

SUBSTITUTE FOR
SENATE BILL NO. 1245

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 7dd, 7ee, 10, 24, 24c, 27a, 27b, 27c, 31,
34, 34c, 34d, and 44 (MCL 211.7dd, 211.7ee, 211.10, 211.24,
211.24c, 211.27a, 211.27b, 211.27c, 211.31, 211.34, 211.34c,
211.34d, and 211.44), sections 7dd, 7ee, 24c, 27a, 27b, 34c, and
34d as amended and section 27c as added by 1996 PA 476, sections
10 and 24 as amended by 1994 PA 415, section 34 as amended by
1986 PA 105, and section 44 as amended by 1996 PA 57, and by
adding sections 7gg and 27e; and to repeal acts and parts of
acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 7dd. As used in sections 7cc and 7ee:
2 (a) "Homestead" means that portion of a dwelling or unit in
3 a multiple-unit dwelling that is subject to ad valorem taxes and

1 is owned and occupied as a principal residence by an owner of the
2 dwelling or unit. Homestead also includes all of an owner's
3 unoccupied property classified as residential that is adjoining
4 or contiguous to the dwelling subject to ad valorem taxes and
5 that is owned and occupied as a principal residence by the
6 owner. Contiguity is not broken by a road, a right-of-way, or
7 property purchased or taken under condemnation proceedings by a
8 public utility for power transmission lines if the 2 parcels sep-
9 arated by the purchased or condemned property were a single
10 parcel prior to the sale or condemnation. Homestead also
11 includes any portion of a principal residence of an owner that is
12 rented or leased to another person as a residence as long as that
13 portion of the principal residence that is rented or leased is
14 less than 50% of the total square footage of living space in that
15 principal residence. Homestead also includes a life care facil-
16 ity registered under the living care disclosure act, ~~Act No. 440~~
17 ~~of the Public Acts of 1976, being sections 554.801 to 554.844 of~~
18 ~~the Michigan Compiled Laws 1976 PA 440, MCL 554.801 TO 554.844.~~
19 Homestead also includes property owned by a cooperative housing
20 corporation and occupied as a principal residence by tenant
21 stockholders.

22 (b) "Owner" means any of the following:

23 (i) A person who owns property or who is purchasing property
24 under a land contract.

25 (ii) A person who is a partial owner of property.

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1 (iii) A person who owns property as a result of being a
2 beneficiary of a will or trust or as a result of intestate
3 succession.

4 (iv) A person who owns or is purchasing a dwelling on leased
5 land.

6 (v) A person holding a life lease in property previously
7 sold or transferred to another.

8 (vi) A grantor who has placed the property in a revocable
9 trust or a qualified personal residence trust.

10 (vii) A cooperative housing corporation.

11 (viii) A facility registered under ~~Act No. 440 of the~~
12 ~~Public Acts of 1976~~ THE LIVING CARE DISCLOSURE ACT, 1976 PA 440,
13 MCL 554.801 TO 554.844.

14 (c) "Person", for purposes of defining owner as used in
15 section 7cc, means an individual and for purposes of defining
16 owner as used in section 7ee means an individual, partnership,
17 corporation, limited liability company, association, or other
18 legal entity.

19 (d) "Principal residence" means the 1 place where a person
20 has his or her true, fixed, and permanent home to which, whenever
21 absent, he or she intends to return and that shall continue as a
22 principal residence until another principal residence is
23 established.

24 (e) "Qualified agricultural property" means unoccupied prop-
25 erty and related buildings classified as agricultural REAL
26 PROPERTY, or other unoccupied property and related buildings
27 located on that property devoted primarily to agricultural use as

1 defined in section ~~36101~~ of part ~~361~~ (farmland and open space
2 preservation) of the natural resources and environmental protec-
3 tion act, Act No. ~~451~~ of the Public Acts of 1994, being section
4 ~~324.36101~~ of the Michigan Compiled Laws 34C. Related buildings
5 include a residence occupied by a person employed in or actively
6 involved in the agricultural use and who has not claimed a home-
7 stead exemption on other property. Property used for commercial
8 storage, commercial processing, commercial distribution, commer-
9 cial marketing, or commercial shipping operations or other com-
10 mercial or industrial purposes is not qualified agricultural
11 property. A parcel of property is devoted primarily to agricul-
12 tural use only if more than 50% of the parcel's acreage is
13 devoted to agricultural use. An owner shall not receive an
14 exemption for that portion of the total state equalized valuation
15 of the property that is used for a commercial or industrial pur-
16 pose or that is a residence that is not a related building.

17 Sec. 7ee. (1) Qualified agricultural property is exempt
18 from the tax levied by a local school district for school operat-
19 ing purposes to the extent provided under section 1211 of the
20 revised school code, ~~Act No. 451 of the Public Acts of 1976,~~
21 ~~being section 380.1211 of the Michigan Compiled Laws~~ 1976 PA
22 451, MCL 380.1211, according to the provisions of this section.

23 (2) Qualified agricultural property that is classified as
24 agricultural REAL PROPERTY under section 34c is exempt under
25 subsection (1) and the owner is not required to file an affidavit
26 claiming an exemption with the local tax collecting unit unless
27 requested by the assessor to determine whether the property

1 includes structures that are not exempt under this section. To
2 claim an exemption under subsection (1) for qualified agricul-
3 tural property that is not classified as agricultural REAL
4 PROPERTY under section 34c, the owner shall file an affidavit
5 claiming the exemption with the local tax collecting unit by
6 May 1 FOR TAXES LEVIED BEFORE JANUARY 1, 2001 AND BY TAX DAY AS
7 PROVIDED IN SECTION 2 FOR TAXES LEVIED AFTER DECEMBER 31, 2000.
8 However, if an affidavit claiming a homestead exemption on quali-
9 fied agricultural property not classified as agricultural REAL
10 PROPERTY was not filed by May 1 in 1994, the owner shall file an
11 affidavit under this section by June 1, 1994.

12 (3) The affidavit shall be on a form prescribed by the
13 department of treasury.

14 (4) For property classified as agricultural REAL PROPERTY,
15 and upon receipt of an affidavit filed under subsection (2) for
16 property not classified as agricultural REAL PROPERTY, the asses-
17 sor shall determine if the property is qualified agricultural
18 property and if so shall exempt the property from the collection
19 of the tax as provided in subsection (1) until December 31 of the
20 year in which the property is no longer qualified agricultural
21 property as defined in section 7dd. An owner is required to file
22 a new claim for exemption on the same property as requested by
23 the assessor under subsection (2).

24 (5) Not more than 90 days after all or a portion of the
25 exempted property is no longer qualified agricultural property,
26 the owner shall rescind the exemption for the applicable portion
27 of the property by filing with the local tax collecting unit a

1 rescission form prescribed by the department of treasury.
2 Beginning October 1, 1994, an owner who fails to file a rescis-
3 sion as required by this subsection is subject to a penalty of
4 \$5.00 per day for each separate failure beginning after the 90
5 days have elapsed, up to a maximum of \$200.00. This penalty
6 shall be collected under ~~Act No. 122 of the Public Acts of 1941,~~
7 ~~being sections 205.1 to 205.31 of the Michigan Compiled Laws~~
8 1941 PA 122, MCL 205.1 TO 205.31, and shall be deposited in the
9 state school aid fund established in section 11 of article IX of
10 the state constitution of 1963. This penalty may be waived by
11 the department of treasury.

12 (6) An owner of property that is qualified agricultural
13 property on ~~May 1~~ DECEMBER 31 for which an exemption was not on
14 the tax roll may file an appeal with the July or December board
15 of review in the year the exemption was claimed or the immedi-
16 ately succeeding year. An owner of property that is qualified
17 agricultural property ~~on May 1~~ for which an exemption was
18 denied by the assessor in the year the affidavit was filed, may
19 file an appeal with the July board of review for summer taxes or,
20 if there is not a summer levy of school operating taxes, with the
21 December board of review.

22 (7) If the assessor of the local tax collecting unit
23 believes that the property for which an exemption has been
24 granted is not qualified agricultural property, effective for
25 taxes levied after 1994, the assessor may deny or modify an
26 existing exemption by notifying the owner in writing at the time
27 required for providing a notice under section 24c. A taxpayer

1 may appeal the assessor's determination to the board of review
2 meeting under section 30. A decision of the board of review may
3 be appealed to the residential and small claims division of the
4 Michigan tax tribunal.

5 (8) If an exemption under this section is erroneously grant-
6 ed, an owner may request in writing that the local tax collecting
7 unit withdraw the exemption. If an owner requests that an exemp-
8 tion be withdrawn, the local assessor shall notify the owner that
9 the exemption issued under this section has been denied based on
10 that owner's request. If an exemption is withdrawn, the property
11 that had been subject to that exemption shall be immediately
12 placed on the tax roll by the local tax collecting unit if the
13 local tax collecting unit has possession of the tax roll or by
14 the county treasurer if the county has possession of the tax roll
15 as though the exemption had not been granted. A corrected tax
16 bill shall be issued for the tax year being adjusted by the local
17 tax collecting unit if the local tax collecting unit has posses-
18 sion of the tax roll or by the county treasurer if the county has
19 possession of the tax roll. If an owner requests that an exemp-
20 tion under this section be withdrawn before that owner is con-
21 tacted in writing by the local assessor regarding that owner's
22 eligibility for the exemption and that owner pays the corrected
23 tax bill issued under this subsection within 30 days after the
24 corrected tax bill is issued, that owner is not liable for any
25 penalty or interest on the additional tax. An owner who pays a
26 corrected tax bill issued under this subsection more than 30 days
27 after the corrected tax bill is issued is liable for the

1 penalties and interest that would have accrued if the exemption
2 had not been granted from the date the taxes were originally
3 levied.

4 (9) An owner of qualified agricultural property for which an
5 exemption was on the tax roll in 1995 and each year after 1995
6 and for which an exemption was not on the tax roll in 1994 may
7 appeal to the July or December board of review in 1997 to have an
8 exemption placed on the 1994 tax roll if all of the following
9 conditions are satisfied:

10 (a) The qualified agricultural property was qualified agri-
11 cultural property in 1994 and has been qualified agricultural
12 property since 1994.

13 (b) The owner owned that qualified agricultural property on
14 May 1, 1994.

15 (c) If a claim of exemption was denied in 1994, the owner
16 did not timely appeal that denial as provided in this section.

17 (d) The owner has owned that qualified agricultural property
18 since 1994.

19 (10) If the July or December board of review in 1997 grants
20 a claim of exemption for 1994 under subsection (9), the county
21 treasurer with possession of the tax roll being adjusted shall
22 amend the 1994 tax roll to reflect the exemption and shall issue
23 a corrected tax bill exempting that qualified agricultural prop-
24 erty from the tax levied in 1994 for school operating purposes to
25 the extent provided under section 1211 of ~~Act No. 451 of the~~
26 ~~Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL
27 380.1211, pursuant to subsection (1).

1 (11) If the July or December board of review in 1997 denies
2 a claim of exemption for 1994 under subsection (9), an owner may
3 appeal that denial to the residential and small claims division
4 of the Michigan tax tribunal within 35 days of that denial.

5 (12) AN OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL
6 INFORM A PROSPECTIVE BUYER OF THAT QUALIFIED AGRICULTURAL PROP-
7 ERTY THAT IF THE QUALIFIED AGRICULTURAL PROPERTY IS CONVERTED BY
8 A CHANGE IN USE THE QUALIFIED AGRICULTURAL PROPERTY IS SUBJECT TO
9 THE RECAPTURE TAX PROVIDED IN THE AGRICULTURAL PROPERTY RECAPTURE
10 ACT. AS USED IN THIS SUBSECTION, "CONVERTED BY A CHANGE IN USE"
11 MEANS THAT TERM AS DEFINED IN THE AGRICULTURAL PROPERTY RECAPTURE
12 ACT.

13 SEC. 7GG. (1) A GREENHOUSE, BUT NOT THE LAND ON WHICH IT IS
14 LOCATED, AND ALL FLOWERING, NURSERY, OR VEGETABLE PLANTS LOCATED
15 WITHIN THE GREENHOUSE ARE EXEMPT FROM THE COLLECTION OF TAXES
16 UNDER THIS ACT.

17 (2) AS USED IN THIS SECTION, "GREENHOUSE" MEANS A STRUCTURE
18 OR ENCLOSURE CONSISTING OF A WOOD, FIBERGLASS, OR METAL FRAME
19 WITH A GLASS, PLASTIC, ACRYLIC, POLYCARBONATE, POLYETHYLENE, OR
20 SIMILAR COVERING, THAT IS DESIGNED TO REGULATE CLIMATIC CONDI-
21 TIONS IN ORDER TO GERMINATE, GROW, OR STORE FLOWERING, NURSERY,
22 OR VEGETABLE PLANTS.

23 Sec. 10. (1) An assessment of all the property in the state
24 liable to taxation shall be made annually in all townships, vil-
25 lages, and cities by the ~~applicable~~ APPROPRIATE assessing offi-
26 cer as provided in section 3 of article IX of the state
27 constitution of 1963 and section 27a.

1 (2) Notwithstanding any provision to the contrary in the act
2 of incorporation or charter of a village, an assessment for vil-
3 lage taxes shall be identical to the assessment made by the
4 ~~applicable~~ APPROPRIATE assessing officer of the township in
5 which the village is located, and tax statements shall set forth
6 clearly the state equalized ~~value~~ VALUATION OR AGRICULTURAL USE
7 VALUE FOR QUALIFIED AGRICULTURAL PROPERTY and the taxable value
8 of the individual properties in the village upon which authorized
9 millages are levied.

10 (3) If a nonresident of the taxing unit requests in writing
11 information regarding the assessment of his or her property, the
12 ~~supervisor or~~ APPROPRIATE assessing officer shall reply to the
13 request within a reasonable length of time.

14 Sec. 24. (1) On or before the first Monday in March in each
15 year, the ~~supervisor or~~ assessor shall make and complete an
16 assessment roll, upon which he or she shall set down the name and
17 address of every person liable to be taxed in the ~~township or~~
18 ~~assessment district~~ LOCAL TAX COLLECTING UNIT with a full
19 description of all the real property liable to be taxed. If the
20 name of the owner or occupant of any tract or parcel of real
21 property is known, the assessor shall enter the name and address
22 of the owner or occupant opposite to the description of the
23 property. If unknown, the real property described upon the roll
24 shall be assessed as "owner unknown". All contiguous subdivi-
25 sions of any section that are owned by 1 person, firm, corpora-
26 tion, or other legal entity and all unimproved lots in any block
27 that are contiguous and owned by 1 person, firm, corporation, or

1 other legal entity shall be assessed as 1 parcel, unless demand
2 in writing is made by the owner or occupant to have each subdivi-
3 sion of the section or each lot assessed separately. However,
4 failure to assess contiguous parcels as entireties does not
5 invalidate the assessment as made. Each description shall show
6 as near as possible the number of acres contained in it, as
7 determined by the assessor. It is not necessary for the assess-
8 ment roll to specify the quantity of land comprised in any town,
9 city, or village lot. The assessor shall estimate, according to
10 his or her best information and judgment, the TRUE CASH VALUE AND
11 AGRICULTURAL USE VALUE FOR QUALIFIED AGRICULTURAL PROPERTY AND
12 THE true cash value and assessed value of every parcel of real
13 property THAT IS NOT QUALIFIED AGRICULTURAL PROPERTY and set the
14 AGRICULTURAL USE VALUE OR assessed value down opposite the
15 parcel. The assessor shall calculate the tentative taxable value
16 of every parcel of real property and set that value down opposite
17 the parcel. The assessor shall determine the percentage of value
18 of every parcel of real property that is exempt from the tax
19 levied by a local school district for school operating purposes
20 to the extent provided under section 1211 of the ~~school code of~~
21 ~~1976, Act No. 451 of the Public Acts of 1976, being section~~
22 ~~380.1211 of the Michigan Compiled laws~~ REVISED SCHOOL CODE, 1976
23 PA 451, MCL 380.1211, and set that percentage of value down oppo-
24 site the parcel. The assessor shall determine the date of the
25 last transfer of ownership of every parcel of real property
26 occurring after December 31, 1994 and set that date down opposite
27 the parcel. The assessor shall also estimate the true cash value

1 of all the personal property of each person, and set the assessed
2 value and tentative taxable value down opposite the name of the
3 person. In determining the property to be assessed and in esti-
4 mating the value of that property, the assessor is not bound to
5 follow the statements of any person, but shall exercise his or
6 her best judgment. Property assessed to a person other than the
7 owner shall be assessed separately from the owner's property and
8 shall show in what capacity it is assessed to that person,
9 whether as agent, guardian, or otherwise. Two or more persons
10 not being copartners, owning personal property in common, may
11 each be assessed severally for each person's portion. Undivided
12 interests in lands owned by tenants in common, or joint tenants
13 not being copartners, may be assessed to the owners.

14 (2) The state geologist, or his or her duly authorized
15 deputy, shall determine, according to his or her best information
16 and judgment, the true cash value of the metallic mining proper-
17 ties and mineral rights consisting of metallic resources that are
18 either producing, developed, or have a known commercial mineral
19 value, including surface rights and personal property that may be
20 used in the operation or development of the property assessed, or
21 any stockpile of ore or mineral stored on the surface. For the
22 purpose of encouraging the exploration and development of metal-
23 lic mineral resources, metallic mineral ore newly discovered or
24 proven in the ground and not part of the property of an operating
25 mine shall be exempt from the taxes collected under this act for
26 a maximum period of 10 years or until the time it becomes part of
27 the property of an operating mine or it in itself becomes an

1 operating mine. Metallic mineral ore newly discovered or proven
2 in the ground and part of the property of an operating mine shall
3 be exempt from taxes collected under this act until it, in combi-
4 nation with previously discovered metallic mineral ore of the
5 operating mine, comes into a 10-year recovery period of the mine
6 as determined by the average normal annual rate of extraction of
7 the mine.

8 (3) An operating mine shall be defined to be an operating
9 mine as of the date of starting of a shaft, stripping of overbur-
10 den, or rehabilitation, or an abandoned or idle mine closed for
11 not less than 2 years. Ore shall not enjoy more than 10 years'
12 exemption from taxation. This section does not exempt from the
13 taxes collected under this act ore reserves proven as of April 1,
14 1947. It is the intent of this act that mineral properties shall
15 be valued and assessed in the future for ad valorem taxes accord-
16 ing to the formula used in the valuation of mineral properties
17 before the effective date of this act. It is the intent of this
18 act that no metallic mineral ore shall be exempt more than 10
19 years because of the application of this act and if at any time
20 it becomes evident that such is the case, the state tax commis-
21 sion shall determine the value of this untaxed ore and place this
22 valuation on the proper tax roll. The state geologist shall
23 report his or her determination of the true cash value of the
24 mineral properties to the state tax commission on or before
25 February 10 of each year. The state tax commission shall assess
26 the mineral properties containing 20% or more of natural iron per
27 ton of ore in conformity and uniformity with all other property

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1 within the assessing district. The state tax commission shall
2 assess all other metallic mineral properties at the value certi-
3 fied by the state geologist. The state tax commission, as early
4 as is practicable before February 20, shall certify the assess-
5 ment of the property to the ~~supervisor or assessing officer~~
6 ASSESSOR of the township or city in which the property is situat-
7 ed, who shall for the mineral properties and mineral rights that
8 are owned separate from the surface rights on the property assess
9 each to the owner at the valuation certified to him or her.
10 However, an adjustment to the value certified by the state tax
11 commission may be made by the ~~supervisor or assessing officer~~
12 ASSESSOR of the township or city to reflect any general adjust-
13 ment of assessed valuation from the immediately preceding year
14 not included in the state tax commission computation. The
15 ~~supervisor or assessing officer~~ ASSESSOR shall determine the
16 true cash value of the surface rights and assess the value of the
17 surface rights to the owner. The assessment upon the metallic
18 mining properties and mineral rights may be altered from year to
19 year regardless of whether any previous assessment has been
20 reviewed by the state tax commission. The ~~supervisor or other~~
21 ~~local assessing officer~~ ASSESSOR or the owner of any interest in
22 the property assessed may appeal the assessment and valuation of
23 the property as determined by the board of review to the state
24 tax commission which shall review the assessment and valuation as
25 provided in section 152.

26 Sec. 24c. (1) The assessor shall give to each owner or
27 person or persons listed on the assessment roll of the property a

1 notice by first-class mail of an increase in the tentative state
2 equalized valuation, THE TENTATIVE AGRICULTURAL USE VALUE, or the
3 tentative taxable value for the year. The notice shall specify
4 each parcel of property, the tentative taxable value for the cur-
5 rent year and, beginning in 1996, the taxable value for the imme-
6 diately preceding year. The notice shall also specify the time
7 and place of the meeting of the board of review. Beginning in
8 1996, the notice shall also specify the difference between the
9 property's tentative taxable value in the current year and the
10 property's taxable value in the immediately preceding year.

11 (2) The notice shall include, in addition to the information
12 required by subsection (1), all of the following:

13 (a) The state equalized valuation for the immediately pre-
14 ceding year.

15 (b) The tentative state equalized valuation for the current
16 year.

17 (c) The net change between the tentative state equalized
18 valuation for the current year and the state equalized valuation
19 for the immediately preceding year.

20 (D) FOR QUALIFIED AGRICULTURAL PROPERTY, ALL OF THE
21 FOLLOWING:

22 (i) BEGINNING IN 2002, THE AGRICULTURAL USE VALUE FOR THE
23 IMMEDIATELY PRECEDING YEAR.

24 (ii) THE TENTATIVE AGRICULTURAL USE VALUE FOR THE CURRENT
25 YEAR.

1 (iii) BEGINNING IN 2002, THE NET CHANGE BETWEEN THE
2 TENTATIVE AGRICULTURAL USE VALUE FOR THE CURRENT YEAR AND THE
3 AGRICULTURAL USE VALUE FOR THE IMMEDIATELY PRECEDING YEAR.

4 (iv) THE RECAPTURE TAX THAT WOULD BE IMPOSED UNDER THE AGRI-
5 CULTURAL PROPERTY RECAPTURE ACT IF THE QUALIFIED AGRICULTURAL
6 PROPERTY WERE CONVERTED BY A CHANGE IN USE. AS USED IN THIS SUB-
7 PARAGRAPH, "CONVERTED BY A CHANGE IN USE" MEANS THAT TERM AS
8 DEFINED IN THE AGRICULTURAL PROPERTY RECAPTURE ACT.

9 (E) ~~-(d)-~~ The classification of the property as ~~defined~~
10 DESCRIBED by section 34c AND WHETHER THAT PROPERTY IS QUALIFIED
11 AGRICULTURAL PROPERTY EXEMPT FROM THE TAX LEVIED BY A LOCAL
12 SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES UNDER SECTION 7EE.

13 (F) ~~-(e)-~~ The inflation rate for the immediately preceding
14 year as defined in section 34d.

15 (G) ~~-(f)-~~ A statement provided by the state tax commission
16 explaining the relationship between state equalized valuation and
17 taxable value OR, FOR QUALIFIED AGRICULTURAL PROPERTY, THE RELA-
18 TIONSHIP BETWEEN THE AGRICULTURAL USE VALUE AND TAXABLE VALUE.
19 Beginning in 1996, if the assessor believes that a transfer of
20 ownership has occurred in the immediately preceding year, the
21 statement shall state that the ownership was transferred and that
22 the taxable value of that property is the same as the state
23 equalized valuation of that property OR, FOR QUALIFIED AGRICUL-
24 TURAL PROPERTY, THE SAME AS THE PROPERTY'S TAXABLE VALUE IN THE
25 IMMEDIATELY PRECEDING YEAR ADJUSTED AS PROVIDED IN
26 SECTION 27E(2).

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1 (3) When required by the income tax act of 1967, ~~Act~~
2 ~~No. 281 of the Public Acts of 1967, being sections 206.1 to~~
3 ~~206.532 of the Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO
4 206.532, the assessment notice shall include or be accompanied by
5 information or forms prescribed by ~~Act No. 281 of the Public~~
6 ~~Acts of 1967~~ THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1
7 TO 206.532.

8 (4) The assessment notice shall be addressed to the owner
9 according to the records of the assessor and mailed not less than
10 10 days before the meeting of the board of review. The failure
11 to send or receive an assessment notice does not invalidate an
12 assessment roll or an assessment on that property.

13 (5) The tentative state equalized valuation shall be calcu-
14 lated by multiplying the assessment by the tentative equalized
15 valuation multiplier. If the assessor has made assessment
16 adjustments that would have changed the tentative multiplier, the
17 assessor may recalculate the multiplier for use in the notice.

18 (6) The state tax commission shall prepare a model assess-
19 ment notice form that shall be made available to local units of
20 government.

21 (7) Beginning in 1995, the assessment notice under subsec-
22 tion (1) shall include the following statement:

23 "If you purchased your homestead after May 1 last
24 year, to claim the homestead exemption, if you have
25 not already done so, you are required to file an
26 affidavit before May 1."

1 Sec. 27a. (1) Except as otherwise provided in this section
2 AND SECTION 27E, property shall be assessed at 50% of its true
3 cash value under section 3 of article IX of the state constitu-
4 tion of 1963.

5 (2) Except as otherwise provided in subsection (3), for
6 taxes levied in 1995 and for each year after 1995, the taxable
7 value of each parcel of property is the lesser of the following:

8 (a) The property's taxable value in the immediately preced-
9 ing year minus any losses, multiplied by the lesser of 1.05 or
10 the inflation rate, plus all additions. For taxes levied in
11 1995, the property's taxable value in the immediately preceding
12 year is the property's state equalized valuation in 1994.

13 (b) The property's current state equalized valuation.

14 (3) ~~Upon~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION 27E(3),
15 UPON a transfer of ownership of property after 1994, the
16 property's taxable value for the calendar year following the year
17 of the transfer is the property's state equalized valuation for
18 the calendar year following the transfer.

19 (4) If the taxable value of property is adjusted under sub-
20 section (3), a subsequent increase in the property's taxable
21 value is subject to the limitation set forth in subsection (2)
22 until a subsequent transfer of ownership occurs.

23 (5) Assessment of property, as required in this section and
24 section 27, is inapplicable to the assessment of property subject
25 to the levy of ad valorem taxes within voted tax limitation
26 increases to pay principal and interest on limited tax bonds
27 issued by any governmental unit, including a county, township,

1 community college district, or school district, before January 1,
2 1964, if the assessment required to be made under this act would
3 be less than the assessment as state equalized prevailing on the
4 property at the time of the issuance of the bonds. This inappli-
5 cability shall continue until levy of taxes to pay principal and
6 interest on the bonds is no longer required. The assessment of
7 property required by this act shall be applicable for all other
8 purposes.

9 (6) As used in this act, "transfer of ownership" means the
10 conveyance of title to or a present interest in property, includ-
11 ing the beneficial use of the property, the value of which is
12 substantially equal to the value of the fee interest. Transfer
13 of ownership of property includes, but is not limited to, the
14 following:

15 (a) A conveyance by deed.

16 (b) A conveyance by land contract. The taxable value of
17 property conveyed by a land contract executed after December 31,
18 1994 shall be adjusted under subsection (3) for the calendar year
19 following the year in which the contract is entered into and
20 shall not be subsequently adjusted under subsection (3) when the
21 deed conveying title to the property is recorded in the office of
22 the register of deeds in the county in which the property is
23 located.

24 (c) A conveyance to a trust after December 31, 1994, except
25 if the settlor or the settlor's spouse, or both, conveys the
26 property to the trust and the sole present beneficiary or
27 beneficiaries are the settlor or the settlor's spouse, or both.

1 (d) A conveyance by distribution from a trust, except if the
2 distributee is the sole present beneficiary or the spouse of the
3 sole present beneficiary, or both.

4 (e) A change in the sole present beneficiary or beneficia-
5 ries of a trust, except a change that adds or substitutes the
6 spouse of the sole present beneficiary.

7 (f) A conveyance by distribution under a will or by intes-
8 tate succession, except if the distributee is the decedent's
9 spouse.

10 (g) A conveyance by lease if the total duration of the
11 lease, including the initial term and all options for renewal, is
12 more than 35 years or the lease grants the ~~leasee~~ LESSEE a bar-
13 gain purchase option. As used in this subdivision, "bargain pur-
14 chase option" means the right to purchase the property at the
15 termination of the lease for not more than 80% of the property's
16 projected true cash value at the termination of the lease. After
17 December 31, 1994, the taxable value of property conveyed by a
18 lease with a total duration of more than 35 years or with a bar-
19 gain purchase option shall be adjusted under subsection (3) for
20 the calendar year following the year in which the lease is
21 entered into. This subdivision does not apply to personal prop-
22 erty except buildings described in section 14(6) and personal
23 property described in section 8(h), (i), and (j). This subdivi-
24 sion does not apply to that portion of the property not subject
25 to the leasehold interest conveyed.

26 (h) A conveyance of an ownership interest in a corporation,
27 partnership, sole proprietorship, limited liability company,

1 limited liability partnership, or other legal entity if the
2 ownership interest conveyed is more than 50% of the corporation,
3 partnership, sole proprietorship, limited liability company,
4 limited liability partnership, or other legal entity. Unless
5 notification is provided under subsection (8), the corporation,
6 partnership, sole proprietorship, limited liability company,
7 limited liability partnership, or other legal entity shall notify
8 the ~~assessing officer~~ ASSESSOR on a form provided by the state
9 tax commission not more than 45 days after a conveyance of an
10 ownership interest that constitutes a transfer of ownership under
11 this subdivision.

12 (i) A transfer of property held as a tenancy in common,
13 except that portion of the property not subject to the ownership
14 interest conveyed.

15 (j) A conveyance of an ownership interest in a cooperative
16 housing corporation, except that portion of the property not
17 subject to the ownership interest conveyed.

18 (7) Transfer of ownership does not include the following:

19 (a) The transfer of property from 1 spouse to the other
20 spouse or from a decedent to a surviving spouse.

21 (b) A transfer from a husband, a wife, or a husband and wife
22 creating or disjoining a tenancy by the entirety in the grant-
23 ors or the grantor and his or her spouse.

24 (c) A transfer of that portion of property subject to a life
25 estate or life lease retained by the transferor, until expiration
26 or termination of the life estate or life lease. That portion of

1 property transferred that is not subject to a life lease shall be
2 adjusted under subsection (3).

3 (d) A transfer through foreclosure or forfeiture of a
4 recorded instrument under chapter 31, 32, or 57 of the revised
5 judicature act of 1961, ~~Act No. 236 of the Public Acts of 1961,~~
6 ~~being sections 600.3101 to 600.3280 and 600.5701 to 600.5785 of~~
7 ~~the Michigan Compiled Laws~~ 1961 PA 236, MCL 600.3101 TO 600.3280
8 AND 600.5701 TO 600.5785, or through deed or conveyance in lieu
9 of a foreclosure or forfeiture, until the mortgagee or land con-
10 tract vendor subsequently transfers the property. If a mortgagee
11 does not transfer the property within 1 year of the expiration of
12 any applicable redemption period, the property shall be adjusted
13 under subsection (3).

14 (e) A transfer by redemption by the person to whom taxes are
15 assessed of property previously sold for delinquent taxes.

16 (f) A conveyance to a trust if the settlor or the settlor's
17 spouse, or both, conveys the property to the trust and the sole
18 present beneficiary of the trust is the settlor or the settlor's
19 spouse, or both.

20 (g) A transfer pursuant to a judgment or order of a court of
21 record making or ordering a transfer, unless a specific monetary
22 consideration is specified or ordered by the court for the
23 transfer.

24 (h) A transfer creating or terminating a joint tenancy
25 between 2 or more persons if at least 1 of the persons was an
26 original owner of the property before the joint tenancy was
27 initially created and, if the property is held as a joint tenancy

1 at the time of conveyance, at least 1 of the persons was a joint
2 tenant when the joint tenancy was initially created and that
3 person has remained a joint tenant since the joint tenancy was
4 initially created. A joint owner at the time of the last trans-
5 fer of ownership of the property is an original owner of the
6 property. For purposes of this subdivision, a person is an orig-
7 inal owner of property owned by that person's spouse.

8 (i) A transfer for security or an assignment or discharge of
9 a security interest.

10 (j) A transfer of real property or other ownership interests
11 among members of an affiliated group. As used in this subsec-
12 tion, "affiliated group" means 1 or more corporations connected
13 by stock ownership to a common parent corporation. Upon request
14 by the state tax commission, a corporation shall furnish proof
15 within 45 days that a transfer meets the requirements of this
16 subdivision. A corporation that fails to comply with a request
17 by the state tax commission under this subdivision is subject to
18 a fine of \$200.00.

19 (k) Normal public trading of shares of stock or other owner-
20 ship interests that, over any period of time, cumulatively repre-
21 sent more than 50% of the total ownership interest in a corpora-
22 tion or other legal entity and are traded in multiple transac-
23 tions involving unrelated individuals, institutions, or other
24 legal entities.

25 (l) A transfer of real property or other ownership interests
26 among corporations, partnerships, limited liability companies,
27 limited liability partnerships, or other legal entities if the

1 entities involved are commonly controlled. Upon request by the
2 state tax commission, a corporation, partnership, limited liabil-
3 ity company, limited liability partnership, or other legal entity
4 shall furnish proof within 45 days that a transfer meets the
5 requirements of this subdivision. A corporation, partnership,
6 limited liability company, limited liability partnership, or
7 other legal entity that fails to comply with a request by the
8 state tax commission under this subdivision is subject to a fine
9 of \$200.00.

10 (m) A direct or indirect transfer of real property or other
11 ownership interests resulting from a transaction that qualifies
12 as a tax-free reorganization under section 368 of the internal
13 revenue code of 1986. ~~—, 26 U.S.C. 368.—~~ Upon request by the
14 state tax commission, a property owner shall furnish proof within
15 45 days that a transfer meets the requirements of this
16 subdivision. A property owner who fails to comply with a request
17 by the state tax commission under this subdivision is subject to
18 a fine of \$200.00.

19 (8) The register of deeds of the county where deeds or other
20 title documents are recorded shall notify the ~~assessing officer~~
21 ASSESSOR of the appropriate local taxing unit not less than once
22 each month of any recorded transaction involving the ownership of
23 property and shall make any recorded deeds or other title docu-
24 ments available to that county's tax or equalization department.
25 Unless notification is provided under subsection (6), the buyer,
26 grantee, or other transferee of the property shall notify the
27 appropriate assessing office in the local unit of government in

1 which the property is located of the transfer of ownership of the
2 property within 45 days of the transfer of ownership, on a form
3 prescribed by the state tax commission that states the parties to
4 the transfer, the date of the transfer, the actual consideration
5 for the transfer, and the property's parcel identification number
6 or legal description. Forms filed in the assessing office of a
7 local unit of government under this subsection shall be made
8 available to the county tax or equalization department for the
9 county in which that local unit of government is located. This
10 subsection does not apply to personal property except buildings
11 described in section 14(6) and personal property described in
12 section 8(h), (i), and (j).

13 (9) As used in this section:

14 (a) "Additions" means that term as defined in section 34d.

15 (b) "Beneficial use" means the right to possession, use, and
16 enjoyment of property, limited only by encumbrances, easements,
17 and restrictions of record.

18 (c) "Inflation rate" means that term as defined in section
19 34d.

20 (d) "Losses" means that term as defined in section 34d.

21 Sec. 27b. (1) If the buyer, grantee, or other transferee in
22 the immediately preceding transfer of ownership of property does
23 not notify the ~~appropriate assessing office~~ ASSESSOR as
24 required ~~by~~ UNDER section 27a(8) OR, FOR QUALIFIED AGRICULTURAL
25 PROPERTY, UNDER SECTION 27E, the property's taxable value shall
26 be adjusted under section 27a(3) OR, FOR QUALIFIED AGRICULTURAL

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1 PROPERTY, UNDER SECTION 27E(3) and all of the following shall be
2 levied:

3 (a) Any additional taxes that would have been levied if the
4 transfer of ownership had been recorded as required under this
5 act from the date of transfer.

6 (b) Interest and penalty from the date the tax would have
7 been originally levied.

8 (c) A penalty of \$5.00 per day for each separate failure
9 beginning after the 45 days have elapsed, up to a maximum of
10 \$200.00.

11 (2) The ~~appropriate assessing officer~~ ASSESSOR shall cer-
12 tify for collection to the treasurer of the local tax collecting
13 unit if the local tax collecting unit has possession of the tax
14 roll or the county treasurer if the county has possession of the
15 tax roll any additional taxes due under subsection (1)(a) and any
16 penalty due under subsection (1)(c).

17 (3) The treasurer of the local tax collecting unit if the
18 local tax collecting unit has possession of the tax roll or the
19 county treasurer if the county has possession of the tax roll
20 shall collect any taxes, interest, and penalty due pursuant to
21 this section, and shall immediately prepare and submit a cor-
22 rected tax bill for any additional taxes due under subsection
23 (1)(a) and any interest and penalty due under subsection (1)(b).
24 A penalty due under subsection (1)(c) may be collected with the
25 immediately succeeding regular tax bill.

26 (4) Any taxes, interest, and penalty collected pursuant to
27 subsection (1)(a) and (b) shall be distributed in the same manner

1 as other delinquent taxes, interest, and penalties are
2 distributed under this act. Any penalty collected under
3 subsection (1)(c) shall be distributed to the local tax collect-
4 ing unit.

5 (5) The governing body of a local tax collecting unit may
6 waive, by resolution, the penalty levied under subsection
7 (1)(c).

8 (6) If the taxable value of property is increased under this
9 section, the ~~appropriate assessing officer~~ ASSESSOR shall imme-
10 diately notify by first-class mail the owner of that property of
11 that increase in taxable value. A buyer, grantee, or other
12 transferee may appeal any increase in taxable value or the levy
13 of any additional taxes, interest, and penalties under
14 subsection (1) to the Michigan tax tribunal within 35 days of
15 receiving the notice of the increase in the property's taxable
16 value. An appeal under this subsection is limited to the issues
17 of whether a transfer of ownership has occurred and correcting
18 arithmetic errors. A dispute regarding the valuation of the
19 property is not a basis for appeal under this subsection.

20 (7) If the taxable value of property is adjusted under sub-
21 section (1), the ~~assessing officer~~ ASSESSOR making the adjust-
22 ment shall file an affidavit with all officials responsible for
23 determining assessment figures, rate of taxation, or mathematical
24 calculations for that property within 30 days of the date the
25 adjustment is made. The affidavit shall state the amount of the
26 adjustment and the amount of additional taxes levied. The
27 officials with whom the affidavit is filed shall correct all

1 official records for which they are responsible to reflect the
2 adjustment and levy.

3 Sec. 27c. If the buyer, grantee, or other transferee in any
4 preceding transfer of ownership of property does not notify the
5 ~~appropriate assessing office~~ ASSESSOR as required by section
6 27a(8) OR, FOR QUALIFIED AGRICULTURAL PROPERTY, UNDER SECTION
7 27E(5), a taxing unit may sue that buyer, grantee, or other
8 transferee as provided in section 47 for all of the following:

9 (a) Any additional taxes that would have been levied if the
10 transfer of ownership had been recorded as required under this
11 act from the date of transfer.

12 (b) Interest and penalty from the date the tax would have
13 been originally levied.

14 (c) A penalty of \$5.00 per day for each separate failure
15 beginning after the 45 days have elapsed, up to a maximum of
16 \$200.00.

17 SEC. 27E. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
18 BEGINNING DECEMBER 31, 2001, PROPERTY THAT IS QUALIFIED AGRICUL-
19 TURAL PROPERTY SHALL BE ASSESSED AT 50% OF ITS AGRICULTURAL USE
20 VALUE UNDER SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION OF
21 1963.

22 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), FOR
23 TAXES LEVIED IN 2002 AND FOR EACH YEAR AFTER 2002, THE TAXABLE
24 VALUE OF EACH PARCEL OF QUALIFIED AGRICULTURAL PROPERTY IS THE
25 LESSER OF THE FOLLOWING:

1 (A) THE QUALIFIED AGRICULTURAL PROPERTY'S TAXABLE VALUE IN
2 THE IMMEDIATELY PRECEDING YEAR MINUS ANY LOSSES, MULTIPLIED BY
3 THE LESSER OF 1.05 OR THE INFLATION RATE, PLUS ALL ADDITIONS.

4 (B) THE QUALIFIED AGRICULTURAL PROPERTY'S CURRENT AGRICUL-
5 TURAL USE VALUE.

6 (C) THE TAXABLE VALUE THE PROPERTY WOULD HAVE HAD IF THE
7 PROPERTY'S TAXABLE VALUE HAD BEEN DETERMINED UNDER SECTION 27A.

8 (3) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL
9 PROPERTY AND IF THE PROPERTY REMAINS QUALIFIED AGRICULTURAL PROP-
10 ERTY, THE QUALIFIED AGRICULTURAL PROPERTY'S TAXABLE VALUE FOR THE
11 CALENDAR YEAR FOLLOWING THE YEAR OF THE TRANSFER IS THE
12 PROPERTY'S TAXABLE VALUE FOR THE CALENDAR YEAR IMMEDIATELY PRE-
13 CEDING THE TRANSFER ADJUSTED AS FOLLOWS:

14 (A) FOR TAXES LEVIED AFTER DECEMBER 31, 1999 AND BEFORE
15 JANUARY 1, 2002, AS PROVIDED IN SECTION 27A(2).

16 (B) FOR TAXES LEVIED AFTER DECEMBER 31, 2001, AS PROVIDED IN
17 SUBSECTION (2).

18 (4) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL
19 PROPERTY AND IF THE PROPERTY DOES NOT REMAIN QUALIFIED AGRICUL-
20 TURAL PROPERTY, THE TAXABLE VALUE OF THE PROPERTY SHALL BE
21 ADJUSTED UNDER SECTION 27A(3).

22 (5) THE REGISTER OF DEEDS OF THE COUNTY WHERE DEEDS OR OTHER
23 TITLE DOCUMENTS ARE RECORDED SHALL NOTIFY THE ASSESSOR NOT LESS
24 THAN ONCE EACH MONTH OF ANY RECORDED TRANSACTION INVOLVING THE
25 OWNERSHIP OF QUALIFIED AGRICULTURAL PROPERTY AND SHALL MAKE ANY
26 RECORDED DEEDS OR OTHER TITLE DOCUMENTS AVAILABLE TO THE
27 ASSESSOR. THE BUYER, GRANTEE, OR OTHER TRANSFEREE OF THE

1 QUALIFIED AGRICULTURAL PROPERTY SHALL NOTIFY THE ASSESSOR OF THE
2 LOCAL TAX COLLECTING UNIT IN WHICH THE QUALIFIED AGRICULTURAL
3 PROPERTY IS LOCATED OF THE TRANSFER OF OWNERSHIP OF THE QUALIFIED
4 AGRICULTURAL PROPERTY WITHIN 45 DAYS OF THE TRANSFER OF OWNER-
5 SHIP, ON A FORM PRESCRIBED BY THE STATE TAX COMMISSION THAT
6 STATES THE PARTIES TO THE TRANSFER, THE DATE OF THE TRANSFER, THE
7 ACTUAL CONSIDERATION FOR THE TRANSFER, AND THE QUALIFIED AGRICUL-
8 TURAL PROPERTY'S PARCEL IDENTIFICATION NUMBER OR LEGAL
9 DESCRIPTION. FORMS FILED IN THE ASSESSING OFFICE OF A LOCAL TAX
10 COLLECTING UNIT UNDER THIS SUBSECTION SHALL BE MADE AVAILABLE TO
11 THE COUNTY TAX OR EQUALIZATION DEPARTMENT FOR THAT COUNTY. THIS
12 SUBSECTION DOES NOT APPLY TO PERSONAL PROPERTY EXCEPT BUILDINGS
13 DESCRIBED IN SECTION 14(6) AND PERSONAL PROPERTY DESCRIBED IN
14 SECTION 8(H), (I), AND (J).

15 (6) THE OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL
16 RESCIND THE EXEMPTION PURSUANT TO SECTION 7EE(5) IF PROPERTY
17 EXEMPT AS QUALIFIED AGRICULTURAL PROPERTY IS NO LONGER QUALIFIED
18 AGRICULTURAL PROPERTY. IF AN EXEMPTION FOR PROPERTY EXEMPT AS
19 QUALIFIED AGRICULTURAL PROPERTY IS RESCINDED AND THAT PROPERTY
20 HAD BEEN ASSESSED BASED ON ITS AGRICULTURAL USE VALUE UNDER THIS
21 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED AS OF
22 DECEMBER 31 IN THE YEAR IN WHICH THE QUALIFIED AGRICULTURAL
23 PROPERTY'S EXEMPTION IS RESCINDED AS FOLLOWS:

24 (A) IF THERE WAS NOT A TRANSFER OF OWNERSHIP OF THE PROPERTY
25 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
26 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED TO THE
27 TAXABLE VALUE THE PROPERTY WOULD HAVE HAD AS DETERMINED UNDER

1 SECTION 27A(2) IF THE PROPERTY HAD NOT BEEN SUBJECT TO ASSESSMENT
2 UNDER THIS SECTION.

3 (B) IF THERE WAS A TRANSFER OF OWNERSHIP OF THE PROPERTY
4 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
5 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED AS PRO-
6 VIDED IN SECTION 27A(3).

7 (7) AS USED IN THIS SECTION:

8 (A) "ADDITIONS" MEANS THAT TERM AS DEFINED IN SECTION 34D.

9 (B) "AGRICULTURAL USE VALUE" MEANS THAT VALUE CALCULATED
10 USING THE METHOD DETERMINED BY THE STATE TAX COMMISSION AFTER
11 CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE. [REDACTED]

12 [REDACTED]
13 [REDACTED] THE METHOD SHALL INCLUDE, BUT IS NOT LIMITED TO, ALL
14 OF THE FOLLOWING CONSIDERATIONS:

15 (i) EVIDENCE OF THE PRODUCTIVE CAPABILITY OF THE QUALIFIED
16 AGRICULTURAL PROPERTY FOR AGRICULTURAL USE, INCLUDING SOIL
17 CHARACTERISTICS.

18 (ii) THE AVERAGE ANNUAL NET RETURN IN THE IMMEDIATELY PRE-
19 CEDING 5-YEAR PERIOD FOR TYPICAL AGRICULTURAL PROPERTY LOCATED IN
20 THE COUNTY IN WHICH THE QUALIFIED AGRICULTURAL PROPERTY IS
21 LOCATED, DISCOUNTED BY AN APPROPRIATE INTEREST RATE.

22 (iii) THE AVERAGE RENTAL INCOME FOR TYPICAL AGRICULTURAL
23 PROPERTY LOCATED IN THE COUNTY IN WHICH THE QUALIFIED AGRICUL-
24 TURAL PROPERTY IS LOCATED.

(iv) A QUALIFIED SALE. A QUALIFIED SALE SHALL NOT BE PRESUMED
TO BE BETTER EVIDENCE OF AGRICULTURAL USE VALUE THAN THE
CONSIDERATIONS SET FORTH IN SUBPARAGRAPHS (i), (ii), AND (iii).

25 (C) "BENEFICIAL USE" MEANS THE RIGHT TO POSSESSION, USE, AND
26 ENJOYMENT OF PROPERTY, LIMITED ONLY BY ENCUMBRANCES, EASEMENTS,
27 AND RESTRICTIONS OF RECORD.

(D) "INFLATION RATE" MEANS THAT TERM AS DEFINED IN SECTION 34D.

(E) "LOSSES" MEANS THAT TERM AS DEFINED IN SECTION 34D.

(F) "QUALIFIED AGRICULTURAL PROPERTY" MEANS PROPERTY EXEMPT FROM THE TAX LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PURPOSES UNDER SECTION 7EE.

(G) "QUALIFIED SALE" MEANS THE SALE PRICE OF PROPERTY WITH COMPARABLE AGRICULTURAL CHARACTERISTICS. A SALE OF PROPERTY IS A QUALIFIED SALE ONLY IF ALL OF THE FOLLOWING CONDITIONS ARE SATISFIED, WHICH CONDITIONS SHALL BE GIVEN EQUAL WEIGHT PROVIDED ADEQUATE DATA IS AVAILABLE TO THE APPROPRIATE ASSESSING OFFICER:

(i) THE SALE WAS AN ARM'S LENGTH TRANSACTION.
(ii) THE PROPERTY SOLD WAS NOT LESS THAN 60 ACRES.
(iii) THE SALE PRICE WAS NOT MORE THAN 3 TIMES THE STATE EQUALIZED VALUATION OF THE PROPERTY IN THE YEAR OF THE SALE.
(iv) THE PROPERTY SOLD WAS NOT LOCATED IN AN AREA SUBJECT TO DEVELOPMENTAL PRESSURE.

(v) THE PURCHASER INTENDS TO USE THE PROPERTY FOR AGRICULTURAL USE.

(vi) THE SALE PRICE IS ADJUSTED FOR ALL OF THE FOLLOWING FACTORS:

(A) A HOMESTEAD AND ANY NONFARM RELATED BUILDINGS ON THE PROPERTY. AS USED IN THIS SUB-SUBPARAGRAPH, "HOMESTEAD" MEANS PROPERTY EXEMPT UNDER SECTION 7CC.

(B) SOIL, TOPOGRAPHICAL, AND CLIMATIC CHARACTERISTICS.

(C) DRAINAGE.

(D) PERSONAL PROPERTY INCLUDED IN THE SALE PRICE, INCLUDING GROWING CROPS.

(E) THE VALUE OF EXEMPT TREES, BUSHES, VINES, AND PLANTS.

(H) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN SECTION 27A.

Sec. 31. ~~Upon the completion of said~~ COMPLETING AND CERTIFYING THE REVIEW OF AN ASSESSMENT roll ~~and its endorsement in~~ manner aforesaid, the same shall be AS PROVIDED UNDER THIS ACT, THAT ASSESSMENT ROLL IS conclusively presumed by all courts and tribunals to be valid, and shall not be set aside except ~~for~~ causes hereinafter mentioned AS OTHERWISE PROVIDED IN THIS ACT. The omission of ~~such indorsement~~ THE CERTIFICATION shall not affect the validity of ~~such~~ AN ASSESSMENT roll.

Sec. 34. (1) The county board of commissioners in each county shall meet in April each year to determine THE county equalized value, which ~~equalization~~ shall be completed and submitted along with the tabular statement required by section 5 of ~~Act No. 44 of the Public Acts of 1911, being section 209.5 of~~ the Michigan Compiled Laws 1911 PA 44, MCL 209.5, to the state tax commission before the first Monday in May. The business ~~which~~ THAT the COUNTY board OF COMMISSIONERS may perform shall

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25 be conducted at a public meeting of the COUNTY board OF
26 COMMISSIONERS held in compliance with the open meetings act, ~~Act~~
27 ~~No. 267 of the Public Acts of 1976, as amended, being sections~~

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1 ~~15.261 to 15.275 of the Michigan Compiled Laws~~ 1976 PA 267, MCL
2 15.261 TO 15.275. Public notice of the time, date, and place of
3 the meeting shall be given in the manner required by ~~Act No. 267~~
4 ~~of the Public Acts of 1976, as amended~~ THE OPEN MEETINGS ACT,
5 1976 PA 267, MCL 15.261 TO 15.275. Each year the county board of
6 commissioners shall advise the local taxing units ~~when~~ IF the
7 state tax commission increases the equalized value of the county
8 as established by the ~~board of~~ county BOARD OF commissioners
9 and each taxing unit other than a city, township, school dis-
10 trict, intermediate school district, or community college dis-
11 trict, shall immediately reduce its maximum authorized millage
12 rate, as determined after any reduction ~~caused by~~ PURSUANT TO
13 section 34d, so that ~~subsequent to~~ AFTER the increase ordered
14 by the state tax commission pursuant to ~~Act No. 44 of the Public~~
15 ~~Acts of 1911, as amended, being sections 209.1 to 209.8 of the~~
16 ~~Michigan Compiled Laws~~ 1911 PA 44, MCL 209.1 TO 209.8, total
17 property taxes levied for that unit shall not exceed that which
18 would have been levied for that unit at its maximum authorized
19 millage rate, as determined after any reduction ~~caused by~~
20 PURSUANT TO section 34d, if there had not been an increase in
21 valuation by the state TAX COMMISSION. If its state equalized
22 valuation exceeds its assessed valuation by 5.0% or more in 1982
23 or by any amount in 1983 or any year ~~thereafter~~ AFTER 1983, a
24 city or township shall reduce its maximum authorized millage
25 rate, as determined after any reduction ~~caused by~~ PURSUANT TO
26 section 34d, so that total property taxes levied for that unit do

1 not exceed that which would have been levied based on its
2 assessed valuation.

3 (2) The county board of commissioners shall examine the
4 assessment rolls of the townships or cities and ascertain whether
5 the real and personal property in the respective townships or
6 cities has been equally and uniformly assessed ~~at true cash~~
7 ~~value~~ AS REQUIRED UNDER THIS ACT. If, on the examination, the
8 county board of commissioners considers the assessments to be
9 relatively unequal, it shall equalize the assessments by adding
10 to or deducting from the valuation of the taxable property ~~in a~~
11 ~~township or city~~ an amount ~~which~~ THAT in the judgment of the
12 county board of commissioners will produce a sum ~~which~~ THAT
13 represents the true cash value of that property AND, FOR QUALI-
14 FIED AGRICULTURAL PROPERTY, THE AGRICULTURAL USE VALUE, and the
15 amount added to or deducted from the valuations ~~in a township or~~
16 ~~city~~ shall be entered upon the records. The county board of
17 commissioners and the state tax commission shall equalize real
18 and personal property separately by adding to or deducting from
19 the valuation of taxable real property, and by adding to or
20 deducting from the valuation of taxable personal property in a
21 township, city, or county, an amount ~~which~~ THAT will produce a
22 sum ~~which~~ THAT represents the proportion of true cash value
23 established by the legislature AND, FOR QUALIFIED AGRICULTURAL
24 PROPERTY, THE AGRICULTURAL USE VALUE. Beginning December 31,
25 1980, the county board of commissioners and the state tax commis-
26 sion shall equalize separately the following classes of real
27 property by adding to or deducting from the valuation of

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1 agricultural, ~~developmental~~, residential, commercial,
2 industrial, and timber cutover taxable real property, and by
3 adding to or deducting from the valuation of taxable personal
4 property in a township, city, or county, an amount ~~as~~ THAT will
5 produce a sum ~~which~~ THAT represents the proportion of true cash
6 value established by the legislature AND, FOR QUALIFIED AGRICUL-
7 TURAL PROPERTY, THE AGRICULTURAL USE VALUE. The tax roll and the
8 tax statement shall clearly set forth the latest state equalized
9 valuation for each item or property, which shall be determined by
10 using a separate factor for personal property and a separate
11 factor for real property as equalized. Beginning December 31,
12 1980, the tax roll and the tax statement shall clearly set forth
13 the latest state equalized valuation for each item or property,
14 which shall be determined by using a separate factor for personal
15 property and a separate factor for each classification for real
16 property as equalized. Factors used in determining the state
17 equalized valuation for real and personal property on the tax
18 roll shall be rounded up to not less than 4 decimal places.
19 Equalized values for both real and personal property shall be
20 equalized uniformly at the same proportion of true cash value in
21 the county. The county board of commissioners shall also cause
22 to be entered upon its records the aggregate valuation of the
23 taxable real and personal property of each township or city in
24 its county as determined by the county board OF COMMISSIONERS.
25 The county board of commissioners shall also make alterations in
26 the description of any ~~land~~ PROPERTY on the rolls ~~as is~~
27 necessary to render the descriptions conformable to the

1 requirements of this act. After the rolls are equalized, each
2 shall be certified ~~to~~ by the chairperson and the clerk of the
3 COUNTY board OF COMMISSIONERS and be delivered to the supervisor
4 of the proper township or city, who shall file and keep the roll
5 in his or her office.

6 (3) The county board of commissioners of a county shall
7 establish and maintain a department to survey assessments and
8 assist the board of commissioners in the matter of equalization
9 of assessments, and may employ in that department NECESSARY tech-
10 nical and clerical personnel. ~~which in its judgment are consid-~~
11 ~~ered necessary.~~ The personnel of the department shall be under
12 the direct supervision and control of a director of the tax or
13 equalization department who may designate an employee of the
14 department as his or her deputy. The director of the county tax
15 or equalization department shall be appointed by the county board
16 of commissioners. The county board of commissioners, through the
17 department, may furnish assistance to local assessing officers in
18 the performance of duties imposed upon those officers ~~by~~ UNDER
19 this act, including the development and maintenance of accurate
20 property descriptions, the discovery, listing, and valuation of
21 properties for tax purposes, and the development and use of uni-
22 form valuation standards and techniques for the assessment of
23 property.

24 (4) The supervisor of a township or, with the approval of
25 the governing body, the certified assessor of a township or city,
26 or the intermediate district board of education, or the board of
27 education of an incorporated city or village aggrieved by the

1 action of the county board of commissioners ~~—~~ in equalizing the
2 valuations of the townships or cities of the county ~~—~~ may
3 appeal from the determination to the ~~state~~ tax tribunal in the
4 manner provided by law. An appeal from the determination by the
5 county board of commissioners shall be filed with the clerk of
6 the tribunal by a written or printed petition ~~which~~ THAT shall
7 set forth in detail the reasons for taking the appeal. The peti-
8 tion shall be signed and sworn to by the supervisor, the certi-
9 fied assessor, or a majority of the members of the board of edu-
10 cation taking the appeal, shall show that a certain township,
11 city, or school district has been discriminated against in the
12 equalization, and shall ~~pray~~ REQUEST that the ~~state~~ tax tri-
13 bunal proceed at its earliest convenience to review the action
14 from which the appeal is taken. The ~~state~~ tax tribunal shall
15 ~~—, upon hearing,~~ determine if ~~in its judgment there is a show-~~
16 ~~ing that~~ the equalization complained of is unfair, unjust, ineq-
17 uitable, or discriminatory. The ~~state~~ tax tribunal ~~shall~~
18 ~~have~~ HAS the same authority to consider and pass upon the action
19 and determination of the county board of commissioners in equal-
20 izing valuations as it has to consider complaints relative to the
21 assessment and taxation of property. The ~~state~~ tax tribunal
22 may order the county board of commissioners to reconvene and to
23 cause the assessment rolls of the county to be brought before it,
24 may summon the commissioners of the county to give evidence in
25 relation to the equalization, and may take further action and may
26 make further investigation ~~in the premises~~ as it considers
27 necessary. The ~~state~~ tax tribunal shall fix a valuation on all

1 property of the county. If the ~~state~~ tax tribunal decides that
2 the determination and equalization made by the county board of
3 commissioners is correct, further action shall not be taken. If
4 the ~~state~~ tax tribunal, after the hearing, decides that the
5 valuations of the county were improperly equalized, it shall pro-
6 ceed to make deductions from, or additions to, the valuations of
7 the respective townships, cities, or school districts as ~~may be~~
8 ~~considered proper~~ NECESSARY, ~~and in so doing the tribunal shall~~
9 ~~have~~ WITH the same powers ~~as~~ THAT the county board of commis-
10 sioners had in the first instance. The deductions or additions
11 shall decrease or increase the state equalized valuation of the
12 local unit affected but shall not increase or decrease the total
13 state equalized valuation of the county in the case of an appeal
14 under this section to the ~~state~~ tax tribunal. If the tax tri-
15 bunal finds that the valuations of a class of property in a
16 county were improperly equalized by that county and determines
17 that the total value of that class of property in the county may
18 not be at the level required by law, prior to entry of a final
19 order —, the tax tribunal shall forward its findings and deter-
20 mination to the state tax commission. Within 90 days after
21 receiving the findings and determination of the tax tribunal, the
22 state tax commission shall determine whether the state equalized
23 valuation of that class of property in the county was set at the
24 level prescribed by law or should be revised to provide unifor-
25 mity among the counties and shall enter an order consistent with
26 the state tax commission's findings. The tax tribunal shall
27 enter a final order based upon the revised state equalized

1 valuation, if any, ~~which~~ THAT is adopted by the state tax
2 commission. The ~~state~~ tax tribunal immediately after complet-
3 ing its revision of the equalization of the valuation of the sev-
4 eral assessment districts shall report its action to the county
5 board of commissioners and board of education if the board has
6 instituted the appeal by filing its report with the clerk of the
7 county board of commissioners. The action of the ~~state~~ tax
8 tribunal ~~in the premises~~ shall constitute the equalization of
9 the county for the tax year.

10 ~~(5) For purposes of appeals pursuant to subsection (4) in~~
11 ~~1981 only, an agent of a supervisor, including an assessor, shall~~
12 ~~be considered to have the authority to file and sign a petition~~
13 ~~for an appeal, and any otherwise timely submitted petition in~~
14 ~~1981 by an agent of a supervisor shall be reviewed by the tribu-~~
15 ~~nal as if submitted by the supervisor.~~

16 Sec. 34c. (1) Not later than the first Monday in March in
17 each year, the assessor shall classify every item of assessable
18 property according to the definitions contained in this section.
19 Following the March board of review, the assessor shall tabulate
20 the total number of items and the valuations as approved by the
21 board of review for each classification and for the totals of
22 real and personal property in the local tax collecting unit. The
23 assessor shall transmit to the county equalization department and
24 to the state tax commission the tabulation of assessed valuations
25 and other statistical information the state tax commission con-
26 siderers necessary to meet the requirements of this act and ~~Act~~

~~1 No. 44 of the Public Acts of 1911, being sections 209.1 to 209.8~~
~~2 of the Michigan Compiled Laws 1911 PA 44, MCL 209.1 TO 209.8.~~

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

5 (a) Agricultural real property includes parcels used par-
6 tially or wholly for agricultural ~~operations~~ USE, with or with-
7 out buildings, and parcels assessed to the department of natural
8 resources and valued by the state tax commission. As used in
9 this subdivision, ~~"agricultural operations"~~ means the
10 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) Performing any practices on a farm incident to, or in~~
20 ~~conjunction with, farming operations. A "AGRICULTURAL USE"~~

21 MEANS SUBSTANTIALLY UNDEVELOPED LAND DEVOTED TO THE PRODUCTION OF
22 PLANTS AND ANIMALS USEFUL TO HUMANS, INCLUDING FORAGES AND SOD
23 CROPS; GRAINS, FEED CROPS, AND FIELD CROPS; DAIRY AND DAIRY PRO-
24 DUCTS; POULTRY AND POULTRY PRODUCTS; LIVESTOCK, INCLUDING BREED-
25 ING AND GRAZING OF CATTLE, SWINE, CAPTIVE CERVIDAE, AND SIMILAR
26 ANIMALS; BERRIES; HERBS; FLOWERS; SEEDS; GRASSES; NURSERY STOCK;
27 FRUITS; VEGETABLES; CHRISTMAS TREES; AND OTHER SIMILAR USES AND

1 ACTIVITIES. AGRICULTURAL USE INCLUDES PROPERTY ENROLLED IN A
2 FEDERAL ACREAGE SET-ASIDE PROGRAM OR A FEDERAL CONSERVATION
3 PROGRAM. AGRICULTURAL USE DOES NOT INCLUDE SUBSTANTIALLY UNDE-
4 VELOPED LAND THE PRIMARY PURPOSE FOR WHICH IS THE MANAGEMENT AND
5 HARVESTING OF A WOODLOT, OR A commercial storage, processing,
6 distribution, marketing, or shipping operation. ~~is not part of~~
7 ~~agricultural operations.~~

8 (b) Commercial real property includes the following:

9 (i) Platted or unplatted parcels used for commercial pur-
10 poses, whether wholesale, retail, or service, with or without
11 buildings.

12 (ii) Parcels used by fraternal societies.

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

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

21 (C) ~~(d)~~ Industrial real property includes the following:

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

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

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

4 (D) ~~-(e)-~~ Residential real property includes the following:

5 (i) Platted or unplatted parcels, with or without buildings,
6 and condominium apartments located within or outside a village or
7 city, which are used for, or probably will be used for, residen-
8 tial purposes.

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

12 (E) ~~-(f)-~~ Timber-cutover real property includes parcels that
13 are stocked with forest products of merchantable type and size,
14 cutover forest land with little or no merchantable products, and
15 marsh lands or other barren land. However, when a typical pur-
16 chase of this type of land is for residential or recreational
17 uses, the classification shall be changed to residential.

18 (3) The classifications of assessable personal property are
19 described as follows:

20 (a) Agricultural personal property includes farm buildings
21 on leased land and any agricultural equipment and produce not
22 exempt by law.

23 (b) Commercial personal property includes the following:

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

26 (ii) Outdoor advertising signs and billboards.

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

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

6 (v) Commercial buildings on leased land.

7 (c) Industrial personal property includes the following:

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

10 (ii) Industrial buildings on leased land.

11 (iii) Personal property of mining companies valued by the
12 state geologist.

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

18 (e) Utility personal property includes the following:

19 (i) Electric transmission and distribution systems, substa-
20 tion equipment, spare parts, gas distribution systems, and water
21 transmission and distribution systems.

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

24 (iii) Inventories not exempt by law.

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

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

1 (vi) Gas storage equipment.

2 (vii) Transmission lines of gas or oil transporting
3 companies.

4 (viii) Utility buildings on leased land.

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

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

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

26 (7) The department of treasury may appeal the classification
27 of any assessable property to the residential and small claims

1 division of the Michigan tax tribunal not later than December 31
2 in the tax year for which the classification is appealed.

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

6 (9) AN OWNER OF PROPERTY FOR WHICH THE CLASSIFICATION IS
7 CHANGED FROM AGRICULTURAL REAL PROPERTY TO A DIFFERENT CLASSIFI-
8 CATION MAY FILE AN AFFIDAVIT UNDER SECTION 7EE NOT LATER THAN MAY
9 1 IN THAT TAX YEAR, CLAIMING AN EXEMPTION OF THAT PROPERTY AS
10 QUALIFIED AGRICULTURAL PROPERTY.

11 Sec. 34d. (1) As used in this section or section 27a, or
12 section 3 or 31 of article IX of the state constitution of 1963:

13 (a) For taxes levied before 1995, "additions" means all
14 increases in value caused by new construction or a physical addi-
15 tion of equipment or furnishings, and the value of property that
16 was exempt from taxes or not included on the assessment unit's
17 immediately preceding year's assessment roll.

18 (b) For taxes levied after 1994, "additions" means, except
19 as provided in subdivision (c), all of the following:

20 (i) Omitted real property. As used in this subparagraph,
21 "omitted real property" means previously existing tangible real
22 property not included in the assessment. Omitted real property
23 shall not increase taxable value as an addition unless the
24 assessing jurisdiction has a property record card or other docu-
25 mentation showing that the omitted real property was not previ-
26 ously included in the assessment. The assessing jurisdiction has
27 the burden of proof in establishing whether the omitted real

1 property is included in the assessment. Omitted real property
2 for the current and the 2 immediately preceding years, discovered
3 after the assessment roll has been completed, shall be added to
4 the tax roll pursuant to the procedures established in section
5 154. For purposes of determining the taxable value of real prop-
6 erty under section 27a, the value of omitted real property is
7 based on the value and the ratio of taxable value to true cash
8 value the omitted real property would have had if the property
9 had not been omitted.

10 (ii) Omitted personal property. As used in this subpara-
11 graph, "omitted personal property" means previously existing tan-
12 gible personal property not included in the assessment. Omitted
13 personal property shall be added to the tax roll pursuant to sec-
14 tion 154.

15 (iii) New construction. As used in this subparagraph, "new
16 construction" means property not in existence on the immediately
17 preceding tax day and not replacement construction. New con-
18 struction includes the physical addition of equipment or furnish-
19 ings, subject to the provisions set forth in section 27(2)(a) to
20 (o). For purposes of determining the taxable value of property
21 under section 27a, the value of new construction is the true cash
22 value of the new construction multiplied by 0.50.

23 (iv) Previously exempt property. As used in this subpara-
24 graph, "previously exempt property" means property that was
25 exempt from ad valorem taxation under this act on the immediately
26 preceding tax day but is subject to ad valorem taxation on the

1 current tax day under this act. For purposes of determining the
2 taxable value of real property under section 27a:

3 (A) The value of property previously exempt under section 7u
4 is the taxable value the entire parcel of property would have had
5 if that property had not been exempt, minus the product of the
6 entire parcel's taxable value in the immediately preceding year
7 and the lesser of 1.05 or the inflation rate.

8 (B) The taxable value of property that is a facility as that
9 term is defined in section 2 of ~~Act No. 198 of the Public Acts~~
10 ~~of 1974, being section 207.552 of the Michigan Compiled Laws~~
11 1974 PA 198, MCL 207.552, that was previously exempt under
12 section 7k is the taxable value that property would have had
13 under this act if it had not been exempt.

14 (C) The value of property previously exempt under any other
15 section of law is the true cash value of the previously exempt
16 property multiplied by 0.50.

17 (v) Replacement construction. As used in this subparagraph,
18 "replacement construction" means construction that replaced prop-
19 erty damaged or destroyed by accident or act of God and that
20 occurred after the immediately preceding tax day to the extent
21 the construction's true cash value does not exceed the true cash
22 value of property that was damaged or destroyed by accident or
23 act of God in the immediately preceding 3 years. For purposes of
24 determining the taxable value of property under section 27a, the
25 value of the replacement construction is the true cash value of
26 the replacement construction multiplied by a fraction the
27 numerator of which is the taxable value of the property to which

1 the construction was added in the immediately preceding year and
2 the denominator of which is the true cash value of the property
3 to which the construction was added in the immediately preceding
4 year, and then multiplied by the lesser of 1.05 or the inflation
5 rate.

6 (vi) An increase in taxable value attributable to the com-
7 plete or partial remediation of environmental contamination
8 existing on the immediately preceding tax day. The department of
9 environmental quality shall determine the degree of remediation
10 based on information available in existing department of environ-
11 mental quality records or information made available to the
12 department of environmental quality if the ~~appropriate assessing~~
13 ~~officer~~ ASSESSOR for a local tax collecting unit requests that
14 determination. The increase in taxable value attributable to the
15 remediation is the increase in true cash value attributable to
16 the remediation multiplied by a fraction the numerator of which
17 is the taxable value of the property had it not been contaminated
18 and the denominator of which is the true cash value of the prop-
19 erty had it not been contaminated.

20 (vii) An increase in the value attributable to the
21 property's occupancy rate if either a loss, as that term is
22 defined in this section, had been previously allowed because of a
23 decrease in the property's occupancy rate or if the value of new
24 construction was reduced because of a below-market occupancy
25 rate. For purposes of determining the taxable value of property
26 under section 27a, the value of an addition for the increased
27 occupancy rate is the product of the increase in the true cash

1 value of the property attributable to the increased occupancy
2 rate multiplied by a fraction the numerator of which is the tax-
3 able value of the property in the immediately preceding year and
4 the denominator of which is the true cash value of the property
5 in the immediately preceding year, and then multiplied by the
6 lesser of 1.05 or the inflation rate.

7 (viii) Public services. As used in this subparagraph,
8 "public services" means water service, sewer service, a primary
9 access road, natural gas service, electrical service, telephone
10 service, sidewalks, or street lighting. For purposes of deter-
11 mining the taxable value of real property under section 27a, the
12 value of public services is the amount of increase in true cash
13 value of the property attributable to the available public serv-
14 ices multiplied by 0.50 and shall be added in the calendar year
15 following the calendar year when those public services are ini-
16 tially available.

17 (c) For taxes levied after 1994, additions do not include
18 increased value attributable to any of the following:

19 (i) Platting, splits, or combinations of property.

20 (ii) A change in the zoning of property.

21 (iii) For the purposes of the calculation of the millage
22 reduction fraction under subsection (7) only, increased taxable
23 value under section 27a(3) OR, FOR QUALIFIED AGRICULTURAL PROPER-
24 TY, UNDER SECTION 27E(3) after a transfer of ownership of
25 property.

26 (d) "Assessed valuation of property as finally equalized"
27 means taxable value AS DETERMINED under section 27a.

1 (e) "Financial officer" means the officer responsible for
2 preparing the budget of a unit of local government.

3 (f) "General price level" means the annual average of the 12
4 monthly values for the United States consumer price index for all
5 urban consumers as defined and officially reported by the United
6 States department of labor, bureau of labor statistics.

7 (g) For taxes levied before 1995, "losses" means a decrease
8 in value caused by the removal or destruction of real or personal
9 property and the value of property taxed in the immediately pre-
10 ceding year that has been exempted or removed from the assessment
11 unit's assessment roll.

12 (h) For taxes levied after 1994, "losses" means, except as
13 provided in subdivision (i), all of the following:

14 (i) Property that has been destroyed or removed. For pur-
15 poses of determining the taxable value of property under section
16 27a, the value of property destroyed or removed is the product of
17 the true cash value of that property multiplied by a fraction the
18 numerator of which is the taxable value of that property in the
19 immediately preceding year and the denominator of which is the
20 true cash value of that property in the immediately preceding
21 year.

22 (ii) Property that was subject to ad valorem taxation under
23 this act in the immediately preceding year that is now exempt
24 from ad valorem taxation under this act. For purposes of deter-
25 mining the taxable value of property under section 27a, the value
26 of property exempted from ad valorem taxation under this act is
27 the amount exempted.

1 (iii) An adjustment in value, if any, because of a decrease
2 in the property's occupancy rate, to the extent provided by law.
3 For purposes of determining the taxable value of real property
4 under section 27a, the value of a loss for a decrease in the
5 property's occupancy rate is the product of the decrease in the
6 true cash value of the property attributable to the decreased
7 occupancy rate multiplied by a fraction the numerator of which is
8 the taxable value of the property in the immediately preceding
9 year and the denominator of which is the true cash value of the
10 property in the immediately preceding year.

11 (iv) A decrease in taxable value attributable to environmen-
12 tal contamination existing on the immediately preceding tax day.
13 The department of environmental quality shall determine the
14 degree to which environmental contamination limits the use of
15 property based on information available in existing department of
16 environmental quality records or information made available to
17 the department of environmental quality if the ~~appropriate~~
18 ~~assessing officer~~ ASSESSOR for a local tax collecting unit
19 requests that determination. The department of environmental
20 quality's determination of the degree to which environmental con-
21 tamination limits the use of property shall be based on the cri-
22 teria established for the ~~classifications~~ CATEGORIES set forth
23 in section 20120a(1) of part 201 ~~(environmental remediation)~~ of
24 the natural resources and environmental protection act, ~~Act~~
25 ~~No. 451 of the Public Acts of 1994, being section 324.20120a of~~
26 ~~the Michigan Compiled Laws 1994 PA 451, MCL 324.20120A.~~ The
27 decrease in taxable value attributable to the contamination is

1 the decrease in true cash value attributable to the contamination
2 multiplied by a fraction the numerator of which is the taxable
3 value of the property had it not been contaminated and the denom-
4 inator of which is the true cash value of the property had it not
5 been contaminated.

6 (i) For taxes levied after 1994, losses do not include
7 decreased value attributable to either of the following:

8 (i) Platting, splits, or combinations of property.

9 (ii) A change in the zoning of property.

10 (j) "New construction and improvements" means additions less
11 losses.

12 (k) "Current year" means the year for which the millage lim-
13 itation is being calculated.

14 (l) "Inflation rate" means the ratio of the general price
15 level for the state fiscal year ending in the calendar year imme-
16 diately preceding the current year divided by the general price
17 level for the state fiscal year ending in the calendar year
18 before the year immediately preceding the current year.

19 (2) On or before the first Monday in May of each year, the
20 ~~assessing officer~~ ASSESSOR of each township or city shall tabu-
21 late the tentative taxable value as approved by the local board
22 of review and as modified by county equalization for each classi-
23 fication of property that is separately equalized for each unit
24 of local government and provide the tabulated tentative taxable
25 values to the county equalization director. The tabulation by
26 the ~~assessing officer~~ ASSESSOR shall contain additions and
27 losses for each classification of property that is separately

1 equalized for each unit of local government or part of a unit of
2 local government in the township or city. If as a result of
3 state equalization the taxable value of property changes, the
4 ~~assessing officer~~ ASSESSOR of each township or city shall
5 revise the calculations required by this subsection on or before
6 the Friday following the fourth Monday in May. The county equal-
7 ization director shall compute these amounts and the current and
8 immediately preceding year's taxable values for each classifica-
9 tion of property that is separately equalized for each unit of
10 local government that levies taxes under this act within the
11 boundary of the county. The county equalization director shall
12 cooperate with equalization directors of neighboring counties, as
13 necessary, to make the computation for units of local government
14 located in more than 1 county. The county equalization director
15 shall calculate the millage reduction fraction for each unit of
16 local government in the county for the current year. The finan-
17 cial officer for each taxing jurisdiction shall calculate the
18 compounded millage reduction fractions beginning in 1980 result-
19 ing from the multiplication of successive millage reduction frac-
20 tions and shall recognize a local voter action to increase the
21 compounded millage reduction fraction to a maximum of 1 as a new
22 beginning fraction. Upon request of the superintendent of the
23 intermediate school district, the county equalization director
24 shall transmit the complete computations of the taxable values to
25 the superintendent of the intermediate school district within
26 that county. At the request of the presidents of community
27 colleges, the county equalization director shall transmit the

1 complete computations of the taxable values to the presidents of
2 community colleges within the county.

3 (3) On or before the first Monday in June of each year, the
4 county equalization director shall deliver the statement of the
5 computations signed by the county equalization director to the
6 county treasurer.

7 (4) On or before the second Monday in June of each year, the
8 treasurer of each county shall certify the immediately preceding
9 year's taxable values, the current year's taxable values, the
10 amount of additions and losses for the current year, and the cur-
11 rent year's millage reduction fraction for each unit of local
12 government that levies a property tax in the county.

13 (5) The financial officer of each unit of local government
14 shall make the computation of the tax rate using the data certi-
15 fied by the county treasurer and the state tax commission. At
16 the annual session in October, the county board of commissioners
17 shall not authorize the levy of a tax unless the governing body
18 of the taxing jurisdiction has certified that the requested mill-
19 age has been reduced, if necessary, in compliance with section 31
20 of article IX of the state constitution of 1963.

21 (6) The number of mills permitted to be levied in a tax year
22 is limited as provided in this section pursuant to section 31 of
23 article IX of the state constitution of 1963. A unit of local
24 government shall not levy a tax rate greater than the rate deter-
25 mined by reducing its maximum rate or rates authorized by law or
26 charter by a millage reduction fraction as provided in this
27 section without voter approval.

1 (7) A millage reduction fraction shall be determined for
2 each year for each local unit of government. For ad valorem
3 property taxes that became a lien before January 1, 1983, the
4 numerator of the fraction shall be the total state equalized val-
5 uation for the immediately preceding year multiplied by the
6 inflation rate and the denominator of the fraction shall be the
7 total state equalized valuation for the current year minus new
8 construction and improvements. For ad valorem property taxes
9 that become a lien after December 31, 1982 and through
10 December 31, 1994, the numerator of the fraction shall be the
11 product of the difference between the total state equalized valu-
12 ation for the immediately preceding year minus losses multiplied
13 by the inflation rate and the denominator of the fraction shall
14 be the total state equalized valuation for the current year minus
15 additions. For ad valorem property taxes that are levied after
16 December 31, 1994, the numerator of the fraction shall be the
17 product of the difference between the total taxable value for the
18 immediately preceding year minus losses multiplied by the infla-
19 tion rate and the denominator of the fraction shall be the total
20 taxable value for the current year minus additions. For each
21 year after 1993, a millage reduction fraction shall not exceed
22 1.

23 (8) The compounded millage reduction fraction for each year
24 after 1980 shall be calculated by multiplying the local unit's
25 previous year's compounded millage reduction fraction by the cur-
26 rent year's millage reduction fraction. Beginning with 1980 tax
27 levies, the compounded millage reduction fraction for the year

1 shall be multiplied by the maximum millage rate authorized by law
2 or charter for the unit of local government for the year, except
3 as provided by subsection (9). A compounded millage reduction
4 fraction shall not exceed 1.

5 (9) The millage reduction shall be determined separately for
6 authorized millage approved by the voters. The limitation on
7 millage authorized by the voters on or before May 31 of a year
8 shall be calculated beginning with the millage reduction fraction
9 for that year. Millage authorized by the voters after May 31
10 shall not be subject to a millage reduction until the year fol-
11 lowing the voter authorization which shall be calculated begin-
12 ning with the millage reduction fraction for the year following
13 the authorization. The first millage reduction fraction used in
14 calculating the limitation on millage approved by the voters
15 after January 1, 1979 shall not exceed 1.

16 (10) A millage reduction fraction shall be applied sepa-
17 rately to the aggregate maximum millage rate authorized by a
18 charter and to each maximum millage rate authorized by state law
19 for a specific purpose.

20 (11) A unit of local government may submit to the voters for
21 their approval the levy in that year of a tax rate in excess of
22 the limit set by this section. The ballot question shall ask the
23 voters to approve the levy of a specific number of mills in
24 excess of the limit. The provisions of this section do not allow
25 the levy of a millage rate in excess of the maximum rate autho-
26 rized by law or charter. If the authorization to levy millage
27 expires after 1993 and a local governmental unit is asking voters

1 to renew the authorization to levy the millage, the ballot
2 question shall ask for renewed authorization for the number of
3 expiring mills as reduced by the millage reduction required by
4 this section. If the election occurs before June 1 of a year,
5 the millage reduction is based on the immediately preceding
6 year's millage reduction applicable to that millage. If the
7 election occurs after May 31 of a year, the millage reduction
8 shall be based on that year's millage reduction applicable to
9 that millage had it not expired.

10 (12) A reduction or limitation under this section shall not
11 be applied to taxes imposed for the payment of principal and
12 interest on bonds or other evidence of indebtedness or for the
13 payment of assessments or contract obligations in anticipation of
14 which bonds are issued that were authorized before December 23,
15 1978, as provided by former section 4 of chapter I of the munici-
16 pal finance act, ~~Act No. 202 of the Public Acts of 1943~~ 1943 PA
17 202, or to taxes imposed for the payment of principal and inter-
18 est on bonds or other evidence of indebtedness or for the payment
19 of assessments or contract obligations in anticipation of which
20 bonds are issued that are approved by the voters after December
21 22, 1978.

22 (13) If it is determined subsequent to the levy of a tax
23 that an incorrect millage reduction fraction has been applied,
24 the amount of additional tax revenue or the shortage of tax reve-
25 nue shall be deducted from or added to the next regular tax levy
26 for that unit of local government after the determination of the
27 authorized rate pursuant to this section.

1 (14) If as a result of an appeal of county equalization or
2 state equalization the taxable value of a unit of local govern-
3 ment changes, the millage reduction fraction for the year shall
4 be recalculated. The financial officer shall effectuate an addi-
5 tion or reduction of tax revenue in the same manner as prescribed
6 in subsection (13).

7 (15) The fractions calculated pursuant to this section shall
8 be rounded to 4 decimal places, except that the inflation rate
9 shall be computed by the state tax commission and shall be
10 rounded to 3 decimal places. The state tax commission shall pub-
11 lish the inflation rate before March 1 of each year.

12 (16) Beginning with taxes levied in 1994, the millage reduc-
13 tion required by section 31 of article IX of the state constitu-
14 tion of 1963 shall permanently reduce the maximum rate or rates
15 authorized by law or charter. The reduced maximum authorized
16 rate or rates for 1994 shall equal the product of the maximum
17 rate or rates authorized by law or charter before application of
18 this section multiplied by the ~~compound~~ COMPOUNDED millage
19 reduction applicable to that millage in 1994 pursuant to subsec-
20 tions (8) to (12). The reduced maximum authorized rate or rates
21 for 1995 and each year after 1995 shall equal the product of the
22 immediately preceding year's reduced maximum authorized rate or
23 rates multiplied by the current year's millage reduction fraction
24 and shall be adjusted for millage for which authorization has
25 expired and new authorized millage approved by the voters pursu-
26 ant to subsections (8) to (12).

1 Sec. 44. (1) Upon receipt of the tax roll, the township
2 treasurer or other collector shall proceed to collect the taxes.
3 The township treasurer or other collector shall mail to each tax-
4 payer at the taxpayer's last known address on the tax roll or to
5 the taxpayer's designated agent a statement showing the descrip-
6 tion of the property against which the tax is levied, the taxable
7 value of the property, and the amount of the tax on the
8 property. If a tax statement is mailed to the taxpayer, a tax
9 statement sent to a taxpayer's designated agent may be in a sum-
10 mary form or may be in an electronic data processing format. If
11 the tax statement information is provided to both a taxpayer and
12 the taxpayer's designated agent, the tax statement mailed to the
13 taxpayer may be identified as an informational copy. FOR QUALI-
14 FIED AGRICULTURAL PROPERTY ONLY, THE TAX STATEMENT MAILED TO THE
15 TAXPAYER OR TO THE TAXPAYER'S DESIGNATED AGENT SHALL INCLUDE THE
16 RECAPTURE TAX THAT WOULD BE IMPOSED UNDER THE AGRICULTURAL PROP-
17 ERTY RECAPTURE ACT IF THE QUALIFIED AGRICULTURAL PROPERTY WERE
18 CONVERTED BY A CHANGE IN USE, AS THAT TERM IS DEFINED IN THE
19 AGRICULTURAL PROPERTY RECAPTURE ACT. A township treasurer or
20 other collector electing to send a tax statement to a taxpayer's
21 designated agent or electing not to include an itemization in the
22 manner described in subsection (9)(c) in a tax statement mailed
23 to the taxpayer shall, upon request, mail a detailed copy of the
24 tax statement, including an itemization of the amount of tax in
25 the manner described by subsection (9)(c), to the taxpayer with-
26 out charge, as previously required by this section.

1 (2) The expense of preparing and mailing the statement shall
2 be paid from the county, township, city, or village funds.
3 Failure to send or receive the notice does not prejudice the
4 right to collect or enforce the payment of the tax. The township
5 treasurer shall remain in the office of the township treasurer at
6 some convenient place in the township on each Friday in the month
7 of December, from 9 a.m. to 5 p.m. to receive taxes, but shall
8 receive taxes upon a weekday when they are offered. However, if
9 a Friday in the month of December is Christmas eve, Christmas
10 day, New Year's eve, or a day designated by the township as a
11 holiday for township employees, the township treasurer shall not
12 be required to remain in the office of the township treasurer on
13 that Friday, but shall remain in the office of the township trea-
14 surer at some convenient place in the township from 9 a.m. to 5
15 p.m. on the day most immediately preceding that Friday that is
16 not Christmas eve, Christmas day, New Year's eve, or a day desig-
17 nated by the township as a holiday for township employees, to
18 receive taxes.

19 (3) Except as provided by subsection (7), on a sum volun-
20 tarily paid before February 15 of the succeeding year, the local
21 property tax collecting unit shall add 1% for a property tax
22 administration fee. However, unless otherwise provided for by an
23 agreement between the assessing unit and the collecting unit, if
24 a local property tax collecting unit other than a village does
25 not also serve as the local assessing unit, the excess of the
26 amount of property tax administration fees over the expense to
27 the local property tax collecting unit in collecting the taxes,

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1 but not less than 80% of the fee imposed, shall be returned to
2 the local assessing unit. A property tax administration fee is
3 defined as a fee to offset costs incurred by a collecting unit in
4 assessing property values, collecting the property tax levies,
5 and in the review and appeal processes. The costs of any
6 appeals, in excess of funds available from the property tax
7 administration fee, may be shared by any taxing unit only if
8 approved by the governing body of the taxing unit. Except as
9 provided by subsection (7), on all taxes paid after February 14
10 and before March 1 the governing body of a city or township may
11 authorize the treasurer to add to the tax a property tax adminis-
12 tration fee to the extent imposed on taxes paid before February
13 15 and a late penalty charge equal to 3% of the tax. ~~Interest~~
14 THE GOVERNING BODY OF A CITY OR TOWNSHIP MAY WAIVE INTEREST from
15 February 15 to the last day of February on a summer property tax
16 that has been deferred under section 51 or any late penalty
17 charge ~~may be waived by the governing body of a city or~~
18 ~~township~~ for the homestead property of a senior citizen, para-
19 plegic, quadriplegic, hemiplegic, eligible serviceperson, eligi-
20 ble veteran, eligible widow or widower, totally and permanently
21 disabled person, or blind person, as those persons are defined in
22 chapter 9 of the income tax act of 1967, ~~Act No. 281 of the~~
23 ~~Public Acts of 1967, being sections 206.501 to 206.532 of the~~
24 ~~Michigan Compiled Laws~~ 1967 PA 281, MCL 206.501 TO 206.532, if
25 the person makes a claim before February 15 for a credit for that
26 property provided by chapter 9 of ~~Act No. 281 of the Public Acts~~
27 ~~of 1967~~ THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.501 TO

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1 206.532, if the person presents a copy of the form filed for that
2 credit to the local treasurer, and if the person has not received
3 the credit before February 15. ~~Interest~~ THE GOVERNING BODY OF
4 A CITY OR TOWNSHIP MAY WAIVE INTEREST from February 15 to the
5 last day of February on a summer property tax deferred under sec-
6 tion 51 or any late penalty charge ~~may be waived by the govern-~~
7 ~~ing body of a city or township~~ for a person's property that is
8 subject to a farmland development rights agreement recorded with
9 the register of deeds of the county in which the property is sit-
10 uated as provided in section 36104 of part 361 ~~(farmland and~~
11 ~~open space preservation)~~ of the natural resources and environ-
12 mental protection act, ~~Act No. 451 of the Public Acts of 1994,~~
13 ~~being section 324.36104 of the Michigan Compiled Laws~~ 1994 PA
14 451, MCL 324.36104, if the person presents a copy of the develop-
15 ment rights agreement or verification that the property is
16 subject to a development rights agreement before February 15. A
17 4% county property tax administration fee, a property tax admin-
18 istration fee to the extent imposed on and if authorized under
19 subsection (7) for taxes paid before March 1, and interest on the
20 tax at the rate of 1% per month shall be added to taxes collected
21 by the township or city treasurer after the last day of February
22 and before settlement with the county treasurer, and the payment
23 shall be treated as though collected by the county treasurer. If
24 the statements required to be mailed by this section are not
25 mailed before December 31, the treasurer shall not impose a late
26 penalty charge ~~with respect to~~ ON taxes collected after
27 February 14.

1 (4) The governing body of a local property tax collecting
2 unit may waive all or part of the property tax administration fee
3 or the late penalty charge, or both. A property tax administra-
4 tion fee collected by the township treasurer shall be used only
5 for the purposes for which it may collected as specified by sub-
6 section (3) and this subsection. If the bond of the treasurer,
7 as provided in section 43, is furnished by a surety company, the
8 cost of the bond may be paid by the township from the property
9 tax administration fee.

10 (5) If apprehensive of the loss of personal tax assessed
11 upon the roll, the township treasurer may enforce collection of
12 the tax at any time, and if compelled to seize property or bring
13 an action in December may add, if authorized under
14 subsection (7), 1% for a property tax administration fee and 3%
15 for a late penalty charge.

16 (6) Along with taxes returned delinquent to a county trea-
17 surer under section 55, the amount of the 1% property tax admin-
18 istration fee prescribed by subsection (3) that is imposed and
19 not paid shall be included in the return of delinquent taxes and,
20 when delinquent taxes are distributed by the county treasurer
21 under this act, the delinquent 1% property tax administration fee
22 shall be distributed to the treasurer of the local unit who
23 transmitted the statement of taxes returned as delinquent.
24 Interest imposed upon delinquent property taxes under this act
25 shall also be imposed upon the 1% property tax administration fee
26 and, for purposes of this act other than to which local unit the
27 county treasurer shall distribute a delinquent 1% property tax

1 administration fee, any reference to delinquent taxes shall be
2 considered to include the 1% property tax administration fee
3 returned as delinquent for the same property.

4 (7) The local property tax collecting treasurer shall not
5 impose a property tax administration fee, collection fee, or any
6 type of late penalty charge authorized by law or charter unless
7 the governing body of the local property tax collecting unit
8 approves, by resolution or ordinance adopted after
9 December 31, 1982, an authorization for the imposition of a prop-
10 erty tax administration fee, collection fee, or any type of late
11 penalty charge provided for by this section or by charter, which
12 authorization shall be valid for all levies that become a lien
13 after the resolution or ordinance is adopted. However, unless
14 otherwise provided for by an agreement between the assessing unit
15 and the collecting unit, a local property tax collecting unit
16 that does not also serve as the assessing unit shall impose a
17 property tax administration fee on each parcel at a rate equal to
18 the rate of the fee imposed for city or township taxes on that
19 parcel.

20 (8) The annual statement required by ~~Act No. 125 of the~~
21 ~~Public Acts of 1966, being sections 565.161 to 565.164 of the~~
22 ~~Michigan Compiled Laws~~ 1966 PA 125, MCL 565.161 TO 565.164, or a
23 monthly billing form or mortgagor passbook provided instead of
24 that annual statement shall include a statement to the effect
25 that a taxpayer who ~~has~~ WAS not ~~been~~ mailed the tax statement
26 or a copy of the tax statement by the township treasurer or other
27 collector shall receive, upon request and without charge, a copy

1 of the tax statement from the township treasurer or other
2 collector or, if the tax statement has been mailed to the
3 taxpayer's designated agent, from either the taxpayer's desig-
4 nated agent or the township treasurer or other collector. A des-
5 ignated agent who is subject to ~~Act No. 125 of the Public Acts~~
6 ~~of 1966~~ 1966 PA 125, MCL 565.161 TO 565.164, and who has been
7 mailed the tax statement for taxes that became a lien in the cal-
8 endar year immediately preceding the year in which the annual
9 statement may be required to be furnished shall mail, upon ~~the~~
10 request ~~of~~ and without charge to a taxpayer who ~~has~~ WAS not
11 ~~been~~ mailed that tax statement or a copy of that tax statement,
12 a copy of that tax statement. ~~to that taxpayer.~~

13 (9) As used in this section:

14 (a) "Designated agent" means an individual, partnership,
15 association, corporation, receiver, estate, trust, or other legal
16 entity that has entered into an escrow account agreement or other
17 agreement with the taxpayer that obligates that individual or
18 legal entity to pay the property taxes for the taxpayer or, if an
19 agreement has not been entered into, that ~~has been~~ WAS desig-
20 nated by the taxpayer on a form made available to the taxpayer by
21 the township treasurer and filed with that treasurer. The desig-
22 nation by the taxpayer shall remain in effect until revoked by
23 the taxpayer in a writing filed with the township treasurer. The
24 form made available by the township treasurer shall include a
25 statement that submission of the form allows the treasurer to
26 mail the tax statement to the designated agent instead of to the
27 taxpayer and a statement notifying the taxpayer of his or her

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1 right to revoke the designation by a writing filed with the
2 township treasurer.

3 (b) "Taxpayer" means the owner of the property ~~upon~~ ON
4 which the tax is imposed.

5 (c) When describing in subsection (1) that the amount of tax
6 on the property must be shown in the tax statement, "amount of
7 tax" means an itemization by dollar amount of each of the several
8 ad valorem property taxes and special assessments that a person
9 may pay under section 53 and an itemization by millage rate, on
10 either the tax statement or a separate form accompanying the tax
11 statement, of each of the several ad valorem property taxes that
12 a person may pay under section 53. The township treasurer or
13 other collector may replace the itemization described in this
14 subdivision with a statement informing the taxpayer that the
15 itemization of the dollar amount and millage rate of the taxes is
16 available without charge from the local property tax collecting
17 unit.

18 Enacting section 1. Section 7a of the general property tax
19 act, 1893 PA 206, MCL 211.7a, is repealed.

20 Enacting section 2. This amendatory act does not take
21 effect unless all of the following occur:

22 (a) Senate Bill No. 1246 of the 90th Legislature is enacted
23 into law.

24 (b) Senate Bill No. 1247 of the 90th Legislature is enacted
25 into law.

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1 (c) Senate Joint Resolution M of the 90th Legislature
2 becomes a part of the state constitution of 1963 as provided in
3 section 1 of article XII of the state constitution of 1963.