

HOUSE BILL No. 6378

August 13, 2008, Introduced by Rep. Sak and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 2 (MCL 211.2), as amended by 2002 PA 620, and by adding section 2b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) For the purpose of taxation, real property
2 includes all of the following:
3 (a) All land within this state, all buildings and fixtures on
4 the land, and all appurtenances to the land, except as expressly
5 exempted by law.
6 (b) All real property owned by this state or purchased or
7 condemned for public highway purposes by any board, officer,
8 commission, or department of this state and sold on land contract,
9 notwithstanding the fact that the deed has not been executed

1 transferring title.

2 (c) For taxes levied after December 31, 2002, buildings and
3 improvements located upon leased real property, except buildings
4 and improvements exempt under section 9f or improvements assessable
5 under section 8(h), if the value of the buildings or improvements
6 is not otherwise included in the assessment of the real property.
7 However, buildings and improvements located on leased real property
8 shall not be treated as real property unless they would be treated
9 as real property if they were located on real property owned by the
10 taxpayer.

11 (2) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SECTION 2B, THE**
12 taxable status of persons and real and personal property for a tax
13 year shall be determined as of each December 31 of the immediately
14 preceding year, which is considered the tax day, any provisions in
15 the charter of any city or village to the contrary notwithstanding.
16 An assessing officer is not restricted to any particular period in
17 the preparation of the assessment roll but may survey, examine, or
18 review property at any time before or after the tax day.

19 (3) Notwithstanding a provision to the contrary in any law, if
20 real property is acquired for public purposes by purchase or
21 condemnation, all general property taxes, but not penalties, levied
22 during the 12 months immediately preceding, but not including, the
23 day title passes to the public agency shall be prorated in
24 accordance with this subsection. The seller or condemnee is
25 responsible for the portion of taxes from the levy date or dates
26 to, but not including, the day title passes and the public agency
27 is responsible for the remainder of the taxes. If the date that

1 title will pass cannot be ascertained definitely and an agreement
2 in advance to prorate taxes is desirable, an estimated date for the
3 passage of title may be agreed to. In the absence of an agreement,
4 the public agency shall compute the proration of taxes as of the
5 date title passes. The question of proration of taxes shall not be
6 considered in any condemnation proceeding. As used in this
7 subsection, "levy date" means the day on which general property
8 taxes become due and payable. In addition to the portion of taxes
9 for which the public agency is responsible under the provisions of
10 this subsection, the public agency is also responsible for all
11 general property taxes levied on or after the date title passes and
12 before the property is removed from the tax rolls.

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

21 **SEC. 2B. (1) A LOCAL TAX COLLECTING UNIT MAY, BY RESOLUTION,**
22 **REVISE THE TAX DAY PROVIDED IN SECTION 2 FOR 1 OR MORE PARCELS OF**
23 **PROPERTY CLASSIFIED AS RESIDENTIAL REAL PROPERTY UNDER SECTION 34C**
24 **IF THE PROPERTY SUFFERED A CATASTROPHIC LOSS THAT RENDERED THE**
25 **PROPERTY UNINHABITABLE AFTER DECEMBER 31 OF THE IMMEDIATELY**
26 **PRECEDING YEAR.**

27 (2) A RESOLUTION ADOPTED UNDER SUBSECTION (1) MAY BE

1 RETROACTIVE. IF A RESOLUTION ADOPTED UNDER SUBSECTION (1) IS
2 RETROACTIVE, THE TAX ROLL SHALL BE AMENDED TO REFLECT THE REVISED
3 TAXABLE STATUS OF THE PROPERTY.