distressed area" means that term as defined in
16 section 11 of the state housing development authority act of
17 1966, 1966 PA 346, MCL 125.1411.

18 (d) "Eligible local assessing district" means a city, vil-
19 lage, or township that contains an eligible distressed area.

20 (e) "New personal property" means personal property that was
21 not previously subject to tax under this act and that is placed
22 in an eligible district after a resolution under subsection (1)
23 is approved by the eligible local assessing district. As used in
24 this subdivision, FOR EXEMPTIONS APPROVED BY THE STATE TAX COM-
25 MISSION UNDER SUBSECTION (3) AFTER APRIL 30, 1999, new personal
26 property does not include buildings described in section 14(6)
27 and personal property described in section 8(h), (i), and (j).

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1 Sec. 14. (1) All goods and chattels ~~situate~~ LOCATED in
2 ~~some township~~ A LOCAL TAX COLLECTING UNIT other than ~~where~~
3 THAT IN WHICH the owner OF THE GOODS OR CHATTELS resides shall be
4 assessed in the ~~township where situate, and not elsewhere~~ LOCAL
5 TAX COLLECTING UNIT IN WHICH THE GOODS OR CHATTELS ARE LOCATED.

6 (2) All animals kept throughout the year in ~~some township~~
7 A LOCAL TAX COLLECTING UNIT other than ~~where~~ THAT IN WHICH the
8 owner OF THE ANIMALS resides shall be assessed to ~~such~~ THE
9 owner or the person in possession OF THE ANIMALS in the ~~township~~
10 ~~where~~ LOCAL TAX COLLECTING UNIT IN WHICH THE ANIMALS ARE kept.

11 (3) The tangible personal property of minors under guardian-
12 ship shall be assessed to the guardian in the ~~township where he~~
13 LOCAL TAX COLLECTING UNIT IN WHICH THE GUARDIAN resides, and the
14 personal property of any other person under guardianship shall be
15 assessed to the guardian in the ~~township where~~ LOCAL TAX COL-
16 LECTING UNIT IN WHICH the ward resides.

17 (4) ~~The tangible~~ TANGIBLE personal property belonging to
18 the ~~estates~~ ESTATE of A deceased ~~persons~~ PERSON, in the hands
19 of the executors, administrators, or trustees appointed under the
20 last will and testament of ~~such~~ THE deceased person, or by
21 ORDER OF any court of competent jurisdiction, shall be assessed
22 to ~~them~~ THE EXECUTORS, ADMINISTRATORS, OR TRUSTEES in the
23 ~~township~~ LOCAL TAX COLLECTING UNIT and in the school district
24 ~~where~~ IN WHICH the deceased ~~last dwelt~~ PERSON RESIDED, until
25 ~~they shall~~ THE EXECUTORS, ADMINISTRATORS, OR TRUSTEES give
26 notice to the ~~supervisor or other~~ APPROPRIATE assessing officer
27 that the estate has been distributed. ~~to the legatees or~~

1 ~~beneficiaries or other persons entitled thereto.~~ If ~~such~~ THE
2 deceased PERSON was a nonresident of ~~the~~ THIS state, ~~such~~ THE
3 property shall be assessed in the ~~township where situated~~ LOCAL
4 TAX COLLECTING UNIT IN WHICH IT IS LOCATED, to ~~such~~ THE execu-
5 tors, administrators, or trustees or to the person in possession
6 OF THE PROPERTY.

7 (5) Tangible personal property under the control of a
8 trustee or agent, whether a corporation or a natural person, may
9 be assessed to ~~such~~ THE trustee or agent in the ~~township where~~
10 ~~he~~ LOCAL TAX COLLECTING UNIT IN WHICH THE TRUSTEE OR AGENT
11 resides, except as otherwise provided. Personal property mort-
12 gaged or pledged ~~shall be deemed~~ IS CONSIDERED the property of
13 the person in possession ~~thereof~~ OF THAT PERSONAL PROPERTY and
14 may be assessed to ~~him, and personal~~ THAT PERSON. PERSONAL
15 property not otherwise taxed under this act ~~which~~ THAT is in
16 the possession of any person, firm, or corporation using ~~same~~
17 THAT PROPERTY in connection with a business conducted for profit
18 ~~shall be deemed~~ IS CONSIDERED the property of ~~such~~ THAT
19 person, FIRM, OR CORPORATION for taxation and SHALL BE assessed
20 to ~~him accordingly~~ THAT PERSON, FIRM, OR CORPORATION.

21 (6) ~~All tangible personal property of any person situated~~
22 ~~upon, also all buildings~~ FOR TAXES LEVIED BEFORE JANUARY 1,
23 2003, A BUILDING situated ~~and being~~ upon ~~the lands~~ REAL
24 PROPERTY of the United States or of this state, or upon the
25 ~~lands~~ REAL PROPERTY of any person, ~~persons,~~ firm,
26 association, or corporation ~~, where~~ IF the owner of ~~such~~
27 ~~buildings or personal property~~ THE BUILDING is not the owner of

1 the fee ~~in such lands~~ TITLE TO THAT REAL PROPERTY, and ~~where~~
2 ~~such lessor or owner of such buildings or property has not bound~~
3 ~~himself to pay taxes on the real estate, shall be deemed personal~~
4 ~~property for the purposes of taxation and assessment, and~~ IF THE
5 VALUE OF THE REAL PROPERTY IS NOT ASSESSED TO THE OWNER OF THE
6 BUILDING, shall be assessed as personal property to the owner or
7 occupant ~~thereof~~ OF THE BUILDING in the ~~city, village or~~
8 ~~township~~ LOCAL TAX COLLECTING UNIT in which ~~such lands are sit-~~
9 ~~uated and such buildings shall be~~ THE REAL PROPERTY IS LOCATED.
10 THE BUILDING IS subject to sale for taxes in the same manner as
11 provided for the sale of personal property. It ~~shall~~ IS not
12 ~~be~~ necessary to remove ~~any such buildings~~ A BUILDING for the
13 purpose of sale. FOR TAXES LEVIED AFTER DECEMBER 31, 2002,
14 BUILDINGS AND IMPROVEMENTS, EXCEPT BUILDINGS AND IMPROVEMENTS
15 EXEMPT UNDER SECTION 9F, LOCATED UPON REAL PROPERTY OF THE UNITED
16 STATES OR OF THIS STATE, OR UPON THE REAL PROPERTY OF ANY PERSON,
17 FIRM, ASSOCIATION, OR CORPORATION IF THE OWNER OF THE BUILDING IS
18 NOT THE OWNER OF THE FEE TITLE TO THAT REAL PROPERTY IS CONSID-
19 ERED REAL PROPERTY FOR THE PURPOSES OF TAXATION AND ASSESSMENT,
20 AND SHALL BE ASSESSED AS REAL PROPERTY UNDER SECTION 2 TO THE
21 OWNER OR OCCUPANT OF THE BUILDING IN THE LOCAL TAX COLLECTING
22 UNIT IN WHICH THE BUILDINGS ARE LOCATED IF THE VALUE OF THE
23 BUILDING IS NOT OTHERWISE INCLUDED IN THE ASSESSMENT OF THE REAL
24 PROPERTY. FOR TAXES LEVIED AFTER DECEMBER 31, 2001, BUILDINGS AND
25 IMPROVEMENTS EXEMPT UNDER SECTION 9F THAT ARE LOCATED UPON THE
26 REAL PROPERTY OF THE UNITED STATES OR OF THIS STATE, OR UPON THE
27 REAL PROPERTY OF ANY PERSON, FIRM, ASSOCIATION, OR CORPORATION IF

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1 THE OWNER OF THE BUILDING IS NOT THE OWNER OF THE FEE TITLE TO
2 THAT REAL PROPERTY SHALL BE ASSESSED AS PERSONAL PROPERTY TO THE
3 OWNER OR OCCUPANT OF THE BUILDING IN THE LOCAL TAX COLLECTING
4 UNIT IN WHICH THE REAL PROPERTY IS LOCATED.

5 (7) Tangible personal property of nonresidents of ~~the~~ THIS
6 state and all forest products, owned by residents or nonresi-
7 dents, or estates of deceased persons, shall be assessed in the
8 ~~township or ward where the same may be~~ LOCAL TAX COLLECTING
9 UNIT IN WHICH THE TANGIBLE PERSONAL PROPERTY OR FOREST PRODUCTS
10 ARE LOCATED, to the person ~~, persons~~ or corporation ~~having~~ IN
11 control of the premises, store, mill, dockyard, piling ground,
12 place of storage, or warehouse where ~~such property is situated~~
13 ~~in such township~~ THE TANGIBLE PERSONAL PROPERTY OR FOREST PRO-
14 DUCTS ARE LOCATED, on December 31. ~~, except that where such~~
15 ~~property is~~ IF TANGIBLE PERSONAL PROPERTY OR FOREST PRODUCTS ARE
16 in transit to ~~some place~~ A LOCAL TAX COLLECTING UNIT within
17 ~~the~~ THIS state, ~~it~~ THE TANGIBLE PERSONAL PROPERTY OR FOREST
18 PRODUCTS shall be assessed in ~~such place, except that where such~~
19 ~~property is~~ THAT LOCAL TAX COLLECTING UNIT. IF TANGIBLE PERSONAL
20 PROPERTY OR FOREST PRODUCTS ARE in transit to some place without
21 ~~the~~ THIS state, ~~it~~ THE TANGIBLE PERSONAL PROPERTY OR FOREST
22 PRODUCTS shall be assessed at the ~~place~~ LOCAL TAX COLLECTING
23 UNIT in this state nearest to the last boom or sorting gap of the
24 stream in or bordering on this state in which ~~said property~~ THE
25 TANGIBLE PERSONAL PROPERTY OR FOREST PRODUCTS will naturally be
26 last floated during ~~the~~ transit, ~~thereof,~~ and ~~in case~~ IF
27 the transit of ~~any such property~~ THE TANGIBLE PERSONAL PROPERTY

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1 OR FOREST PRODUCTS is to be other than through any watercourse in
2 or bordering on this state, then ~~such~~ THE assessment shall be
3 made IN THE LOCAL TAX COLLECTING UNIT at the point ~~where such~~
4 ~~property~~ AT WHICH THE TANGIBLE PERSONAL PROPERTY OR FOREST
5 PRODUCTS will naturally leave ~~the~~ THIS state in the ordinary
6 course of ~~its~~ transit. ~~and such property so~~ THE TANGIBLE
7 PERSONAL PROPERTY OR FOREST PRODUCTS in transit to any place
8 without ~~the~~ THIS state shall be assessed to the owner or the
9 person ~~, persons,~~ or corporation in possession or control
10 ~~thereof, and in case such~~ OF THE TANGIBLE PERSONAL PROPERTY OR
11 FOREST PRODUCTS. IF THE transit OF THE TANGIBLE PERSONAL PROP-
12 ERTY OR FOREST PRODUCTS will pass ~~said logs~~ through the booms
13 or sorting gaps or into the places of storage of any person ~~,~~
14 ~~persons~~ or corporation operating upon any ~~such~~ stream, then
15 ~~such property~~ THE TANGIBLE PERSONAL PROPERTY OR FOREST PRODUCTS
16 may be assessed to ~~such~~ THAT person ~~, persons~~ or corporation.
17 ~~and the~~ A person ~~, persons~~ or corporation ~~so~~ assessed for
18 any ~~such property~~ TANGIBLE PERSONAL PROPERTY OR FOREST PRODUCTS
19 belonging to a nonresident of this state ~~shall be~~ IS entitled
20 to recover from the owner of ~~such property~~ THE TANGIBLE PER-
21 SONAL PROPERTY OR FOREST PRODUCTS by a suit in attachment,
22 garnishment, or for money had and received, any amount ~~which~~
23 THAT the person ~~, persons~~ or corporation ~~so~~ assessed ~~are~~ IS
24 compelled to pay because of ~~such~~ THE assessment, ~~and~~ shall
25 have a lien upon ~~said property~~ THE TANGIBLE PERSONAL PROPERTY
26 OR FOREST PRODUCTS as a security against loss or damage because
27 of being ~~so~~ assessed for the ~~property~~ TANGIBLE PERSONAL

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1 PROPERTY OR FOREST PRODUCTS of another, and may retain possession
2 of ~~such property~~ THE TANGIBLE PERSONAL PROPERTY OR FOREST
3 PRODUCTS until ~~such~~ THAT lien is satisfied. ~~but the~~ A person
4 ~~, persons~~ or corporation ~~so~~ assessed ~~shall~~ IS not ~~be~~ com-
5 pelled to pay taxes on account of ~~such~~ THAT assessment ~~,~~
6 unless the ~~supervisor or~~ APPROPRIATE assessing officer, ~~shall~~
7 at the time of assessment, ~~serve~~ SERVES notice in writing on
8 the person ~~, persons~~ or corporation ~~having~~ IN control of the
9 premises, store, mill, dockyard, piling ground, place of storage,
10 or warehouse that ~~such~~ THE assessment will be made. ~~Any~~ AN
11 owner or person interested in ~~said property~~ THE TANGIBLE PER-
12 SONAL PROPERTY OR FOREST PRODUCTS may secure the release of the
13 ~~same~~ TANGIBLE PERSONAL PROPERTY OR FOREST PRODUCTS from ~~such~~
14 THAT lien by giving to the person ~~, persons~~ or corporation ~~so~~
15 assessed a bond in an amount double the probable tax to be
16 assessed ~~thereon~~ ON THE TANGIBLE PERSONAL PROPERTY OR FOREST
17 PRODUCTS, but not less than ~~the sum of~~ \$200.00, with 2 suffi-
18 cient sureties, conditioned for the payment of ~~such~~ THE tax by
19 ~~said~~ THE owner or person interested and the saving of the
20 person ~~, persons~~ or corporation assessed from payment ~~thereof~~
21 OF THE ASSESSMENT and from costs, damages, and expenses on
22 account of ~~his~~ nonpayment, which bond as to amount and suffi-
23 ciency of sureties shall be approved by the county clerk of the
24 county in which the assessment is made.

25 Sec. 34c. (1) Not later than the first Monday in March in
26 each year, the assessor shall classify every item of assessable
27 property according to the definitions contained in this section.

1 Following the March board of review, the assessor shall tabulate
2 the total number of items and the valuations as approved by the
3 board of review for each classification and for the totals of
4 real and personal property in the local tax collecting unit. The
5 assessor shall transmit to the county equalization department and
6 to the state tax commission the tabulation of assessed valuations
7 and other statistical information the state tax commission con-
8 siderers necessary to meet the requirements of this act and ~~Act~~
9 ~~No. 44 of the Public Acts of 1911, being sections 209.1 to 209.8~~
10 ~~of the Michigan Compiled Laws 1911 PA 44, MCL 209.1 TO 209.8.~~

11 (2) The classifications of assessable real property are
12 described as follows:

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

18 (i) Farming in all its branches, including cultivating
19 soil.

20 (ii) Growing and harvesting any agricultural, horticultural,
21 or floricultural commodity.

22 (iii) Dairying.

23 (iv) Raising livestock, bees, fish, fur-bearing animals, or
24 poultry.

25 (v) Turf and tree farming.

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

1 processing, distribution, marketing, or shipping operation is not
2 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~~ FOR TAXES LEVIED BEFORE JANUARY 1, 2003,
27 BUILDINGS on leased land of any classification are improvements

1 where the owner of the improvement is not the owner of the land
2 or fee, ~~and has not bound himself or herself to pay taxes levied~~
3 ~~against the land or fee~~ THE VALUE OF THE LAND IS NOT ASSESSED TO
4 THE OWNER OF THE BUILDING, and the improvement has been assessed
5 as personal property pursuant to section 14(6). FOR TAXES LEVIED
6 AFTER DECEMBER 31, 2002, BUILDINGS LOCATED UPON LEASED LAND,
7 EXCEPT BUILDINGS EXEMPT UNDER SECTION 9F, SHALL BE ASSESSED AS
8 REAL PROPERTY UNDER SECTION 2 AND SHALL BEAR THE SAME CLASSIFICA-
9 TION AS THE PARCEL UPON WHICH THE BUILDING IS LOCATED. FOR TAXES
10 LEVIED AFTER DECEMBER 31, 2001, BUILDINGS EXEMPT UNDER SECTION 9F
11 SHALL BE ASSESSED AS PERSONAL PROPERTY.

12 (5) If the total usage of a parcel includes more than 1
13 classification, the assessor shall determine the classification
14 that most significantly influences the total valuation of the
15 parcel.

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

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

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