

# HOUSE BILL No. 4701

May 15, 2003, Introduced by Reps. Caswell, Gillard, Emmons, Nitz, Julian, Brandenburg, Nofs, Milosch, Hummel, Garfield, Drolet, Acciavatti and Ward and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 7dd (MCL 211.7dd), as amended by 1996 PA  
476.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 7dd. As used in sections 7cc and 7ee:

(a) "Agricultural use" includes all of the following:

(i) Substantially undeveloped land devoted to the production  
of plants and animals useful to humans, including forages and sod  
crops; grains, feed crops, and field crops; dairy and dairy  
products; poultry and poultry products; livestock, including  
breeding and grazing of cattle, swine, captive cervidae, and  
similar animals; berries; herbs; flowers; seeds; grasses; nursery  
stock; fruits; vegetables; Christmas trees; and other similar  
uses and activities.

1       (ii) Property enrolled in a federal acreage set-aside program  
2 or a federal conservation program.

3       (iii) Undeveloped wooded property of not less than 40 acres  
4 that meets all of the following conditions:

5       (A) Is classified as residential real property under section  
6 34c.

7       (B) Is owned by a person who claims an exemption for other  
8 property as qualified agricultural property under section 7ee.

9       (C) Is not contiguous to the property for which the owner  
10 claims an exemption as qualified agricultural property under  
11 section 7ee.

12       (D) Is located in the same county or an adjacent county as  
13 the property for which the owner claims an exemption as qualified  
14 agricultural property under section 7ee.

15       (E) Is not used for residential rental purposes.

16       (F) Is not used for commercial logging operations.

17       (iv) Except as otherwise provided in subparagraph (iii),  
18 agricultural use does not include substantially undeveloped land  
19 the primary purpose for which is the management and harvesting of  
20 a woodlot.

21       (b) ~~—(a)—~~ "Homestead" means that portion of a dwelling or  
22 unit in a multiple-unit dwelling that is subject to ad valorem  
23 taxes and is owned and occupied as a principal residence by an  
24 owner of the dwelling or unit. Homestead also includes all of an  
25 owner's unoccupied property classified as residential that is  
26 adjoining or contiguous to the dwelling subject to ad valorem  
27 taxes and that is owned and occupied as a principal residence by

1 the owner. Contiguity is not broken by a road, a right-of-way,  
 2 or property purchased or taken under condemnation proceedings by  
 3 a public utility for power transmission lines if the 2 parcels  
 4 separated by the purchased or condemned property were a single  
 5 parcel prior to the sale or condemnation. Homestead also  
 6 includes any portion of a principal residence of an owner that is  
 7 rented or leased to another person as a residence as long as that  
 8 portion of the principal residence that is rented or leased is  
 9 less than 50% of the total square footage of living space in that  
 10 principal residence. Homestead also includes a life care  
 11 facility registered under the living care disclosure act, ~~Act~~  
 12 ~~No. 440 of the Public Acts of 1976, being sections 554.801 to~~  
 13 ~~554.844 of the Michigan Compiled Laws~~ **1976 PA 440, MCL 554.801**  
 14 **to 554.844.** Homestead also includes property owned by a  
 15 cooperative housing corporation and occupied as a principal  
 16 residence by tenant stockholders.

17 (c) ~~(b)~~ "Owner" means any of the following:

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

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

21 (iii) A person who owns property as a result of being a  
 22 beneficiary of a will or trust or as a result of intestate  
 23 succession.

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

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

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

3 (vii) A cooperative housing corporation.

4 (viii) A facility registered under ~~Act No. 440 of the Public~~  
5 ~~Acts of 1976~~ **the living care disclosure act, 1976 PA 440, MCL**  
6 **554.801 to 554.844.**

7 (d) ~~-(e)-~~ "Person", for purposes of defining owner as used in  
8 section 7cc, means an individual and for purposes of defining  
9 owner as used in section 7ee means an individual, partnership,  
10 corporation, limited liability company, association, or other  
11 legal entity.

12 (e) ~~-(d)-~~ "Principal residence" means the 1 place where a  
13 person has his or her true, fixed, and permanent home to which,  
14 whenever absent, he or she intends to return and that shall  
15 continue as a principal residence until another principal  
16 residence is established.

17 (f) ~~-(e)-~~ "Qualified agricultural property" means unoccupied  
18 property and related buildings classified as agricultural **real**  
19 **property**, or other unoccupied property and related buildings  
20 located on that property devoted primarily to agricultural use.  
21 ~~as defined in section 36101 of part 361 (farmland and open space~~  
22 ~~preservation) of the natural resources and environmental~~  
23 ~~protection act, Act No. 451 of the Public Acts of 1994, being~~  
24 ~~section 324.36101 of the Michigan Compiled Laws.~~ Related  
25 buildings include a residence occupied by a person employed in or  
26 actively involved in the agricultural use and who has not claimed  
27 a homestead exemption on other property. Property used for

1 commercial storage, commercial processing, commercial  
2 distribution, commercial marketing, or commercial shipping  
3 operations or other commercial or industrial purposes is not  
4 qualified agricultural property. A parcel of property is devoted  
5 primarily to agricultural use only if more than 50% of the  
6 parcel's acreage is devoted to agricultural use. An owner shall  
7 not receive an exemption for that portion of the total state  
8 equalized valuation of the property that is used for a commercial  
9 or industrial purpose or that is a residence that is not a  
10 related building.