

**STATE BOARD OF ASSESSORS; ASSESSMENT OF PROPERTY OF CERTAIN PUBLIC
UTILITIES (EXCERPT)
Act 282 of 1905**

207.13 Determining average rate of taxation; entering determination and method on records; determination and payment of supplemental tax; credit against tax allowed railroad company; amount of credit; application for credit; proof of expenditures; annual report; qualification for credit; additional annual report; granting of trackage rights.

Sec. 13. (1) The state board of assessors, from the information contained in the reports provided for in section 12, shall determine for the year in which the reports are required to be made the average rate of taxation levied on other commercial, industrial, and utility property on which ad valorem taxes are assessed for state, county, township, school, and municipal purposes, and enter the determination in its records, together with the method by which the average rate of taxation was determined. In determining the average rate of taxation for taxes levied under this act before January 1, 1996, the state board of assessors shall divide the state equalized value as set by the state board of equalization for the previous year into the total ad valorem taxes as reported by each director of a county tax or equalization department as provided in section 12. In determining the average rate of taxation for taxes levied under this act after December 31, 1995, the state board of assessors shall divide the state taxable value for the previous year into the total ad valorem taxes as reported by each director of a county tax or equalization department as provided in section 12. In determining the average rate of taxation for 1994, ad valorem taxes levied for the year in which the reports are required by a local school district for school operating purposes as defined in section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, shall be excluded from the calculation required by this section and the state board of assessors shall add to the tax rate calculated under this section after the exclusion required by this sentence, the number of mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, plus the statewide average number of mills levied in 1994 by local school districts for school operating purposes under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852. If the state board of assessors is unable to determine the average rate of taxation for 1994 before June 1, 1994, the state board of assessors shall determine a preliminary average rate of taxation that shall be used to complete the 1994 tax roll under section 14. However, before June 1, 1995, the state board of assessors shall determine and certify the average rate of taxation for 1994 and prepare a supplemental 1994 tax roll using the 1994 assessed valuations for the purpose of levying a supplemental tax or making a refund. The supplemental tax is due and payable and the refund, if any, is due July 1, 1995 without interest. If the supplemental tax is paid after August 1, 1995, the tax is payable with interest due at the rate of 1% per month or portion of a month calculated from January 15, 1995 to the date of payment.

(2) A railroad company is allowed a credit against the tax imposed by this act for the tax year in an amount equal to 25% of the amount expended for the maintenance or improvement of rights of way, including those items, except depreciation, in the official maintenance-of-way and capital track accounts of the railroad company in this state during the calendar year immediately preceding the tax year but not to exceed the total liability for the tax under this act. The manner of applying for the credit and the proof of expenditures required shall be prescribed by the state board of assessors.

(3) A railroad company that claims a credit under this section is required to file an annual report with the state board of assessors that shall include detailed data of right of way work conducted in this state during the past calendar year. The state board of assessors shall transmit a copy of the report to the chairperson of the senate finance committee and the house taxation committee. This report submitted to the state board of assessors shall include the number of notices of violation from railway inspectors by railroad section, and shall include a detailed account of the location and the nature of the work. The location of the work shall be defined by the railroad section or mile posts surrounding the work area plus the county, city, or township in which the work was performed. This report shall include a separation of costs by labor and materials on each project. The report also shall include an itemized account of what work was done. This account shall be itemized by the following categories:

- (a) Miles of track laid.
- (b) Tons of new ballast installed.
- (c) Number of ties installed.
- (d) Miles of tracks surfaced.
- (e) Signals installed.
- (f) Under drainage work done.

(4) The railroad companies, in order to qualify for the full 25% credit under this act, must demonstrate to the state board of assessors that the highest priority of expenditures for the maintenance or improvement of

rights of way has been given to rail lines that handle hazardous materials, especially those that are located in urban or residential areas. A railroad company that claims a credit under this section is required to file an annual report with the state board of assessors that shall include detailed data on the tonnages of hazardous materials handled in relation to tonnages of other traffic handled over the rail line for which a tax credit is being applied.

(5) A railroad company utilizing the property tax credit provisions of this act shall grant to another railroad company, upon application by the latter, trackage rights over its line for trains, providing that the train operations do not interfere with the movement of Michigan freight using the same trackage, if operations can be accomplished safely in the opinion of the grantor and if trackage arrangements and train operations are approved by the interstate commerce commission. The grantee shall pay the grantor reasonable charges agreed to between the 2 parties if the charges and terms of the agreement between the 2 parties are not in violation of the antitrust provisions of federal laws.

History: 1905, Act 282, Eff. Sept. 16, 1905;—Am. 1909, Act 49, Eff. Sept. 1, 1909;—CL 1915, 4225;—Am. 1917, Act 339, Eff. Aug. 10, 1917;—CL 1929, 3564;—CL 1948, 207.13;—Am. 1953, Act 30, Imd. Eff. Apr. 15, 1953;—Am. 1977, Act 290, Imd. Eff. Dec. 29, 1977;—Am. 1980, Act 322, Eff. Mar. 31, 1981;—Am. 1993, Act 332, Eff. Apr. 1, 1994;—Am. 1994, Act 361, Imd. Eff. Dec. 27, 1994;—Am. 1995, Act 257, Imd. Eff. Jan. 5, 1996;—Am. 2001, Act 35, Imd. Eff. June 29, 2001.

Compiler's note: Section 2 of Act 322 of 1980 provides: "This act shall be known and may be cited as the "George Montgomery railroad act".

Section 2 of Act No. 257 of 1995 provides:

"This amendatory act shall take effect December 30, 1995. This amendatory act is intended to clarify that the taxable basis of property subject to tax under this act, including intangible property, is also subject to the limitations on taxable value provided in section 3, article IX, of the Michigan Constitution of 1963. This act is not intended to exempt any particular type of property."