

# SENATE BILL No. 650

December 9, 2015, Introduced by Senator CASPERSON and referred to the Committee on Local Government.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 27a (MCL 211.27a), as amended by 2015 PA 19.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

7       (a) The property's taxable value in the immediately preceding  
8       year minus any losses, multiplied by the lesser of 1.05 or the  
9       inflation rate, plus all additions. For taxes levied in 1995, the  
10      property's taxable value in the immediately preceding year is the

1 property's state equalized valuation in 1994.

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

3 (3) Upon a transfer of ownership of property after 1994, the  
4 property's taxable value for the calendar year following the year  
5 of the transfer is the property's state equalized valuation for the  
6 calendar year following the transfer.

7 (4) If the taxable value of property is adjusted under  
8 subsection (3), a subsequent increase in the property's taxable  
9 value is subject to the limitation set forth in subsection (2)  
10 until a subsequent transfer of ownership occurs. If the taxable  
11 value of property is adjusted under subsection (3) and the assessor  
12 determines that there had not been a transfer of ownership, the  
13 taxable value of the property shall be adjusted at the July or  
14 December board of review. Notwithstanding the limitation provided  
15 in section 53b(1) on the number of years for which a correction may  
16 be made, the July or December board of review may adjust the  
17 taxable value of property under this subsection for the current  
18 year and for the 3 immediately preceding calendar years. A  
19 corrected tax bill shall be issued for each tax year for which the  
20 taxable value is adjusted by the local tax collecting unit if the  
21 local tax collecting unit has possession of the tax roll or by the  
22 county treasurer if the county has possession of the tax roll. For  
23 purposes of section 53b, an adjustment under this subsection shall  
24 be considered the correction of a clerical error.

25 (5) Assessment of property, as required in this section and  
26 section 27, is inapplicable to the assessment of property subject  
27 to the levy of ad valorem taxes within voted tax limitation

1 increases to pay principal and interest on limited tax bonds issued  
2 by any governmental unit, including a county, township, community  
3 college district, or school district, before January 1, 1964, if  
4 the assessment required to be made under this act would be less  
5 than the assessment as state equalized prevailing on the property  
6 at the time of the issuance of the bonds. This inapplicability  
7 continues until levy of taxes to pay principal and interest on the  
8 bonds is no longer required. The assessment of property required by  
9 this act applies for all other purposes.

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

16 (a) A conveyance by deed.

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

24 (c) A conveyance to a trust after December 31, 1994, except  
25 under any of the following conditions:

26 (i) If the settlor or the settlor's spouse, or both, conveys  
27 the property to the trust and the sole present beneficiary or

1 beneficiaries are the settlor or the settlor's spouse, or both.

2       (ii) Beginning December 31, 2014, for residential real  
3 property, if the settlor or the settlor's spouse, or both, conveys  
4 the residential real property to the trust and the sole present  
5 beneficiary or beneficiaries are the settlor's or the settlor's  
6 spouse's mother, father, brother, sister, son, daughter, adopted  
7 son, adopted daughter, grandson, or granddaughter and the  
8 residential real property is not used for any commercial purpose  
9 following the conveyance. Upon request by the department of  
10 treasury or the assessor, the sole present beneficiary or  
11 beneficiaries shall furnish proof within 30 days that the sole  
12 present beneficiary or beneficiaries meet the requirements of this  
13 subparagraph. If a present beneficiary fails to comply with a  
14 request by the department of treasury or assessor under this  
15 subparagraph, that present beneficiary is subject to a fine of  
16 \$200.00.

17       (d) A conveyance by distribution from a trust, except under  
18 any of the following conditions:

19       (i) If the distributee is the sole present beneficiary or the  
20 spouse of the sole present beneficiary, or both.

21       (ii) Beginning December 31, 2014, a distribution of  
22 residential real property if the distributee is the settlor's or  
23 the settlor's spouse's mother, father, brother, sister, son,  
24 daughter, adopted son, adopted daughter, grandson, or granddaughter  
25 and the residential real property is not used for any commercial  
26 purpose following the conveyance. Upon request by the department of  
27 treasury or the assessor, the sole present beneficiary or

1 beneficiaries shall furnish proof within 30 days that the sole  
2 present beneficiary or beneficiaries meet the requirements of this  
3 subparagraph. If a present beneficiary fails to comply with a  
4 request by the department of treasury or assessor under this  
5 subparagraph, that present beneficiary is subject to a fine of  
6 \$200.00.

7 (e) A change in the sole present beneficiary or beneficiaries  
8 of a trust, except under any of the following conditions:

9 (i) A change that adds or substitutes the spouse of the sole  
10 present beneficiary.

11 (ii) Beginning December 31, 2014, for residential real  
12 property, a change that adds or substitutes the settlor's or the  
13 settlor's spouse's mother, father, brother, sister, son, daughter,  
14 adopted son, adopted daughter, grandson, or granddaughter and the  
15 residential real property is not used for any commercial purpose  
16 following the conveyance. Upon request by the department of  
17 treasury or the assessor, the sole present beneficiary or  
18 beneficiaries shall furnish proof within 30 days that the sole  
19 present beneficiary or beneficiaries meet the requirements of this  
20 subparagraph. If a present beneficiary fails to comply with a  
21 request by the department of treasury or assessor under this  
22 subparagraph, that present beneficiary is subject to a fine of  
23 \$200.00.

24 (f) A conveyance by distribution under a will or by intestate  
25 succession, except under any of the following conditions:

26 (i) If the distributee is the decedent's spouse.

27 (ii) Beginning December 31, 2014, for residential real

1 property, if the distributee is the decedent's or the decedent's  
2 spouse's mother, father, brother, sister, son, daughter, adopted  
3 son, adopted daughter, grandson, or granddaughter and the  
4 residential real property is not used for any commercial purpose  
5 following the conveyance. Upon request by the department of  
6 treasury or the assessor, the sole present beneficiary or  
7 beneficiaries shall furnish proof within 30 days that the sole  
8 present beneficiary or beneficiaries meet the requirements of this  
9 subparagraph. If a present beneficiary fails to comply with a  
10 request by the department of treasury or assessor under this  
11 subparagraph, that present beneficiary is subject to a fine of  
12 \$200.00.

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

1           (h) Except as otherwise provided in this subdivision, a  
2 conveyance of an ownership interest in a corporation, partnership,  
3 sole proprietorship, limited liability company, limited liability  
4 partnership, or other legal entity if the ownership interest  
5 conveyed is more than 50% of the corporation, partnership, sole  
6 proprietorship, limited liability company, limited liability  
7 partnership, or other legal entity. Unless notification is provided  
8 under subsection (10), the corporation, partnership, sole  
9 proprietorship, limited liability company, limited liability  
10 partnership, or other legal entity shall notify the assessing  
11 officer on a form provided by the state tax commission not more  
12 than 45 days after a conveyance of an ownership interest that  
13 constitutes a transfer of ownership under this subdivision. Both of  
14 the following apply to a corporation subject to 1897 PA 230, MCL  
15 455.1 to 455.24:

16           (i) A transfer of stock of the corporation is a transfer of  
17 ownership only with respect to the real property that is assessed  
18 to the transferor lessee stockholder.

19           (ii) A cumulative conveyance of more than 50% of the  
20 corporation's stock does not constitute a transfer of ownership of  
21 the corporation's real property.

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

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

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

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

(b) A transfer from ~~a husband, a wife, or a husband and wife~~  
**1 OR BOTH SPOUSES** creating or disjoining a tenancy by the entireties in the grantors or the grantor and his or her spouse.

(c) A transfer of that portion of property subject to a life estate or life lease retained by the transferor, until expiration or termination of the life estate or life lease. That portion of property transferred that is not subject to a life lease shall be adjusted under subsection (3).

(d) A transfer through foreclosure or forfeiture of a recorded instrument under chapter 31, 32, or 57 of the revised judicature act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701 to 600.5759, or through deed or conveyance in lieu of a foreclosure or forfeiture, until the mortgagee or land contract vendor subsequently transfers the property. If a mortgagee does not transfer the property within 1 year of the expiration of any applicable redemption period, the property shall be adjusted under subsection (3).

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

(f) A conveyance to a trust if the settlor or the settlor's spouse, or both, conveys the property to the trust and any of the following conditions are satisfied:

(i) If the sole present beneficiary of the trust is the settlor or the settlor's spouse, or both.



1           (ii) Beginning December 31, 2014, for residential real  
2 property, if the sole present beneficiary of the trust is the  
3 settlor's or the settlor's spouse's mother, father, brother,  
4 sister, son, daughter, adopted son, adopted daughter, grandson, or  
5 granddaughter and the residential real property is not used for any  
6 commercial purpose following the conveyance. Upon request by the  
7 department of treasury or the assessor, the sole present  
8 beneficiary or beneficiaries shall furnish proof within 30 days  
9 that the sole present beneficiary or beneficiaries meet the  
10 requirements of this subparagraph. If a present beneficiary fails  
11 to comply with a request by the department of treasury or assessor  
12 under this subparagraph, that present beneficiary is subject to a  
13 fine of \$200.00.

14           (g) A transfer pursuant to a judgment or order of a court of  
15 record making or ordering a transfer, unless a specific monetary  
16 consideration is specified or ordered by the court for the  
17 transfer.

18           (h) A transfer creating or terminating a joint tenancy between  
19 2 or more persons if at least 1 of the persons was an original  
20 owner of the property before the joint tenancy was initially  
21 created and, if the property is held as a joint tenancy at the time  
22 of conveyance, at least 1 of the persons was a joint tenant when  
23 the joint tenancy was initially created and that person has  
24 remained a joint tenant since the joint tenancy was initially  
25 created. A joint owner at the time of the last transfer of  
26 ownership of the property is an original owner of the property. For  
27 purposes of this subdivision, a person is an original owner of

1 property owned by that person's spouse.

2 (i) A transfer for security or an assignment or discharge of a  
3 security interest.

4 (j) A transfer of real property or other ownership interests  
5 among members of an affiliated group. As used in this subsection,  
6 "affiliated group" means 1 or more corporations connected by stock  
7 ownership to a common parent corporation. Upon request by the state  
8 tax commission, a corporation shall furnish proof within 45 days  
9 that a transfer meets the requirements of this subdivision. A  
10 corporation that fails to comply with a request by the state tax  
11 commission under this subdivision is subject to a fine of \$200.00.

12 (k) Normal public trading of shares of stock or other  
13 ownership interests that, over any period of time, cumulatively  
14 represent more than 50% of the total ownership interest in a  
15 corporation or other legal entity and are traded in multiple  
16 transactions involving unrelated individuals, institutions, or  
17 other legal entities.

18 (l) A transfer of real property or other ownership interests  
19 among corporations, partnerships, limited liability companies,  
20 limited liability partnerships, or other legal entities if the  
21 entities involved are commonly controlled. Upon request by the  
22 state tax commission, a corporation, partnership, limited liability  
23 company, limited liability partnership, or other legal entity shall  
24 furnish proof within 45 days that a transfer meets the requirements  
25 of this subdivision. A corporation, partnership, limited liability  
26 company, limited liability partnership, or other legal entity that  
27 fails to comply with a request by the state tax commission under

1 this subdivision is subject to a fine of \$200.00.

2 (m) A direct or indirect transfer of real property or other  
3 ownership interests resulting from a transaction that qualifies as  
4 a tax-free reorganization under section 368 of the internal revenue  
5 code, 26 USC 368. Upon request by the state tax commission, a  
6 property owner shall furnish proof within 45 days that a transfer  
7 meets the requirements of this subdivision. A property owner who  
8 fails to comply with a request by the state tax commission under  
9 this subdivision is subject to a fine of \$200.00.

10 (n) A transfer of qualified agricultural property, if the  
11 person to whom the qualified agricultural property is transferred  
12 files an affidavit with the assessor of the local tax collecting  
13 unit in which the qualified agricultural property is located and  
14 with the register of deeds for the county in which the qualified  
15 agricultural property is located attesting that the qualified  
16 agricultural property will remain qualified agricultural property.  
17 The affidavit under this subdivision shall be in a form prescribed  
18 by the department of treasury. An owner of qualified agricultural  
19 property shall inform a prospective buyer of that qualified  
20 agricultural property that the qualified agricultural property is  
21 subject to the recapture tax provided in the agricultural property  
22 recapture act, 2000 PA 261, MCL 211.1001 to 211.1007, if the  
23 qualified agricultural property is converted by a change in use, as  
24 that term is defined in section 2 of the agricultural property  
25 recapture act, 2000 PA 261, MCL 211.1002. If property ceases to be  
26 qualified agricultural property at any time after being  
27 transferred, all of the following shall occur:

1 (i) The taxable value of that property shall be adjusted under  
2 subsection (3) as of the December 31 in the year that the property  
3 ceases to be qualified agricultural property.

4 (ii) The property is subject to the recapture tax provided for  
5 under the agricultural property recapture act, 2000 PA 261, MCL  
6 211.1001 to 211.1007.

7 (o) A transfer of qualified forest property, if the person to  
8 whom the qualified forest property is transferred files a qualified  
9 forest taxable value affidavit with the assessor of the local tax  
10 collecting unit in which the qualified forest property is located  
11 and with the register of deeds for the county in which the  
12 qualified forest property is located attesting that the qualified  
13 forest property will remain qualified forest property. The  
14 qualified forest taxable value affidavit under this subdivision  
15 shall be in a form prescribed by the department of agriculture and  
16 rural development. The qualified forest taxable value affidavit  
17 shall include a legal description of the qualified forest property,  
18 the name of the new property owner, the year the transfer of the  
19 property occurred, a statement indicating that the property owner  
20 is attesting that the property for which the exemption is claimed  
21 is qualified forest property and will be managed according to the  
22 approved forest management plan, and any other information  
23 pertinent to the parcel and the property owner. The property owner  
24 shall provide a copy of the qualified forest taxable value  
25 affidavit to the department. The department shall provide 1 copy of  
26 the qualified forest taxable value affidavit to the local tax  
27 collecting unit, 1 copy to the conservation district, and 1 copy to

1 the department of treasury. These copies may be sent  
2 electronically. The exception to the recognition of a transfer of  
3 ownership, as herein stated, extends to the land only of the  
4 qualified forest property. If qualified forest property is improved  
5 by buildings, structures, or land improvements, then those  
6 improvements shall be recognized as a transfer of ownership, in  
7 accordance with the provisions of section 7jj[1]. An owner of  
8 qualified forest property shall inform a prospective buyer of that  
9 qualified forest property that the qualified forest property is  
10 subject to the recapture tax provided in the qualified forest  
11 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,  
12 if the qualified forest property is converted by a change in use,  
13 as that term is defined in section 2 of the qualified forest  
14 property recapture tax act, 2006 PA 379, MCL 211.1032. If property  
15 ceases to be qualified forest property at any time after being  
16 transferred, all of the following shall occur:

17 (i) The taxable value of that property shall be adjusted under  
18 subsection (3) as of the December 31 in the year that the property  
19 ceases to be qualified forest property, except to the extent that  
20 the transfer of the qualified forest property would not have been  
21 considered a transfer of ownership under this subsection.

22 (ii) Except as otherwise provided in subparagraph (iii), the  
23 property is subject to the recapture tax provided for under the  
24 qualified forest property recapture tax act, 2006 PA 379, MCL  
25 211.1031 to 211.1036.

26 (iii) Beginning June 1, 2013 and ending November 30, 2013,  
27 owners of property enrolled as qualified forest property before

1 January 1, 2013 may execute a new qualified forest taxable value  
2 affidavit with the department of agriculture and rural development.  
3 If a landowner elects to execute a qualified forest taxable value  
4 affidavit, that owner is not required to pay the \$50.00 fee  
5 required under section 7jj[1](2). If a landowner elects not to  
6 execute a qualified forest taxable value affidavit, the existing  
7 affidavit shall be rescinded, without subjecting the property to  
8 the recapture tax provided for under the qualified forest property  
9 recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the  
10 taxable value of that property shall be adjusted under subsection  
11 (3).

12 (p) Beginning on December 8, 2006, a transfer of land, but not  
13 buildings or structures located on the land, which meets 1 or more  
14 of the following requirements:

15 (i) The land is subject to a conservation easement under  
16 subpart 11 of part 21 of the natural resources and environmental  
17 protection act, 1994 PA 451, MCL 324.2140 to 324.2144. As used in  
18 this subparagraph, "conservation easement" means that term as  
19 defined in section 2140 of the natural resources and environmental  
20 protection act, 1994 PA 451, MCL 324.2140.

21 (ii) A transfer of ownership of the land or a transfer of an  
22 interest in the land is eligible for a deduction as a qualified  
23 conservation contribution under section 170(h) of the internal  
24 revenue code, 26 USC 170.

25 (q) A transfer of real property or other ownership interests  
26 resulting from a consolidation or merger of a domestic nonprofit  
27 corporation that is a boy or girl scout or camp fire girls

1 organization, a 4-H club or foundation, a young men's Christian  
2 association, or a young women's Christian association and at least  
3 50% of the members of that organization or association are  
4 residents of this state.

5 (r) A change to the assessment roll or tax roll resulting from  
6 the application of section 16a of 1897 PA 230, MCL 455.16a.

7 (s) Beginning December 31, 2013 through December 30, 2014, a  
8 transfer of residential real property if the transferee is related  
9 to the transferor by blood or affinity to the first degree and the  
10 use of the residential real property does not change following the  
11 transfer.

12 (t) Beginning December 31, 2014, a transfer of residential  
13 real property if the transferee is the transferor's or the  
14 transferor's spouse's mother, father, brother, sister, son,  
15 daughter, adopted son, adopted daughter, grandson, or granddaughter  
16 and the residential real property is not used for any commercial  
17 purpose following the conveyance. Upon request by the department of  
18 treasury or the assessor, the transferee shall furnish proof within  
19 30 days that the transferee meets the requirements of this  
20 subdivision. If a transferee fails to comply with a request by the  
21 department of treasury or assessor under this subdivision, that  
22 transferee is subject to a fine of \$200.00.

23 (u) Beginning December 31, 2014, for residential real  
24 property, a conveyance from a trust if the person to whom the  
25 residential real property is conveyed is the settlor's or the  
26 settlor's spouse's mother, father, brother, sister, son, daughter,  
27 adopted son, adopted daughter, grandson, or granddaughter and the

1 residential real property is not used for any commercial purpose  
2 following the conveyance. Upon request by the department of  
3 treasury or the assessor, the sole present beneficiary or  
4 beneficiaries shall furnish proof within 30 days that the sole  
5 present beneficiary or beneficiaries meet the requirements of this  
6 subdivision. If a present beneficiary fails to comply with a  
7 request by the department of treasury or assessor under this  
8 subdivision, that present beneficiary is subject to a fine of  
9 \$200.00.

10 (v) Beginning on the effective date of the amendatory act that  
11 added this subdivision, a conveyance of land by distribution under  
12 a will or trust or by intestate succession, but not buildings or  
13 structures located on the land, which meets 1 or more of the  
14 following requirements:

15 (i) The land is made subject to a conservation easement under  
16 subpart 11 of part 21 of the natural resources and environmental  
17 protection act, 1994 PA 451, MCL 324.2140 to 324.2144, prior to the  
18 conveyance by distribution under a will or trust or by intestate  
19 succession. As used in this subparagraph, "conservation easement"  
20 means that term as defined in section 2140 of the natural resources  
21 and environmental protection act, 1994 PA 451, MCL 324.2140.

22 (ii) The land or an interest in the land is made eligible for  
23 a deduction as a qualified conservation contribution under section  
24 170(h) of the internal revenue code, 26 USC 170, prior to the  
25 conveyance by distribution under a will or trust or by intestate  
26 succession.

27 (w) A conveyance of property under section 2120a(6) of the



1 natural resources and environmental protection act, 1994 PA 451,  
2 MCL 324.2120a.

3 (8) If all of the following conditions are satisfied, the  
4 local tax collecting unit shall revise the taxable value of  
5 qualified agricultural property taxable on the tax roll in the  
6 possession of that local tax collecting unit to the taxable value  
7 that qualified agricultural property would have had if there had  
8 been no transfer of ownership of that qualified agricultural  
9 property since December 31, 1999 and there had been no adjustment  
10 of that qualified agricultural property's taxable value under  
11 subsection (3) since December 31, 1999:

12 (a) The qualified agricultural property was qualified  
13 agricultural property for taxes levied in 1999 and each year after  
14 1999.

15 (b) The owner of the qualified agricultural property files an  
16 affidavit with the assessor of the local tax collecting unit under  
17 subsection (7)(n).

18 (9) If the taxable value of qualified agricultural property is  
19 adjusted under subsection (8), the owner of that qualified  
20 agricultural property is not entitled to a refund for any property  
21 taxes collected under this act on that qualified agricultural  
22 property before the adjustment under subsection (8).

23 (10) The register of deeds of the county where deeds or other  
24 title documents are recorded shall notify the assessing officer of  
25 the appropriate local taxing unit not less than once each month of  
26 any recorded transaction involving the ownership of property and  
27 shall make any recorded deeds or other title documents available to

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

16 (11) WHEN DETERMINING WHETHER A CONVEYANCE CONSTITUTES A  
17 TRANSFER OF OWNERSHIP OF PROPERTY UNDER THIS SECTION, AN ASSESSOR  
18 SHALL DISREGARD ANY GUIDELINE OR OPINION OF THE STATE TAX  
19 COMMISSION SUGGESTING THAT, WHEN IN DOUBT, A TRANSACTION SHOULD BE  
20 CONSIDERED A TRANSFER OF OWNERSHIP UNDER THIS SECTION.

21 (12) IN ADDITION TO THE NOTICE REQUIRED UNDER SECTION 24C, IF  
22 AN ASSESSOR DETERMINES THAT THERE HAS BEEN A TRANSFER OF OWNERSHIP  
23 OF PROPERTY UNDER THIS SECTION THAT CAUSES AN INCREASE IN THE  
24 TENTATIVE TAXABLE VALUE OF THAT PROPERTY, THE ASSESSOR SHALL GIVE  
25 TO EACH OWNER OR PERSON OR PERSONS LISTED ON THE ASSESSMENT ROLL OF  
26 THE PROPERTY A NOTICE BY FIRST-CLASS MAIL OF THE INCREASE IN THE  
27 TENTATIVE TAXABLE VALUE. THE NOTICE SHALL BE WRITTEN IN 12-POINT

1 BOLD FACED TYPE AND MAILED AT LEAST 30 DAYS BEFORE THE FIRST MEETING  
2 OF THE MARCH BOARD OF REVIEW. IN ADDITION TO NOTICE OF THE AMOUNT  
3 OF THE PROPOSED INCREASE IN THE TAXABLE VALUE OF THE PROPERTY, THE  
4 NOTICE SHALL CLEARLY COMMUNICATE ALL OF THE FOLLOWING:

5 (A) THE ASSESSOR'S REASONS FOR THE PROPOSED INCREASE IN THE  
6 TAXABLE VALUE OF THE PROPERTY WITH ADEQUATE CITATION TO THE LAWS OF  
7 THIS STATE. FOR PURPOSES OF THIS SUBDIVISION, THE ASSESSOR SHALL  
8 EXPLAIN CLEARLY ALL RELEVANT DETAILS, INCLUDING, BUT NOT LIMITED  
9 TO, THE FOLLOWING:

10 (i) HOW THE TAXABLE VALUE OF PROPERTY CAN EXPERIENCE AN  
11 INCREASE, SOMETIMES REFERRED TO AS A "POP UP" OR "UNCAPPING", UPON  
12 A TRANSFER OF OWNERSHIP UNDER SUBSECTION (3).

13 (ii) WHY THE ASSESSOR BELIEVES THAT THIS INCREASE HAS OCCURRED  
14 TO THE TAXABLE VALUE OF THE SPECIFIC PROPERTY UNDER CONSIDERATION  
15 IN LIGHT OF THE PROVISIONS OF SUBSECTIONS (6) AND (7).

16 (B) AN INVITATION TO MEET PERSONALLY WITH THE ASSESSOR FOR A  
17 VERBAL EXPLANATION OF THE REASONS FOR THE PROPOSED INCREASE IN THE  
18 TAXABLE VALUE OF THE PROPERTY.

19 (C) INFORMATION ABOUT THE TIME AND PLACE OF THE MARCH MEETING  
20 OF THE BOARD OF REVIEW AND THE OPPORTUNITY TO CONTEST THE  
21 ASSESSMENT AT THAT MEETING.

22 (13) ~~(11)~~ As used in this section:

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

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

27 (c) "Inflation rate" means that term as defined in section

1 34d.

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

3 (e) "Qualified agricultural property" means that term as  
4 defined in section 7dd.

5 (f) "Qualified forest property" means that term as defined in  
6 section 7jj[1].

7 (g) "Residential real property" means real property classified  
8 as residential real property under section 34c.