



# HOUSE BILL No. 6145

November 14, 2000, Introduced by Rep. Mortimer and referred to the Committee on Local Government and Urban Policy.

A bill to amend 1905 PA 282, entitled

"An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act,"

by amending sections 12 and 13 (MCL 207.12 and 207.13), as amended by 1995 PA 257.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 12. The ~~county clerk~~ DIRECTOR OF THE TAX OR EQUALI-  
2 ZATION DEPARTMENT in each county in this state, as soon as  
3 possible after the equalization of the board of ~~supervisors~~

1 COMMISSIONERS of ~~his or her~~ THE county of the assessment rolls  
2 of the municipalities in that county, and not later than December  
3 1 in each year, shall make a report, duly certified, to the state  
4 board of assessors, ~~upon~~ ON a form to be provided by the state  
5 board of assessors, of the amount of ad valorem taxes to be  
6 raised in the municipalities in that county for state, county,  
7 municipal, township, school, and other purposes, INCLUDING a  
8 statement of the aggregate valuation of the property in each of  
9 the municipalities in that county, as taken from the assessment  
10 rolls of the municipalities for the year in which the equaliza-  
11 tion is made, and, for taxes levied before January 1, 1995, the  
12 state equalized valuation of each municipality and, for taxes  
13 levied after December 31, 1994, the taxable value of each  
14 municipality. The supervisor or other assessing officer of each  
15 township, city, and village in this state shall make, within the  
16 time provided in this section, a report to the state board of  
17 assessors, ~~upon~~ ON a form to be provided by the state board of  
18 assessors, of all ad valorem taxes raised in his or her assessing  
19 district for the current year, and, for taxes levied before  
20 January 1, 1995, of the state equalized valuation of real and  
21 personal property upon which the taxes are levied and, for taxes  
22 levied after December 31, 1994, of the taxable value of real and  
23 personal property upon which the taxes are levied. If any  
24 ~~county clerk~~ DIRECTOR OF A COUNTY TAX OR EQUALIZATION  
25 DEPARTMENT or any supervisor or assessing officer neglects or  
26 fails to make the report required by this section within the time  
27 provided in this section, the state board of assessors shall

1 inspect and examine or cause an inspection and examination of the  
2 records of the board of ~~supervisors~~ COMMISSIONERS or of the  
3 proper township, city, or village officers, to procure the infor-  
4 mation required to arrive at the average rate of taxation in this  
5 state. Any ~~county clerk~~ DIRECTOR OF A COUNTY TAX OR EQUALIZA-  
6 TION DEPARTMENT, supervisor, or assessing officer ~~,~~ who fails  
7 to make the report required by this section is subject to a pen-  
8 alty of \$100.00, to be recovered in an action in the name of the  
9 people of ~~the state of Michigan~~ THIS STATE in any court of com-  
10 petent jurisdiction.

11       Sec. 13. (1) The state board of assessors, from the infor-  
12 mation contained in the reports provided for in section 12, shall  
13 determine for the year in which the reports are required to be  
14 made the average rate of taxation levied ~~upon~~ ON other commer-  
15 cial, industrial, and utility property ~~upon~~ ON which ad valorem  
16 taxes are assessed for state, county, township, school, and  
17 municipal purposes, and enter the determination ~~upon~~ IN its  
18 records, together with the method by which the average rate of  
19 taxation was determined. In determining the average rate of tax-  
20 ation for taxes levied under this act before January 1, 1996, the  
21 state board of assessors shall divide the state equalized value  
22 as set by the state board of equalization for the previous year  
23 into the total ad valorem taxes as reported by each ~~county~~  
24 ~~clerk~~ DIRECTOR OF A COUNTY TAX OR EQUALIZATION DEPARTMENT as  
25 provided in section 12. In determining the average rate of taxa-  
26 tion for taxes levied under this act after December 31, 1995, the  
27 state board of assessors shall divide the state taxable value for

1 the previous year into the total ad valorem taxes as reported by  
2 each ~~county clerk~~ DIRECTOR OF A COUNTY TAX OR EQUALIZATION  
3 DEPARTMENT as provided in section 12. In determining the average  
4 rate of taxation for 1994, ad valorem taxes levied for the year  
5 in which the reports are required by a local school district for  
6 school operating purposes ~~under~~ AS DEFINED IN section 1211 of  
7 the REVISED school code, ~~of 1976, Act No. 451 of the Public Acts~~  
8 ~~of 1976, being section 380.1211 of the Michigan Compiled Laws~~  
9 1976 PA 451, MCL 380.1211, shall be excluded from the calculation  
10 required by this section and the state board of assessors shall  
11 add to the tax rate calculated under this section after the  
12 exclusion required by this sentence, the number of mills levied  
13 under the state education tax act, ~~Act No. 331 of the Public~~  
14 ~~Acts of 1993, being sections 211.901 to 211.906 of the Michigan~~  
15 ~~Compiled Laws~~ 1993 PA 331, MCL 211.901 TO 211.906, plus the  
16 statewide average number of mills levied in 1994 by local school  
17 districts for school operating purposes under ~~Act No. 451 of the~~  
18 ~~Public Acts of 1976, being sections 380.1 to 380.1852 of the~~  
19 ~~Michigan Compiled Laws~~ THE REVISED SCHOOL CODE, 1976 PA 451, MCL  
20 380.1 TO 380.1852. If the state board of assessors is unable to  
21 determine the average rate of taxation for 1994 before June 1,  
22 1994, the state board of assessors shall determine a preliminary  
23 average rate of taxation that shall be used to complete the 1994  
24 tax roll under section 14. However, before June 1, 1995, the  
25 state board of assessors shall determine and certify the average  
26 rate of taxation for 1994 and prepare a supplemental 1994 tax  
27 roll using the 1994 assessed valuations for the purpose of

1 levying a supplemental tax or making a refund. The supplemental  
2 tax is due and payable and the refund, if any, is due July 1,  
3 1995 without interest. If the supplemental tax is paid after  
4 August 1, 1995, the tax is payable with interest due at the rate  
5 of 1% per month or portion of a month calculated from January 15,  
6 1995 to the date of payment.

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

17 (3) A railroad company that claims a credit under this sec-  
18 tion is required to file an annual report with the state board of  
19 assessors that shall include detailed data of right of way work  
20 conducted in this state during the past calendar year. The state  
21 board of assessors shall transmit a copy of the report to the  
22 chairperson of the senate finance committee and the house taxa-  
23 tion committee. This report submitted to the state board of  
24 assessors shall include the number of notices of violation from  
25 railway inspectors by railroad section, and shall include a  
26 detailed account of the location and the nature of the work. The  
27 location of the work shall be defined by the railroad section or

1 mile posts surrounding the work area plus the county, city, or  
2 township in which the work was performed. This report shall  
3 include a separation of costs by labor and materials on each  
4 project. The report also shall include an itemized account of  
5 what work was done. This account shall be itemized by the fol-  
6 lowing categories:

7 (a) Miles of track laid.

8 (b) Tons of new ballast installed.

9 (c) Number of ties installed.

10 (d) Miles of tracks surfaced.

11 (e) Signals installed.

12 (f) Under drainage work done.

13 (4) The railroad companies, in order to qualify for the full  
14 25% credit under this act, must demonstrate to the state board of  
15 assessors that the highest priority of expenditures for the main-  
16 tenance or improvement of rights of way has been given to rail  
17 lines that handle hazardous materials, especially those that are  
18 located in urban or residential areas. A railroad company that  
19 claims a credit under this section is required to file an annual  
20 report with the state board of assessors that shall include  
21 detailed data on the tonnages of hazardous materials handled in  
22 relation to tonnages of other traffic handled over the rail line  
23 for which a tax credit is being applied.

24 (5) A railroad company utilizing the property tax credit  
25 provisions of this act shall grant to another railroad company,  
26 upon application by the latter, trackage rights over its line for  
27 trains, providing that the train operations do not interfere with

1 the movement of Michigan freight using the same trackage, if  
2 operations can be accomplished safely in the opinion of the  
3 grantor and if trackage arrangements and train operations are  
4 approved by the interstate commerce commission. The grantee  
5 shall pay the grantor reasonable charges agreed to between the 2  
6 parties if the charges and terms of the agreement between the 2  
7 parties are not in violation of the antitrust provisions of fed-  
8 eral laws as amended by the Staggers rail act of 1980, Public Law  
9 96-448, 94 Stat. 1895.

10 Enacting section 1. This amendatory act does not take  
11 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 6144  
12 (request no. 06151'00 \*) of the 90th Legislature is enacted into  
13 law.