

HOUSE BILL No. 4945

June 27, 1989, Introduced by Reps. DeLange, Gnodtke, Krause, Stacey, Dunaskiss, Weeks, Van Singel, Munsell, DeMars, Emmons, Muxlow and Pitoniak and referred to the Committee on Taxation.

A bill to amend sections 2a, 8, and 47 of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

section 2a as amended by Act No. 539 of the Public Acts of 1982, section 8 as amended by Act No. 254 of the Public Acts of 1983, and section 47 as amended by Act No. 202 of the Public Acts of 1988, being sections 211.2a, 211.8, and 211.47 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2a, 8, and 47 of Act No. 206 of the
2 Public Acts of 1893, section 2a as amended by Act No. 539 of the
3 Public Acts of 1982, section 8 as amended by Act No. 254 of the
4 Public Acts of 1983, and section 47 as amended by Act No. 202 of
5 the Public Acts of 1988, being sections 211.2a, 211.8, and 211.47
6 of the Michigan Compiled Laws, are amended to read as follows:

1 Sec. 2a. (1) For purposes of section 2, a mobile home
2 ~~which~~ THAT is not ~~covered by section 41 of Act No. 243 of the~~
3 ~~Public Acts of 1959, being section 125.1041 of the Michigan~~
4 ~~Compiled Laws, and while~~ LOCATED IN A MOBILE HOME PARK BUT THAT
5 IS located on land otherwise assessable as real property under
6 this act, ~~and~~ whether or not permanently affixed to the soil,
7 shall be considered real property and shall be assessed as part
8 of the real property upon which the mobile home is located.

9 (2) As used in this section, ~~"~~ mobile home ~~"~~ does not
10 include a travel trailer or camping trailer ~~which~~ THAT is
11 either parked in a campground licensed by this state for not more
12 than 180 days in any calendar year, or parked upon private prop-
13 erty, including a designated storage area of a licensed camp-
14 ground, for the sole purpose of storage.

15 (3) As used in this section, ~~"~~ mobile home ~~"~~ does not
16 include a truck camper ~~which~~ THAT is parked in a campground
17 licensed by this state ~~which~~ THAT is a portable structure,
18 designed and constructed to be loaded onto, or affixed to, the
19 bed or chassis of a truck, and ~~which~~ THAT is used to provide
20 temporary living quarters for recreational camping or travel.

21 (4) For purposes of this section, the following definitions
22 ~~shall~~ apply:

23 (a) A travel trailer is a vehicular portable structure
24 mounted on wheels and of a size and weight as not to require spe-
25 cial highway movement permits when drawn by a stock passenger
26 automobile or when drawn with a fifth wheel hitch mounted on a
27 motor vehicle, and is primarily designed, constructed, and used

1 to provide temporary living quarters for recreational camping or
2 travel.

3 (b) A camping trailer is a vehicular portable temporary
4 living quarters used for recreational camping or travel and of a
5 size and weight as not to require special highway movement per-
6 mits when drawn by a motor vehicle.

7 (C) A "MOBILE HOME" AND "MOBILE HOME PARK" MEAN THOSE TERMS
8 AS DEFINED IN SECTION 2 OF THE MOBILE HOME COMMISSION ACT, ACT
9 NO. 96 OF THE PUBLIC ACTS OF 1987, BEING SECTION 125.2302 OF THE
10 MICHIGAN COMPILED LAWS.

11 Sec. 8. For the purposes of taxation, personal property
12 shall include:

13 (a) All goods, chattels, and effects within the state.

14 (b) All goods, chattels, and effects belonging to inhab-
15 itants of this state, located without this state, except that
16 property actually and permanently invested in business in another
17 state shall not be included.

18 (c) All interests owned by individuals in lands, the fee of
19 which is in this state or the United States, except as otherwise
20 provided in this act.

21 (d) All buildings and improvements located upon leased
22 lands, except where the value of the real property is also
23 assessed to the lessee or owner of those buildings and
24 improvements.

25 (e) Tombs or vaults built within any burial grounds, and
26 kept for hire or rent, in whole or in part, and the stock of a

1 corporation or association owning the tombs, vaults, or burial
2 grounds.

3 (f) All other personal property not enumerated in this sec-
4 tion, and not especially exempted by law.

5 (g) The personal property of gas and coke companies, natural
6 gas companies, electric light companies, waterworks companies,
7 hydraulic companies, and pipe line companies transporting oil or
8 gas as public or common carriers, to be assessed in the township,
9 village, or city where the personal property is located. The
10 mains, pipes, supports, and wires of these companies, including
11 the supports and wire or other line used for communication pur-
12 poses in the operation of those facilities, and the rights of way
13 and the easements or other interests in land by virtue of which
14 the mains, pipes, supports, and wires are erected and maintained,
15 shall be assessed as personal property in the township, village,
16 or city where laid, placed, or located. Interests in underground
17 rock strata used for gas storage purposes, whether by lease or
18 ownership separate from the surface of real property, shall be
19 separately valued and assessed as personal property in the town-
20 ship, village, or city in which located to the person who holds
21 the interest. These interests in ~~such~~ underground rock strata
22 shall be reported as personal property to the assessor for all
23 ~~such~~ THOSE property descriptions included in the storage field
24 in the township, village, or city and a separate valuation shall
25 be assessed for each school district. The personal property of
26 street railroad, plank road, cable or electric railroad or
27 transportation companies, bridge companies, and all other

1 companies not required to pay a specific tax to the state in lieu
2 of all other taxes, shall, except as hereinafter provided, be
3 assessed in the township, village, or city where the property is
4 located, used, or laid, and the track, road, or bridge of such a
5 company shall be held to be personal property. None of the prop-
6 erty assessable as personal property under this subdivision shall
7 be affected by ~~any~~ AN assessment or tax levied on the lands
8 through or over which the same is laid, placed, or located, nor
9 shall ~~any~~ A right of way, easement, or other interest in land,
10 assessable as personal property under this subdivision, be extin-
11 guished or otherwise affected ~~in case~~ IF the SUBJECT property
12 ~~subject thereto shall be~~ IS sold in the exercise of the taxing
13 power.

14 (h) During the tenancy of a lessee, leasehold improvements
15 and structures installed and constructed on real property by the
16 lessee, provided and to the extent the improvements or structures
17 add to the true cash value of the real property notwithstanding
18 that the real property is encumbered by a lease agreement, and
19 the value added by the improvements or structures is not other-
20 wise included in the assessment of the real property or not oth-
21 erwise assessable under subdivision (j). The cost of leasehold
22 improvements and structures on real property shall not be the
23 sole indicator of value. Leasehold improvements and structures
24 assessed under this subdivision shall be assessed to the lessee.

25 (i) A leasehold estate received by a sublessor from which
26 the sublessor receives net rentals in excess of net rentals
27 required to be paid by the sublessor, except to the extent that

1 the excess rentals are attributable to the installation and
2 construction of improvements and structures assessed under
3 subdivision (h) or (j) or included in the assessment of the real
4 property. For purposes of this act, a leasehold estate shall be
5 considered to be owned by the lessee receiving ~~such~~ THE addi-
6 tional net rentals. A lessee in possession shall be required to
7 provide the assessor with the name and address of its lessor.
8 Taxes imposed by this act on ~~such~~ leasehold estates shall
9 become a lien against the rentals paid by the sublessee to the
10 sublessor.

11 (j) To the extent not assessed as real property, a leasehold
12 estate of a lessee created by the difference between the income
13 that would be received by the lessor from the lessee on the basis
14 of the present economic income of the property as defined and
15 allowed by section 27(4), minus the actual value to the lessor
16 under the lease. This subdivision shall not apply to property
17 when subject to a lease entered into before January 1, 1984 for
18 which the terms of the lease governing the rental rate or the tax
19 liability have not been renegotiated after December 31, 1983.
20 This subdivision shall not apply to a nonprofit housing
21 cooperative. As used in this subdivision, "nonprofit cooperative
22 housing corporation" means a nonprofit cooperative housing corpo-
23 ration ~~which~~ THAT is engaged in providing housing services to
24 its stockholders and members and ~~which~~ THAT does not pay divi-
25 dends or interest upon stock or membership investment but ~~which~~
26 THAT does distribute all earnings to its stockholders or
27 members.

1 (K) A MOBILE HOME LOCATED IN A MOBILE HOME PARK. AS USED IN
2 THIS SUBDIVISION, "MOBILE HOME" AND "MOBILE HOME PARK" MEAN THOSE
3 TERMS AS DEFINED IN SECTION 2 OF THE MOBILE HOME COMMISSION ACT,
4 ACT NO. 96 OF THE PUBLIC ACTS OF 1987, BEING SECTION 125.2302 OF
5 THE MICHIGAN COMPILED LAWS.

6 Sec. 47. (1) If a person, firm, or corporation neglects or
7 refuses to pay a tax on property assessed to that person, firm,
8 or corporation, the township or city treasurer, as the case may
9 be, shall collect the tax by seizing the personal property of
10 that person, firm, or corporation in this state, in an amount
11 sufficient to pay the tax, the fees, and the charges, for subse-
12 quent sale of the property, and no property shall be exempt
13 EXCEPT A MOBILE HOME TAXABLE UNDER SECTION 8 IF IT IS USED AS A
14 HOMESTEAD. The treasurer may sell the property seized, in an
15 amount sufficient to pay the taxes and all charges, at public
16 auction in the place where seized or in the township or city of
17 which he or she is treasurer. The treasurer shall give public
18 notice of the auction at least 5 days ~~previous to~~ BEFORE the
19 sale by posting written or printed notices in 3 public places in
20 the township, village, or city where the sale is to be made. The
21 sale may be adjourned from time to time if the treasurer consid-
22 ers it necessary. If the property is seized and advertised, the
23 sale may take place at any time within 6 days after the expira-
24 tion of the warrant of sale. If it is necessary to sell personal
25 property that brings more than the amount of taxes and charges,
26 the balance shall be returned to the person, firm, or corporation
27 from whose possession the property was taken. However, if the

1 property so seized cannot be sold for want of bidders, and in
2 that case only, the treasurer shall return a statement of that
3 fact and the tax shall be returned as unpaid.

4 (2) Notwithstanding or in lieu of subsection (1), the town-
5 ship or city treasurer, in the name of the township, village, or
6 city, may sue the person, firm, or corporation to whom the tax is
7 assessed and garnishee any debtor or debtors of that person,
8 firm, or corporation. The tax roll shall be prima facie evidence
9 of the debt sought to be recovered.

10 (3) If a person, firm, or corporation having possession of
11 the personal property of any other person, firm, or corporation
12 is assessed for that property and is obliged to pay the taxes on
13 the property, the person, firm, or corporation paying the taxes
14 may recover in a civil action from the person, firm, or corpora-
15 tion for whose benefit the taxes were paid, the money paid with
16 the applicable interest.

17 Section 2. This amendatory act shall not take effect unless
18 all of the following bills of the 85th Legislature are enacted
19 into law:

20 (a) Senate Bill No. _____ or House Bill No. 4943 (request
21 no. 01514'89).

22 (b) Senate Bill No. _____ or House Bill No. 4944 (request
23 no. 01515'89).