

Act No. 35
Public Acts of 2001
Approved by the Governor
June 28, 2001
Filed with the Secretary of State
June 29, 2001
EFFECTIVE DATE: June 29, 2001

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2001**

Introduced by Rep. Mortimer

ENROLLED HOUSE BILL No. 4222

AN ACT 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:

Sec. 12. The director of the tax or equalization department in each county in this state, as soon as possible after the equalization of the board of commissioners of the county of the assessment rolls of the municipalities in that county, and not later than December 1 in each year, shall make a report, duly certified, to the state board of assessors, on a form to be provided by the state board of assessors, of the amount of ad valorem taxes to be raised in the municipalities in that county for state, county, municipal, township, school, and other purposes, including a statement of the aggregate valuation of the property in each of the municipalities in that county, as taken from the assessment rolls of the municipalities for the year in which the equalization is made, and, for taxes levied before January 1, 1995, the state equalized valuation of each municipality and, for taxes levied after December 31, 1994, the taxable value of each municipality. The supervisor or other assessing officer of each township, city, and village in this state shall make, within the time provided in this section, a report to the state board of assessors, on a form to be provided by the state board of assessors, of all ad valorem taxes raised in his or her assessing district for the current year, and, for taxes levied before January 1, 1995, of the state equalized valuation of real and personal property upon which the taxes are levied and, for taxes levied after December 31, 1994, of the taxable value of real and personal property upon which the taxes are levied. If any director of a county tax or equalization department or any supervisor or assessing officer neglects or fails to make the report required by this section within the time provided in this section, the state board of assessors shall inspect and examine or cause an inspection and examination of the records of the board of commissioners or of the proper township, city, or village officers, to procure the information required to arrive at the average rate of taxation in this state. Any director of a county tax or equalization department, supervisor, or assessing officer who fails to make the report required by this section is subject to a penalty of \$100.00, to be recovered in an action in the name of the people of this state in any court of competent jurisdiction.

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:

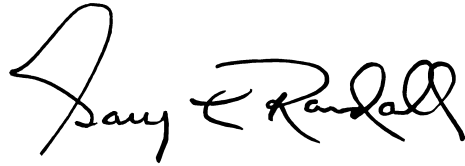
- (a) Miles of track laid.
- (b) Tons of new ballast installed.
- (c) Number of ties installed.
- (d) Miles of tracks surfaced.
- (e) Signals installed.
- (f) Under drainage work done.

(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.

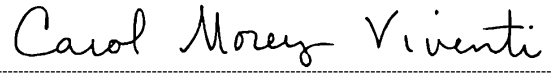
(5) A railroad company utilizing the property tax credit provisions of this act shall grant to another railroad company, upon application by the latter, trackage rights over its line for trains, providing that the train operations do not interfere with the movement of Michigan freight using the same 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.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4223 of the 91st Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.