

HOUSE BILL No. 4025

January 22, 2007, Introduced by Rep. Hildenbrand and referred to the Committee on Agriculture.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7dd, 7ee, 10, 24, 24c, 27a, 27b, 27c, 34, 34c, and 34d (MCL 211.7dd, 211.7ee, 211.10, 211.24, 211.24c, 211.27a, 211.27b, 211.27c, 211.34, 211.34c, and 211.34d), section 7dd as amended by 2006 PA 114, sections 7ee and 24c as amended by 2003 PA 247, section 10 as amended by 1994 PA 415, section 24 as amended by 2002 PA 620, section 27a as amended by 2006 PA 378, section 27b as amended and section 27c as added by 1996 PA 476, section 34 as amended by 1986 PA 105, section 34c as amended by 2006 PA 376, and section 34d as amended by 2005 PA 12, and by adding section 27e; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7dd. As used in sections 7cc and 7ee:

2 (a) "Owner" means any of the following:

1 (i) A person who owns property or who is purchasing property
2 under a land contract.

3 (ii) A person who is a partial owner of property.

4 (iii) A person who owns property as a result of being a
5 beneficiary of a will or trust or as a result of intestate
6 succession.

7 (iv) A person who owns or is purchasing a dwelling on leased
8 land.

9 (v) A person holding a life lease in property previously sold
10 or transferred to another.

11 (vi) A grantor who has placed the property in a revocable trust
12 or a qualified personal residence trust.

13 (vii) The sole present beneficiary of a trust if the trust
14 purchased or acquired the property as a principal residence for the
15 sole present beneficiary of the trust, and the sole present
16 beneficiary of the trust is totally and permanently disabled. As
17 used in this subparagraph, "totally and permanently disabled" means
18 disability as defined in section 216 of title II of the social
19 security act, 42 USC 416, without regard as to whether the sole
20 present beneficiary of the trust has reached the age of retirement.

21 (viii) A cooperative housing corporation.

22 (ix) A facility registered under the living care disclosure
23 act, 1976 PA 440, MCL 554.801 to 554.844.

24 (b) "Person", for purposes of defining owner as used in
25 section 7cc, means an individual and for purposes of defining owner
26 as used in section 7ee means an individual, partnership,
27 corporation, limited liability company, association, or other legal

1 entity.

2 (c) "Principal residence" means the 1 place where an owner of
3 the property has his or her true, fixed, and permanent home to
4 which, whenever absent, he or she intends to return and that shall
5 continue as a principal residence until another principal residence
6 is established. Principal residence includes only that portion of a
7 dwelling or unit in a multiple-unit dwelling that is subject to ad
8 valorem taxes and that is owned and occupied by an owner of the
9 dwelling or unit. Principal residence also includes all of an
10 owner's unoccupied property classified as residential that is
11 adjoining or contiguous to the dwelling subject to ad valorem taxes
12 and that is owned and occupied by the owner. Contiguity is not
13 broken by a road, a right-of-way, or property purchased or taken
14 under condemnation proceedings by a public utility for power
15 transmission lines if the 2 parcels separated by the purchased or
16 condemned property were a single parcel prior to the sale or
17 condemnation. Principal residence also includes any portion of a
18 dwelling or unit of an owner that is rented or leased to another
19 person as a residence as long as that portion of the dwelling or
20 unit that is rented or leased is less than 50% of the total square
21 footage of living space in that dwelling or unit. Principal
22 residence also includes a life care facility registered under the
23 living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844.
24 Principal residence also includes property owned by a cooperative
25 housing corporation and occupied by tenant stockholders.

26 (d) "Qualified agricultural property" means unoccupied
27 property and related buildings classified as agricultural **REAL**

1 **PROPERTY**, or other unoccupied property and related buildings
2 located on that property devoted primarily to agricultural use as
3 defined in section ~~36101 of the natural resources and environmental~~
4 ~~protection act, 1994 PA 451, MCL 324.36101-34C~~. Related buildings
5 include a residence occupied by a person employed in or actively
6 involved in the agricultural use and who has not claimed a
7 principal residence exemption on other property. Property used for
8 commercial storage, commercial processing, commercial distribution,
9 commercial marketing, or commercial shipping operations or other
10 commercial or industrial purposes is not qualified agricultural
11 property. A parcel of property is devoted primarily to agricultural
12 use only if more than 50% of the parcel's acreage is devoted to
13 agricultural use. An owner shall not receive an exemption for that
14 portion of the total state equalized valuation of the property that
15 is used for a commercial or industrial purpose or that is a
16 residence that is not a related building.

17 Sec. 7ee. (1) Qualified agricultural property is exempt from
18 the tax levied by a local school district for school operating
19 purposes to the extent provided under section 1211 of the revised
20 school code, 1976 PA 451, MCL 380.1211, according to the provisions
21 of this section.

22 (2) Qualified agricultural property that is classified as
23 agricultural **REAL PROPERTY** under section 34c is exempt under
24 subsection (1) and the owner is not required to file an affidavit
25 claiming an exemption with the local tax collecting unit unless
26 requested by the assessor to determine whether the property
27 includes structures that are not exempt under this section. To

1 claim an exemption under subsection (1) for qualified agricultural
2 property that is not classified as agricultural **REAL PROPERTY** under
3 section 34c, the owner shall file an affidavit claiming the
4 exemption with the local tax collecting unit by May 1.

5 (3) The affidavit shall be on a form prescribed by the
6 department of treasury.

7 (4) For property classified as agricultural **REAL PROPERTY**, and
8 upon receipt of an affidavit filed under subsection (2) for
9 property not classified as agricultural **REAL PROPERTY**, the assessor
10 shall determine if the property is qualified agricultural property
11 and if so shall exempt the property from the collection of the tax
12 as provided in subsection (1) until December 31 of the year in
13 which the property is no longer qualified agricultural property as
14 defined in section 7dd. An owner is required to file a new claim
15 for exemption on the same property as requested by the assessor
16 under subsection (2).

17 (5) Not more than 90 days after all or a portion of the
18 exempted property is no longer qualified agricultural property, the
19 owner shall rescind the exemption for the applicable portion of the
20 property by filing with the local tax collecting unit a rescission
21 form prescribed by the department of treasury. An owner who fails
22 to file a rescission as required by this subsection is subject to a
23 penalty of \$5.00 per day for each separate failure beginning after
24 the 90 days have elapsed, up to a maximum of \$200.00. This penalty
25 shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and
26 shall be deposited in the state school aid fund established in
27 section 11 of article IX of the state constitution of 1963. This

1 penalty may be waived by the department of treasury.

2 (6) An owner of property that is qualified agricultural
3 property on May 1 for which an exemption was not on the tax roll
4 may file an appeal with the July or December board of review in the
5 year the exemption was claimed or the immediately succeeding year.
6 An owner of property that is qualified agricultural property on May
7 1 for which an exemption was denied by the assessor in the year the
8 affidavit was filed, may file an appeal with the July board of
9 review for summer taxes or, if there is not a summer levy of school
10 operating taxes, with the December board of review.

11 (7) If the assessor of the local tax collecting unit believes
12 that the property for which an exemption has been granted is not
13 qualified agricultural property, the assessor may deny or modify an
14 existing exemption by notifying the owner in writing at the time
15 required for providing a notice under section 24c. A taxpayer may
16 appeal the assessor's determination to the board of review meeting
17 under section 30. A decision of the board of review may be appealed
18 to the residential and small claims division of the Michigan tax
19 tribunal.

20 (8) If an exemption under this section is erroneously granted,
21 an owner may request in writing that the local tax collecting unit
22 withdraw the exemption. If an owner requests that an exemption be
23 withdrawn, the local assessor shall notify the owner that the
24 exemption issued under this section has been denied based on that
25 owner's request. If an exemption is withdrawn, the property that
26 had been subject to that exemption shall be immediately placed on
27 the tax roll by the local tax collecting unit if the local tax

1 collecting unit has possession of the tax roll or by the county
2 treasurer if the county has possession of the tax roll as though
3 the exemption had not been granted. A corrected tax bill shall be
4 issued for the tax year being adjusted by the local tax collecting
5 unit if the local tax collecting unit has possession of the tax
6 roll or by the county treasurer if the county has possession of the
7 tax roll. If an owner requests that an exemption under this section
8 be withdrawn before that owner is contacted in writing by the local
9 assessor regarding that owner's eligibility for the exemption and
10 that owner pays the corrected tax bill issued under this subsection
11 within 30 days after the corrected tax bill is issued, that owner
12 is not liable for any penalty or interest on the additional tax. An
13 owner who pays a corrected tax bill issued under this subsection
14 more than 30 days after the corrected tax bill is issued is liable
15 for the penalties and interest that would have accrued if the
16 exemption had not been granted from the date the taxes were
17 originally levied.

18 Sec. 10. (1) An assessment of all the property in the state
19 liable to taxation shall be made annually in all townships,
20 villages, and cities by the ~~applicable~~ **APPROPRIATE** assessing
21 officer as provided in section 3 of article IX of the state
22 constitution of 1963 and section 27a.

23 (2) Notwithstanding any provision to the contrary in the act
24 of incorporation or charter of a village, an assessment for village
25 taxes shall be identical to the assessment made by the ~~applicable~~
26 **APPROPRIATE** assessing officer of the township in which the village
27 is located, and tax statements shall set forth clearly the state

1 equalized ~~value~~ **VALUATION OR AGRICULTURAL USE VALUE FOR QUALIFIED**
2 **AGRICULTURAL PROPERTY** and the taxable value of the individual
3 properties in the village upon which authorized millages are
4 levied.

5 (3) If a nonresident of the taxing unit requests in writing
6 information regarding the assessment of his or her property, the
7 ~~supervisor or~~ **APPROPRIATE** assessing officer shall reply to the
8 request within a reasonable length of time.

9 Sec. 24. (1) On or before the first Monday in March in each
10 year, the assessor shall make and complete an assessment roll, upon
11 which he or she shall set down all of the following:

12 (a) The name and address of every person liable to be taxed in
13 the local tax collecting unit with a full description of all the
14 real property liable to be taxed. If the name of the owner or
15 occupant of any tract or parcel of real property is known, the
16 assessor shall enter the name and address of the owner or occupant
17 opposite to the description of the property. If unknown, the real
18 property described upon the roll shall be assessed as "owner
19 unknown". All contiguous subdivisions of any section that are owned
20 by 1 person, firm, corporation, or other legal entity and all
21 unimproved lots in any block that are contiguous and owned by 1
22 person, firm, corporation, or other legal entity shall be assessed
23 as 1 parcel, unless demand in writing is made by the owner or
24 occupant to have each subdivision of the section or each lot
25 assessed separately. However, failure to assess contiguous parcels
26 as entires does not invalidate the assessment as made. Each
27 description shall show as near as possible the number of acres

1 contained in it, as determined by the assessor. It is not necessary
2 for the assessment roll to specify the quantity of land comprised
3 in any town, city, or village lot.

4 (b) The assessor shall estimate, according to his or her best
5 information and judgment, **THE TRUE CASH VALUE AND AGRICULTURAL USE**
6 **VALUE FOR QUALIFIED AGRICULTURAL PROPERTY AND** the true cash value
7 and assessed value of every parcel of real property **THAT IS NOT**
8 **QUALIFIED AGRICULTURAL PROPERTY** and set the **AGRICULTURAL USE VALUE**
9 **OR** assessed value down opposite the parcel.

10 (c) The assessor shall calculate the tentative taxable value
11 of every parcel of real property and set that value down opposite
12 the parcel.

13 (d) The assessor shall determine the percentage of value of
14 every parcel of real property that is exempt from the tax levied by
15 a local school district for school operating purposes to the extent
16 provided under section 1211 of the revised school code, 1976 PA
17 451, MCL 380.1211, and set that percentage of value down opposite
18 the parcel.

19 (e) The assessor shall determine the date of the last transfer
20 of ownership of every parcel of real property occurring after
21 December 31, 1994 and set that date down opposite the parcel.

22 (f) The assessor shall estimate the true cash value of all the
23 personal property of each person, and set the assessed value and
24 tentative taxable value down opposite the name of the person. In
25 determining the property to be assessed and in estimating the value
26 of that property, the assessor is not bound to follow the
27 statements of any person, but shall exercise his or her best

1 judgment. For taxes levied after December 31, 2003, the assessor
2 shall separately state the assessed value and tentative taxable
3 value of any leasehold improvements.

4 (g) Property assessed to a person other than the owner shall
5 be assessed separately from the owner's property and shall show in
6 what capacity it is assessed to that person, whether as agent,
7 guardian, or otherwise. Two or more persons not being copartners,
8 owning personal property in common, may each be assessed severally
9 for each person's portion. Undivided interests in lands owned by
10 tenants in common, or joint tenants not being copartners, may be
11 assessed to the owners.

12 (2) The state geologist, or his or her duly authorized deputy,
13 shall determine, according to his or her best information and
14 judgment, the true cash value of the metallic mining properties and
15 mineral rights consisting of metallic resources that are either
16 producing, developed, or have a known commercial mineral value,
17 including surface rights and personal property that may be used in
18 the operation or development of the property assessed, or any
19 stockpile of ore or mineral stored on the surface. For the purpose
20 of encouraging the exploration and development of metallic mineral
21 resources, metallic mineral ore newly discovered or proven in the
22 ground and not part of the property of an operating mine shall be
23 exempt from the taxes collected under this act for a maximum period
24 of 10 years or until the time it becomes part of the property of an
25 operating mine or it in itself becomes an operating mine. Metallic
26 mineral ore newly discovered or proven in the ground and part of
27 the property of an operating mine shall be exempt from taxes

1 collected under this act until it, in combination with previously
2 discovered metallic mineral ore of the operating mine, comes into a
3 10-year recovery period of the mine as determined by the average
4 normal annual rate of extraction of the mine.

5 (3) An operating mine shall be defined to be an operating mine
6 as of the date of starting of a shaft, stripping of overburden, or
7 rehabilitation, or an abandoned or idle mine closed for not less
8 than 2 years. Ore shall not enjoy more than 10 years' exemption
9 from taxation. This section does not exempt from the taxes
10 collected under this act ore reserves proven as of April 1, 1947.
11 It is the intent of this act that mineral properties shall be
12 valued and assessed in the future for ad valorem taxes according to
13 the formula used in the valuation of mineral properties before the
14 effective date of this act. It is the intent of this act that no
15 metallic mineral ore shall be exempt more than 10 years because of
16 the application of this act and if at any time it becomes evident
17 that such is the case, the state tax commission shall determine the
18 value of this untaxed ore and place this valuation on the proper
19 tax roll. The state geologist shall report his or her determination
20 of the true cash value of the mineral properties to the state tax
21 commission on or before February 10 of each year. The state tax
22 commission shall assess the mineral properties containing 20% or
23 more of natural iron per ton of ore in conformity and uniformity
24 with all other property within the assessing district. The state
25 tax commission shall assess all other metallic mineral properties
26 at the value certified by the state geologist. The state tax
27 commission, as early as is practicable before February 20, shall

1 certify the assessment of the property to the assessor of the
2 township or city in which the property is situated, who shall for
3 the mineral properties and mineral rights that are owned separate
4 from the surface rights on the property assess each to the owner at
5 the valuation certified to him or her. However, an adjustment to
6 the value certified by the state tax commission may be made by the
7 assessor of the township or city to reflect any general adjustment
8 of assessed valuation from the immediately preceding year not
9 included in the state tax commission computation. The assessor
10 shall determine the true cash value of the surface rights and
11 assess the value of the surface rights to the owner. The assessment
12 upon the metallic mining properties and mineral rights may be
13 altered from year to year regardless of whether any previous
14 assessment has been reviewed by the state tax commission. The
15 assessor or the owner of any interest in the property assessed may
16 appeal the assessment and valuation of the property as determined
17 by the board of review to the state tax commission which shall
18 review the assessment and valuation as provided in section 152.

19 Sec. 24c. (1) The assessor shall give to each owner or person
20 or persons listed on the assessment roll of the property a notice
21 by first-class mail of an increase in the tentative state equalized
22 valuation, **THE TENTATIVE AGRICULTURAL USE VALUE**, or the tentative
23 taxable value for the year. The notice shall specify each parcel of
24 property, the tentative taxable value for the current year, and the
25 taxable value for the immediately preceding year. The notice shall
26 also specify the time and place of the meeting of the board of
27 review. The notice shall also specify the difference between the

1 property's tentative taxable value in the current year and the
 2 property's taxable value in the immediately preceding year.

3 (2) The notice shall include, in addition to the information
 4 required by subsection (1), all of the following:

5 (a) The state equalized valuation for the immediately
 6 preceding year.

7 (b) The tentative state equalized valuation for the current
 8 year.

9 (c) The net change between the tentative state equalized
 10 valuation for the current year and the state equalized valuation
 11 for the immediately preceding year.

12 (D) FOR QUALIFIED AGRICULTURAL PROPERTY, ALL OF THE FOLLOWING:

13 (i) BEGINNING IN 2007, THE AGRICULTURAL USE VALUE FOR THE
 14 IMMEDIATELY PRECEDING YEAR.

15 (ii) THE TENTATIVE AGRICULTURAL USE VALUE FOR THE CURRENT YEAR.

16 (iii) BEGINNING IN 2009, THE NET CHANGE BETWEEN THE TENTATIVE
 17 AGRICULTURAL USE VALUE FOR THE CURRENT YEAR AND THE AGRICULTURAL
 18 USE VALUE FOR THE IMMEDIATELY PRECEDING YEAR.

19 (E) ~~(d)~~—The classification of the property as defined
 20 DESCRIBED by section 34c AND WHETHER THAT PROPERTY IS QUALIFIED
 21 AGRICULTURAL PROPERTY EXEMPT FROM THE TAX LEVIED BY A LOCAL SCHOOL
 22 DISTRICT FOR SCHOOL OPERATING PURPOSES UNDER SECTION 7EE.

23 (F) ~~(e)~~—The inflation rate for the immediately preceding year
 24 as defined in section 34d.

25 (G) ~~(f)~~—A statement provided by the state tax commission
 26 explaining the relationship between state equalized valuation and
 27 taxable value OR, FOR QUALIFIED AGRICULTURAL PROPERTY, THE

1 **RELATIONSHIP BETWEEN THE AGRICULTURAL USE VALUE AND TAXABLE VALUE.**

2 If the assessor believes that a transfer of ownership has occurred
3 in the immediately preceding year, the statement shall state that
4 the ownership was transferred and that the taxable value of that
5 property is the same as the state equalized valuation of that
6 property **OR, FOR QUALIFIED AGRICULTURAL PROPERTY, THE SAME AS THE**
7 **PROPERTY'S TAXABLE VALUE IN THE IMMEDIATELY PRECEDING YEAR ADJUSTED**
8 **AS PROVIDED IN SECTION 27E(2).**

9 (3) When required by the income tax act of 1967, 1967 PA 281,
10 MCL 206.1 to 206.532, the assessment notice shall include or be
11 accompanied by information or forms prescribed by the income tax
12 act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

13 (4) The assessment notice shall be addressed to the owner
14 according to the records of the assessor and mailed not less than
15 10 days before the meeting of the board of review. The failure to
16 send or receive an assessment notice does not invalidate an
17 assessment roll or an assessment on that property.

18 (5) The tentative state equalized valuation shall be
19 calculated by multiplying the assessment by the tentative equalized
20 valuation multiplier. If the assessor has made assessment
21 adjustments that would have changed the tentative multiplier, the
22 assessor may recalculate the multiplier for use in the notice.

23 (6) The state tax commission shall prepare a model assessment
24 notice form that shall be made available to local units of
25 government.

26 (7) The assessment notice under subsection (1) shall include
27 the following statement:

1 "If you purchased your principal residence after May 1 last
2 year, to claim the principal residence exemption, if you have not
3 already done so, you are required to file an affidavit before May
4 1."

5 (8) For taxes levied after December 31, 2003, the assessment
6 notice under subsection (1) shall separately state the state
7 equalized valuation and taxable value for any leasehold
8 improvements.

9 Sec. 27a. (1) Except as otherwise provided in this section **AND**
10 **SECTION 27E**, property shall be assessed at 50% of its true cash
11 value under section 3 of article IX of the state constitution of
12 1963.

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

16 (a) The property's taxable value in the immediately preceding
17 year minus any losses, multiplied by the lesser of 1.05 or the
18 inflation rate, plus all additions. For taxes levied in 1995, the
19 property's taxable value in the immediately preceding year is the
20 property's state equalized valuation in 1994.

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

22 (3) ~~Upon~~ **EXCEPT AS OTHERWISE PROVIDED IN SECTION 27E(3)**, **UPON**
23 a transfer of ownership of property after 1994, the property's
24 taxable value for the calendar year following the year of the
25 transfer is the property's state equalized valuation for the
26 calendar year following the transfer.

27 (4) If the taxable value of property is adjusted under

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

18 (5) Assessment of property, as required in this section and
19 section 27, is inapplicable to the assessment of property subject
20 to the levy of ad valorem taxes within voted tax limitation
21 increases to pay principal and interest on limited tax bonds issued
22 by any governmental unit, including a county, township, community
23 college district, or school district, before January 1, 1964, if
24 the assessment required to be made under this act would be less
25 than the assessment as state equalized prevailing on the property
26 at the time of the issuance of the bonds. This inapplicability
27 shall continue until levy of taxes to pay principal and interest on

1 the bonds is no longer required. The assessment of property
2 required by this act shall be applicable for all other purposes.

3 (6) As used in this act, "transfer of ownership" means the
4 conveyance of title to or a present interest in property, including
5 the beneficial use of the property, the value of which is
6 substantially equal to the value of the fee interest. Transfer of
7 ownership of property includes, but is not limited to, the
8 following:

9 (a) A conveyance by deed.

10 (b) A conveyance by land contract. The taxable value of
11 property conveyed by a land contract executed after December 31,
12 1994 shall be adjusted under subsection (3) for the calendar year
13 following the year in which the contract is entered into and shall
14 not be subsequently adjusted under subsection (3) when the deed
15 conveying title to the property is recorded in the office of the
16 register of deeds in the county in which the property is located.

17 (c) A conveyance to a trust after December 31, 1994, except if
18 the settlor or the settlor's spouse, or both, conveys the property
19 to the trust and the sole present beneficiary or beneficiaries are
20 the settlor or the settlor's spouse, or both.

21 (d) A conveyance by distribution from a trust, except if the
22 distributee is the sole present beneficiary or the spouse of the
23 sole present beneficiary, or both.

24 (e) A change in the sole present beneficiary or beneficiaries
25 of a trust, except a change that adds or substitutes the spouse of
26 the sole present beneficiary.

27 (f) A conveyance by distribution under a will or by intestate

1 succession, except if the distributee is the decedent's spouse.

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

17 (h) A conveyance of an ownership interest in a corporation,
18 partnership, sole proprietorship, limited liability company,
19 limited liability partnership, or other legal entity if the
20 ownership interest conveyed is more than 50% of the corporation,
21 partnership, sole proprietorship, limited liability company,
22 limited liability partnership, or other legal entity. Unless
23 notification is provided under subsection (10), the corporation,
24 partnership, sole proprietorship, limited liability company,
25 limited liability partnership, or other legal entity shall notify
26 the assessing officer on a form provided by the state tax
27 commission not more than 45 days after a conveyance of an ownership

1 interest that constitutes a transfer of ownership under this
2 subdivision.

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

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

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

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

12 (b) A transfer from a husband, a wife, or a husband and wife
13 creating or disjoining a tenancy by the entireties in the grantors
14 or the grantor and his or her spouse.

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

20 (d) A transfer through foreclosure or forfeiture of a recorded
21 instrument under chapter 31, 32, or 57 of the revised judicature
22 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3280 and MCL 600.5701
23 to 600.5759, or through deed or conveyance in lieu of a foreclosure
24 or forfeiture, until the mortgagee or land contract vendor
25 subsequently transfers the property. If a mortgagee does not
26 transfer the property within 1 year of the expiration of any
27 applicable redemption period, the property shall be adjusted under

1 subsection (3).

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

4 (f) A conveyance to a trust if the settlor or the settlor's
5 spouse, or both, conveys the property to the trust and the sole
6 present beneficiary of the trust is the settlor or the settlor's
7 spouse, or both.

8 (g) A transfer pursuant to a judgment or order of a court of
9 record making or ordering a transfer, unless a specific monetary
10 consideration is specified or ordered by the court for the
11 transfer.

12 (h) A transfer creating or terminating a joint tenancy between
13 2 or more persons if at least 1 of the persons was an original
14 owner of the property before the joint tenancy was initially
15 created and, if the property is held as a joint tenancy at the time
16 of conveyance, at least 1 of the persons was a joint tenant when
17 the joint tenancy was initially created and that person has
18 remained a joint tenant since the joint tenancy was initially
19 created. A joint owner at the time of the last transfer of
20 ownership of the property is an original owner of the property. For
21 purposes of this subdivision, a person is an original owner of
22 property owned by that person's spouse.

23 (i) A transfer for security or an assignment or discharge of a
24 security interest.

25 (j) A transfer of real property or other ownership interests
26 among members of an affiliated group. As used in this subsection,
27 "affiliated group" means 1 or more corporations connected by stock

1 ownership to a common parent corporation. Upon request by the state
2 tax commission, a corporation shall furnish proof within 45 days
3 that a transfer meets the requirements of this subdivision. A
4 corporation that fails to comply with a request by the state tax
5 commission under this subdivision is subject to a fine of \$200.00.

6 (k) Normal public trading of shares of stock or other
7 ownership interests that, over any period of time, cumulatively
8 represent more than 50% of the total ownership interest in a
9 corporation or other legal entity and are traded in multiple
10 transactions involving unrelated individuals, institutions, or
11 other legal entities.

12 (l) A transfer of real property or other ownership interests
13 among corporations, partnerships, limited liability companies,
14 limited liability partnerships, or other legal entities if the
15 entities involved are commonly controlled. Upon request by the
16 state tax commission, a corporation, partnership, limited liability
17 company, limited liability partnership, or other legal entity shall
18 furnish proof within 45 days that a transfer meets the requirements
19 of this subdivision. A corporation, partnership, limited liability
20 company, limited liability partnership, or other legal entity that
21 fails to comply with a request by the state tax commission under
22 this subdivision is subject to a fine of \$200.00.

23 (m) A direct or indirect transfer of real property or other
24 ownership interests resulting from a transaction that qualifies as
25 a tax-free reorganization under section 368 of the internal revenue
26 code, 26 USC 368. Upon request by the state tax commission, a
27 property owner shall furnish proof within 45 days that a transfer

1 meets the requirements of this subdivision. A property owner who
2 fails to comply with a request by the state tax commission under
3 this subdivision is subject to a fine of \$200.00.

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

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

23 (ii) The property is subject to the recapture tax provided for
24 under the agricultural property recapture act, 2000 PA 261, MCL
25 211.1001 to 211.1007.

26 (o) A transfer of qualified forest property, if the person to
27 whom the qualified forest property is transferred files an

1 affidavit with the assessor of the local tax collecting unit in
2 which the qualified forest property is located and with the
3 register of deeds for the county in which the qualified forest
4 property is located attesting that the qualified forest property
5 shall remain qualified forest property. The affidavit under this
6 subdivision shall be in a form prescribed by the department of
7 treasury. An owner of qualified forest property shall inform a
8 prospective buyer of that qualified forest property that the
9 qualified forest property is subject to the recapture tax provided
10 in the qualified forest property recapture tax act, **2006 PA 379**,
11 **MCL 211.1031 TO 211.1036**, if the qualified forest property is
12 converted by a change in use. If property ceases to be qualified
13 forest property at any time after being transferred, all of the
14 following shall occur:

15 (i) The taxable value of that property shall be adjusted under
16 subsection (3) as of the December 31 in the year that the property
17 ceases to be qualified forest property.

18 (ii) The property is subject to the recapture tax provided for
19 under the qualified forest property recapture tax act, **2006 PA 379**,
20 **MCL 211.1031 TO 211.1036**.

21 (8) If all of the following conditions are satisfied, the
22 local tax collecting unit shall revise the taxable value of
23 qualified agricultural property taxable on the tax roll in the
24 possession of that local tax collecting unit to the taxable value
25 that qualified agricultural property would have had if there had
26 been no transfer of ownership of that qualified agricultural
27 property since December 31, 1999 and there had been no adjustment

1 of that qualified agricultural property's taxable value under
2 subsection (3) since December 31, 1999:

3 (a) The qualified agricultural property was qualified
4 agricultural property for taxes levied in 1999 and each year after
5 1999.

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

9 (9) If the taxable value of qualified agricultural property is
10 adjusted under subsection (8), the owner of that qualified
11 agricultural property shall not be entitled to a refund for any
12 property taxes collected under this act on that qualified
13 agricultural property before the adjustment under subsection (8).

14 (10) The register of deeds of the county where deeds or other
15 title documents are recorded shall notify the assessing officer of
16 the appropriate local taxing unit not less than once each month of
17 any recorded transaction involving the ownership of property and
18 shall make any recorded deeds or other title documents available to
19 that county's tax or equalization department. Unless notification
20 is provided under subsection (6), the buyer, grantee, or other
21 transferee of the property shall notify the appropriate assessing
22 office in the local unit of government in which the property is
23 located of the transfer of ownership of the property within 45 days
24 of the transfer of ownership, on a form prescribed by the state tax
25 commission that states the parties to the transfer, the date of the
26 transfer, the actual consideration for the transfer, and the
27 property's parcel identification number or legal description. Forms

1 filed in the assessing office of a local unit of government under
 2 this subsection shall be made available to the county tax or
 3 equalization department for the county in which that local unit of
 4 government is located. This subsection does not apply to personal
 5 property except buildings described in section 14(6) and personal
 6 property described in section 8(h), (i), and (j).

7 (11) As used in this section:

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

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

12 (c) "Converted by a change in use" means that term as defined
 13 in the agricultural property recapture act, 2000 PA 261, MCL
 14 211.1001 to 211.1007.

15 (d) "Inflation rate" means that term as defined in section
 16 34d.

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

18 (f) "Qualified agricultural property" means that term as
 19 defined in section 7dd.

20 (g) "Qualified forest property" means that term as defined in
 21 section ~~7jj~~-7JJ[1].

22 Sec. 27b. (1) If the buyer, grantee, or other transferee in
 23 the immediately preceding transfer of ownership of property does
 24 not notify the ~~appropriate assessing office~~ **ASSESSOR** as required by
 25 **UNDER section 27a(8)-27A(10) OR, FOR QUALIFIED AGRICULTURAL**
 26 **PROPERTY, UNDER SECTION 27E**, the property's taxable value shall be
 27 adjusted under section 27a(3) **OR, FOR QUALIFIED AGRICULTURAL**

1 **PROPERTY, UNDER SECTION 27E(3)** and all of the following shall be
2 levied:

3 (a) Any additional taxes that would have been levied if the
4 transfer of ownership had been recorded as required under this act
5 from the date of transfer.

6 (b) Interest and penalty from the date the tax would have been
7 originally levied.

8 (c) A penalty of \$5.00 per day for each separate failure
9 beginning after the 45 days have elapsed, up to a maximum of
10 \$200.00.

11 (2) The ~~appropriate assessing officer~~ **ASSESSOR** shall certify
12 for collection to the treasurer of the local tax collecting unit if
13 the local tax collecting unit has possession of the tax roll or the
14 county treasurer if the county has possession of the tax roll any
15 additional taxes due under subsection (1)(a) and any penalty due
16 under subsection (1)(c).

17 (3) The treasurer of the local tax collecting unit if the
18 local tax collecting unit has possession of the tax roll or the
19 county treasurer if the county has possession of the tax roll shall
20 collect any taxes, interest, and penalty due pursuant to this
21 section, and shall immediately prepare and submit a corrected tax
22 bill for any additional taxes due under subsection (1)(a) and any
23 interest and penalty due under subsection (1)(b). A penalty due
24 under subsection (1)(c) may be collected with the immediately
25 succeeding regular tax bill.

26 (4) Any taxes, interest, and penalty collected pursuant to
27 subsection (1)(a) and (b) shall be distributed in the same manner

1 as other delinquent taxes, interest, and penalties are distributed
2 under this act. Any penalty collected under subsection (1)(c) shall
3 be distributed to the local tax collecting unit.

4 (5) The governing body of a local tax collecting unit may
5 waive, by resolution, the penalty levied under subsection (1)(c).

6 (6) If the taxable value of property is increased under this
7 section, the ~~appropriate assessing officer~~ **ASSESSOR** shall
8 immediately notify by first-class mail the owner of that property
9 of that increase in taxable value. A buyer, grantee, or other
10 transferee may appeal any increase in taxable value or the levy of
11 any additional taxes, interest, and penalties under subsection (1)
12 to the Michigan tax tribunal within 35 days of receiving the notice
13 of the increase in the property's taxable value. An appeal under
14 this subsection is limited to the issues of whether a transfer of
15 ownership has occurred and correcting arithmetic errors. A dispute
16 regarding the valuation of the property is not a basis for appeal
17 under this subsection.

18 (7) If the taxable value of property is adjusted under
19 subsection (1), the ~~assessing officer~~ **ASSESSOR** making the
20 adjustment shall file an affidavit with all officials responsible
21 for determining assessment figures, rate of taxation, or
22 mathematical calculations for that property within 30 days of the
23 date the adjustment is made. The affidavit shall state the amount
24 of the adjustment and the amount of additional taxes levied. The
25 officials with whom the affidavit is filed shall correct all
26 official records for which they are responsible to reflect the
27 adjustment and levy.

1 Sec. 27c. If the buyer, grantee, or other transferee in any
2 preceding transfer of ownership of property does not notify the
3 ~~appropriate assessing office~~ **ASSESSOR** as required by section ~~27a(8)~~
4 **27A(10) OR, FOR QUALIFIED AGRICULTURAL PROPERTY, UNDER SECTION**
5 **27E(5)**, a taxing unit may sue that buyer, grantee, or other
6 transferee as provided in section 47 for all of the following:

7 (a) Any additional taxes that would have been levied if the
8 transfer of ownership had been recorded as required under this act
9 from the date of transfer.

10 (b) Interest and penalty from the date the tax would have been
11 originally levied.

12 (c) A penalty of \$5.00 per day for each separate failure
13 beginning after the 45 days have elapsed, up to a maximum of
14 \$200.00.

15 **SEC. 27E. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,**
16 **BEGINNING DECEMBER 31, 2006, PROPERTY THAT IS QUALIFIED**
17 **AGRICULTURAL PROPERTY SHALL BE ASSESSED AT 50% OF ITS AGRICULTURAL**
18 **USE VALUE UNDER SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION**
19 **OF 1963.**

20 **(2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), FOR TAXES**
21 **LEVIED IN 2007 AND FOR EACH YEAR AFTER 2007, THE TAXABLE VALUE OF**
22 **EACH PARCEL OF QUALIFIED AGRICULTURAL PROPERTY IS THE LESSER OF THE**
23 **FOLLOWING:**

24 **(A) THE QUALIFIED AGRICULTURAL PROPERTY'S TAXABLE VALUE IN THE**
25 **IMMEDIATELY PRECEDING YEAR MINUS ANY LOSSES, MULTIPLIED BY THE**
26 **LESSER OF 1.05 OR THE INFLATION RATE, PLUS ALL ADDITIONS.**

27 **(B) THE QUALIFIED AGRICULTURAL PROPERTY'S CURRENT AGRICULTURAL**

1 USE VALUE.

2 (C) THE TAXABLE VALUE THE PROPERTY WOULD HAVE HAD IF THE
3 PROPERTY'S TAXABLE VALUE HAD BEEN DETERMINED UNDER SECTION 27A.

4 (3) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL
5 PROPERTY AND IF THE PROPERTY REMAINS QUALIFIED AGRICULTURAL
6 PROPERTY, THE QUALIFIED AGRICULTURAL PROPERTY'S TAXABLE VALUE FOR
7 THE CALENDAR YEAR FOLLOWING THE YEAR OF THE TRANSFER IS THE
8 PROPERTY'S TAXABLE VALUE FOR THE CALENDAR YEAR IMMEDIATELY
9 PRECEDING THE TRANSFER ADJUSTED AS FOLLOWS:

10 (A) FOR TAXES LEVIED AFTER DECEMBER 31, 2003 AND BEFORE
11 JANUARY 1, 2007, AS PROVIDED IN SECTION 27A(2).

12 (B) FOR TAXES LEVIED AFTER DECEMBER 31, 2006, AS PROVIDED IN
13 SUBSECTION (2).

14 (4) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL
15 PROPERTY AND IF THE PROPERTY DOES NOT REMAIN QUALIFIED AGRICULTURAL
16 PROPERTY, THE TAXABLE VALUE OF THE PROPERTY SHALL BE ADJUSTED UNDER
17 SECTION 27A(3).

18 (5) THE REGISTER OF DEEDS OF THE COUNTY WHERE DEEDS OR OTHER
19 TITLE DOCUMENTS ARE RECORDED SHALL NOTIFY THE ASSESSOR NOT LESS
20 THAN ONCE EACH MONTH OF ANY RECORDED TRANSACTION INVOLVING THE
21 OWNERSHIP OF QUALIFIED AGRICULTURAL PROPERTY AND SHALL MAKE ANY
22 RECORDED DEEDS OR OTHER TITLE DOCUMENTS AVAILABLE TO THE ASSESSOR.
23 THE BUYER, GRANTEE, OR OTHER TRANSFEREE OF THE QUALIFIED
24 AGRICULTURAL PROPERTY SHALL NOTIFY THE ASSESSOR OF THE LOCAL TAX
25 COLLECTING UNIT IN WHICH THE QUALIFIED AGRICULTURAL PROPERTY IS
26 LOCATED OF THE TRANSFER OF OWNERSHIP OF THE QUALIFIED AGRICULTURAL
27 PROPERTY WITHIN 45 DAYS OF THE TRANSFER OF OWNERSHIP, ON A FORM

1 PRESCRIBED BY THE STATE TAX COMMISSION THAT STATES THE PARTIES TO
2 THE TRANSFER, THE DATE OF THE TRANSFER, THE ACTUAL CONSIDERATION
3 FOR THE TRANSFER, AND THE QUALIFIED AGRICULTURAL PROPERTY'S PARCEL
4 IDENTIFICATION NUMBER OR LEGAL DESCRIPTION. FORMS FILED IN THE
5 ASSESSING OFFICE OF A LOCAL TAX COLLECTING UNIT UNDER THIS
6 SUBSECTION SHALL BE MADE AVAILABLE TO THE COUNTY TAX OR
7 EQUALIZATION DEPARTMENT FOR THAT COUNTY. THIS SUBSECTION DOES NOT
8 APPLY TO PERSONAL PROPERTY.

9 (6) THE OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL RESCIND
10 THE EXEMPTION PURSUANT TO SECTION 7EE(5) IF PROPERTY EXEMPT AS
11 QUALIFIED AGRICULTURAL PROPERTY IS NO LONGER QUALIFIED AGRICULTURAL
12 PROPERTY. IF AN EXEMPTION FOR PROPERTY EXEMPT AS QUALIFIED
13 AGRICULTURAL PROPERTY IS RESCINDED AND THAT PROPERTY HAD BEEN
14 ASSESSED BASED ON ITS AGRICULTURAL USE VALUE UNDER THIS SECTION,
15 THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED AS OF DECEMBER 31 IN
16 THE YEAR IN WHICH THE QUALIFIED AGRICULTURAL PROPERTY'S EXEMPTION
17 IS RESCINDED AS FOLLOWS:

18 (A) IF THERE WAS NOT A TRANSFER OF OWNERSHIP OF THE PROPERTY
19 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
20 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED TO THE
21 TAXABLE VALUE THE PROPERTY WOULD HAVE HAD AS DETERMINED UNDER
22 SECTION 27A(2) IF THE PROPERTY HAD NOT BEEN SUBJECT TO ASSESSMENT
23 UNDER THIS SECTION.

24 (B) IF THERE WAS A TRANSFER OF OWNERSHIP OF THE PROPERTY AFTER
25 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION,
26 THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED AS PROVIDED IN
27 SECTION 27A(3).

1 (7) AS USED IN THIS SECTION:

2 (A) "ADDITIONS" MEANS THAT TERM AS DEFINED IN SECTION 34D.

3 (B) "AGRICULTURAL USE" MEANS THAT TERM AS DEFINED IN SECTION
4 34C(2) (A) .

5 (C) "AGRICULTURAL USE VALUE" MEANS THE VALUE OF PROPERTY IN
6 AGRICULTURAL USE AND NOT THE PROPERTY'S HIGHEST AND BEST USE.

7 (D) "BENEFICIAL USE" MEANS THE RIGHT TO POSSESSION, USE, AND
8 ENJOYMENT OF PROPERTY, LIMITED ONLY BY ENCUMBRANCES, EASEMENTS, AND
9 RESTRICTIONS OF RECORD.

10 (E) "INFLATION RATE" MEANS THAT TERM AS DEFINED IN SECTION
11 34D.

12 (F) "LOSSES" MEANS THAT TERM AS DEFINED IN SECTION 34D.

13 (G) "QUALIFIED AGRICULTURAL PROPERTY" MEANS PROPERTY EXEMPT
14 FROM THE TAX LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING
15 PURPOSES UNDER SECTION 7EE.

16 (H) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN
17 SECTION 27A.

18 Sec. 34. (1) The county board of commissioners in each county
19 shall meet in April each year to determine **THE** county equalized
20 value, which ~~equalization~~ shall be completed and submitted along
21 with the tabular statement required by section 5 of ~~Act No. 44 of~~
22 ~~the Public Acts of 1911, being section 209.5 of the Michigan~~
23 ~~Compiled Laws 1911 PA 44, MCL 209.5,~~ to the state tax commission
24 before the first Monday in May. The business ~~which~~ **THAT** the **COUNTY**
25 board **OF COMMISSIONERS** may perform shall be conducted at a public
26 meeting of the **COUNTY** board **OF COMMISSIONERS** held in compliance
27 with the open meetings act, ~~Act No. 267 of the Public Acts of 1976,~~

1 ~~as amended, being sections 15.261 to 15.275 of the Michigan~~
2 ~~Compiled Laws 1976 PA 267, MCL 15.261 TO 15.275.~~ Public notice of
3 the time, date, and place of the meeting shall be given in the
4 manner required by ~~Act No. 267 of the Public Acts of 1976, as~~
5 ~~amended~~ **THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.**
6 Each year the county board of commissioners shall advise the local
7 taxing units ~~when~~ **IF** the state tax commission increases the
8 equalized value of the county as established by the ~~board of county~~
9 **BOARD OF** commissioners and each taxing unit other than a city,
10 township, school district, intermediate school district, or
11 community college district, shall immediately reduce its maximum
12 authorized millage rate, as determined after any reduction ~~caused~~
13 ~~by~~ **PURSUANT TO** section 34d, so that ~~subsequent to~~ **AFTER** the
14 increase ordered by the state tax commission pursuant to ~~Act No. 44~~
15 ~~of the Public Acts of 1911, as amended, being sections 209.1 to~~
16 ~~209.8 of the Michigan Compiled Laws 1911 PA 44, MCL 209.1 TO 209.8,~~
17 total property taxes levied for that unit shall not exceed that
18 which would have been levied for that unit at its maximum
19 authorized millage rate, as determined after any reduction ~~caused~~
20 ~~by~~ **PURSUANT TO** section 34d, if there had not been an increase in
21 valuation by the state **TAX COMMISSION**. If its state equalized
22 valuation exceeds its assessed valuation by 5.0% or more in 1982 or
23 by any amount in 1983 or any year ~~thereafter~~ **AFTER 1983**, a city or
24 township shall reduce its maximum authorized millage rate, as
25 determined after any reduction ~~caused by~~ **PURSUANT TO** section 34d,
26 so that total property taxes levied for that unit do not exceed
27 that which would have been levied based on its assessed valuation.

1 (2) The county board of commissioners shall examine the
2 assessment rolls of the townships or cities and ascertain whether
3 the real and personal property in the respective townships or
4 cities has been equally and uniformly assessed ~~at true cash value~~
5 **AS REQUIRED UNDER THIS ACT.** If, on the examination, the county
6 board of commissioners considers the assessments to be relatively
7 unequal, it shall equalize the assessments by adding to or
8 deducting from the valuation of the taxable property ~~in a township~~
9 ~~or city~~ an amount ~~which~~ **THAT** in the judgment of the county board of
10 commissioners will produce a sum ~~which~~ **THAT** represents the true
11 cash value of that property **AND, FOR QUALIFIED AGRICULTURAL**
12 **PROPERTY, THE AGRICULTURAL USE VALUE,** and the amount added to or
13 deducted from the valuations ~~in a township or city~~ shall be entered
14 upon the records. The county board of commissioners and the state
15 tax commission shall equalize real and personal property separately
16 by adding to or deducting from the valuation of taxable real
17 property, and by adding to or deducting from the valuation of
18 taxable personal property in a township, city, or county, an amount
19 ~~which~~ **THAT** will produce a sum ~~which~~ **THAT** represents the proportion
20 of true cash value established by the legislature **AND, FOR**
21 **QUALIFIED AGRICULTURAL PROPERTY, THE AGRICULTURAL USE VALUE.**
22 Beginning December 31, 1980, the county board of commissioners and
23 the state tax commission shall equalize separately the following
24 classes of real property by adding to or deducting from the
25 valuation of agricultural, ~~developmental,~~ residential, commercial,
26 industrial, and timber cutover taxable real property, and by adding
27 to or deducting from the valuation of taxable personal property in

1 a township, city, or county, an amount ~~as~~**THAT** will produce a sum
2 ~~which~~**THAT** represents the proportion of true cash value established
3 by the legislature **AND, FOR QUALIFIED AGRICULTURAL PROPERTY, THE**
4 **AGRICULTURAL USE VALUE**. The tax roll and the tax statement shall
5 clearly set forth the latest state equalized valuation for each
6 item or property, which shall be determined by using a separate
7 factor for personal property and a separate factor for real
8 property as equalized. Beginning December 31, 1980, the tax roll
9 and the tax statement shall clearly set forth the latest state
10 equalized valuation for each item or property, which shall be
11 determined by using a separate factor for personal property and a
12 separate factor for each classification for real property as
13 equalized. Factors used in determining the state equalized
14 valuation for real and personal property on the tax roll shall be
15 rounded up to not less than 4 decimal places. Equalized values for
16 both real and personal property shall be equalized uniformly at the
17 same proportion of true cash value in the county. The county board
18 of commissioners shall also cause to be entered upon its records
19 the aggregate valuation of the taxable real and personal property
20 of each township or city in its county as determined by the county
21 board **OF COMMISSIONERS**. The county board of commissioners shall
22 also make alterations in the description of any ~~land~~**PROPERTY** on
23 the rolls ~~as is~~ necessary to render the descriptions conformable to
24 the requirements of this act. After the rolls are equalized, each
25 shall be certified ~~to~~ by the chairperson and the clerk of the
26 **COUNTY board OF COMMISSIONERS** and be delivered to the supervisor of
27 the proper township or city, who shall file and keep the roll in

1 his or her office.

2 (3) The county board of commissioners of a county shall
3 establish and maintain a department to survey assessments and
4 assist the board of commissioners in the matter of equalization of
5 assessments, and may employ in that department **NECESSARY** technical
6 and clerical personnel. ~~which in its judgment are considered~~
7 ~~necessary.~~ The personnel of the department shall be under the
8 direct supervision and control of a director of the tax or
9 equalization department who may designate an employee of the
10 department as his or her deputy. The director of the county tax or
11 equalization department shall be appointed by the county board of
12 commissioners. The county board of commissioners, through the
13 department, may furnish assistance to local assessing officers in
14 the performance of duties imposed upon those officers ~~by~~ **UNDER** this
15 act, including the development and maintenance of accurate property
16 descriptions, the discovery, listing, and valuation of properties
17 for tax purposes, and the development and use of uniform valuation
18 standards and techniques for the assessment of property.

19 (4) The supervisor of a township or, with the approval of the
20 governing body, the certified assessor of a township or city, or
21 the intermediate district board of education, or the board of
22 education of an incorporated city or village aggrieved by the
23 action of the county board of commissioners ~~in~~ equalizing the
24 valuations of the townships or cities of the county ~~may~~ appeal
25 from the determination to the ~~state~~-tax tribunal in the manner
26 provided by law. An appeal from the determination by the county
27 board of commissioners shall be filed with the clerk of the

1 tribunal by a written or printed petition ~~which~~ **THAT** shall set
2 forth in detail the reasons for taking the appeal. The petition
3 shall be signed and sworn to by the supervisor, the certified
4 assessor, or a majority of the members of the board of education
5 taking the appeal, shall show that a certain township, city, or
6 school district has been discriminated against in the equalization,
7 and shall ~~pray~~ **REQUEST** that the ~~state~~-tax tribunal proceed at its
8 earliest convenience to review the action from which the appeal is
9 taken. The ~~state~~-tax tribunal shall ~~, upon hearing,~~ determine if ~~in~~
10 ~~its judgment there is a showing that~~ the equalization complained of
11 is unfair, unjust, inequitable, or discriminatory. The ~~state~~-tax
12 tribunal ~~shall have~~ **HAS** the same authority to consider and pass
13 upon the action and determination of the county board of
14 commissioners in equalizing valuations as it has to consider
15 complaints relative to the assessment and taxation of property. The
16 ~~state~~-tax tribunal may order the county board of commissioners to
17 reconvene and to cause the assessment rolls of the county to be
18 brought before it, may summon the commissioners of the county to
19 give evidence in relation to the equalization, and may take further
20 action and may make further investigation ~~in the premises~~ as it
21 considers necessary. The ~~state~~-tax tribunal shall fix a valuation
22 on all property of the county. If the ~~state~~-tax tribunal decides
23 that the determination and equalization made by the county board of
24 commissioners is correct, further action shall not be taken. If the
25 ~~state~~-tax tribunal, after the hearing, decides that the valuations
26 of the county were improperly equalized, it shall proceed to make
27 deductions from, or additions to, the valuations of the respective

1 townships, cities, or school districts as ~~may be considered proper~~
2 **NECESSARY**, and ~~in so doing the tribunal shall have~~ **WITH** the same
3 powers ~~as~~ **THAT** the county board of commissioners had in the first
4 instance. The deductions or additions shall decrease or increase
5 the state equalized valuation of the local unit affected but shall
6 not increase or decrease the total state equalized valuation of the
7 county in the case of an appeal under this section to the ~~state tax~~
8 tribunal. If the tax tribunal finds that the valuations of a class
9 of property in a county were improperly equalized by that county
10 and determines that the total value of that class of property in
11 the county may not be at the level required by law, prior to entry
12 of a final order ~~,~~ the tax tribunal shall forward its findings and
13 determination to the state tax commission. Within 90 days after
14 receiving the findings and determination of the tax tribunal, the
15 state tax commission shall determine whether the state equalized
16 valuation of that class of property in the county was set at the
17 level prescribed by law or should be revised to provide uniformity
18 among the counties and shall enter an order consistent with the
19 state tax commission's findings. The tax tribunal shall enter a
20 final order based upon the revised state equalized valuation, if
21 any, ~~which~~ **THAT** is adopted by the state tax commission. The ~~state~~
22 tax tribunal immediately after completing its revision of the
23 equalization of the valuation of the several assessment districts
24 shall report its action to the county board of commissioners and
25 board of education if the board has instituted the appeal by filing
26 its report with the clerk of the county board of commissioners. The
27 action of the ~~state tax tribunal in the premises~~ shall constitute

1 the equalization of the county for the tax year.

2 ~~—— (5) For purposes of appeals pursuant to subsection (4) in 1981~~
3 ~~only, an agent of a supervisor, including an assessor, shall be~~
4 ~~considered to have the authority to file and sign a petition for an~~
5 ~~appeal, and any otherwise timely submitted petition in 1981 by an~~
6 ~~agent of a supervisor shall be reviewed by the tribunal as if~~
7 ~~submitted by the supervisor.~~

8 Sec. 34c. (1) Not later than the first Monday in March in each
9 year, the assessor shall classify every item of assessable property
10 according to the definitions contained in this section. Following
11 the March board of review, the assessor shall tabulate the total
12 number of items and the valuations as approved by the board of
13 review for each classification and for the totals of real and
14 personal property in the local tax collecting unit. The assessor
15 shall transmit to the county equalization department and to the
16 state tax commission the tabulation of assessed valuations and
17 other statistical information the state tax commission considers
18 necessary to meet the requirements of this act and 1911 PA 44, MCL
19 209.1 to 209.8.

20 (2) The classifications of assessable real property are
21 described as follows:

22 (a) Agricultural real property includes parcels used partially
23 or wholly for agricultural ~~operations~~**USE**, with or without
24 buildings, and parcels assessed to the department of natural
25 resources and valued by the state tax commission. For taxes levied
26 after December 31, 2002, agricultural real property includes
27 buildings on leased land used for agricultural ~~operations~~**USE**. As

1 used in this subdivision, "agricultural operations" means the
2 following:

3 ~~—— (i) Farming in all its branches, including cultivating soil.~~

4 ~~—— (ii) Growing and harvesting any agricultural, horticultural, or~~
5 ~~floricultural commodity.~~

6 ~~—— (iii) Dairying.~~

7 ~~—— (iv) Raising livestock, bees, fish, fur bearing animals, or~~
8 ~~poultry, including operating a game bird hunting preserve licensed~~
9 ~~under part 417 of the natural resources and environmental~~
10 ~~protection act, 1994 PA 451, MCL 324.41701 to 324.41712, and also~~
11 ~~including farming operations that harvest cervidae on site where~~
12 ~~not less than 60% of the cervidae were born as part of the farming~~
13 ~~operation. As used in this subparagraph, "livestock" includes, but~~
14 ~~is not limited to, cattle, sheep, new world camelids, goats, bison,~~
15 ~~privately owned cervids, ratites, swine, equine, poultry,~~
16 ~~aquaculture, and rabbits. Livestock does not include dogs and cats.~~

17 ~~—— (v) Raising, breeding, training, leasing, or boarding horses.~~

18 ~~—— (vi) Turf and tree farming.~~

19 ~~—— (vii) Performing any practices on a farm incident to, or in~~

20 ~~conjunction with, farming operations. A USE" MEANS THE PRODUCTION~~
21 ~~OF PLANTS AND ANIMALS USEFUL TO HUMANS, INCLUDING FORAGES AND SOD~~
22 ~~CROPS; GRAINS, FEED CROPS, AND FIELD CROPS; DAIRY AND DAIRY~~
23 ~~PRODUCTS; POULTRY AND POULTRY PRODUCTS, INCLUDING OPERATING A GAME~~
24 ~~BIRD HUNTING PRESERVE LICENSED UNDER PART 417 OF THE NATURAL~~
25 ~~RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL~~
26 ~~324.41701 TO 324.41712; LIVESTOCK, INCLUDING BREEDING AND GRAZING~~
27 ~~OF CATTLE, SWINE, CAPTIVE CERVIDAE, AND SIMILAR ANIMALS AND FARMING~~

1 OPERATIONS THAT HARVEST CERVIDAE ON SITE WHERE NOT LESS THAN 60% OF
2 THE CERVIDAE WERE BORN AS PART OF THE FARMING OPERATION; BERRIES;
3 HERBS; FLOWERS; SEEDS; GRASSES; NURSERY STOCK; FRUITS; VEGETABLES;
4 CHRISTMAS TREES; AND OTHER SIMILAR USES AND ACTIVITIES.

5 AGRICULTURAL USE INCLUDES PROPERTY ENROLLED IN A FEDERAL ACREAGE
6 SET-ASIDE PROGRAM OR A FEDERAL CONSERVATION PROGRAM. AGRICULTURAL
7 USE DOES NOT INCLUDE THE MANAGEMENT AND HARVESTING OF A WOODLOT, OR
8 A commercial storage, processing, distribution, marketing, or
9 shipping operation is not part of agricultural operations.

10 (b) Commercial real property includes the following:

11 (i) Platted or unplatted parcels used for commercial purposes,
12 whether wholesale, retail, or service, with or without buildings.

13 (ii) Parcels used by fraternal societies.

14 (iii) Parcels used as golf courses, boat clubs, ski areas, or
15 apartment buildings with more than 4 units.

16 (iv) For taxes levied after December 31, 2002, buildings on
17 leased land used for commercial purposes.

18 ~~—— (c) Developmental real property includes parcels containing~~
19 ~~more than 5 acres without buildings, or more than 15 acres with a~~
20 ~~market value in excess of its value in use. Developmental real~~
21 ~~property may include farm land or open space land adjacent to a~~
22 ~~population center, or farm land subject to several competing~~
23 ~~valuation influences.~~

24 (C) ~~(d)~~ Industrial real property includes the following:

25 (i) Platted or unplatted parcels used for manufacturing and
26 processing purposes, with or without buildings.

27 (ii) Parcels used for utilities sites for generating plants,

1 pumping stations, switches, substations, compressing stations,
2 warehouses, rights-of-way, flowage land, and storage areas.

3 (iii) Parcels used for removal or processing of gravel, stone,
4 or mineral ores, whether valued by the local assessor or by the
5 state geologist.

6 (iv) For taxes levied after December 31, 2002, buildings on
7 leased land used for industrial purposes.

8 (v) For taxes levied after December 31, 2002, buildings on
9 leased land for utility purposes.

10 (D) ~~(e)~~ Residential real property includes the following:

11 (i) Platted or unplatted parcels, with or without buildings,
12 and condominium apartments located within or outside a village or
13 city, which are used for, or probably will be used for, residential
14 purposes.

15 (ii) Parcels that are used for, or probably will be used for,
16 recreational purposes, such as lake lots and hunting lands, located
17 in an area used predominantly for recreational purposes.

18 (iii) For taxes levied after December 31, 2002, a home, cottage,
19 or cabin on leased land, and a mobile home that would be assessable
20 as real property under section 2a except that the land on which it
21 is located is not assessable because the land is exempt.

22 (E) ~~(f)~~ Timber-cutover real property includes parcels that are
23 stocked with forest products of merchantable type and size, cutover
24 forest land with little or no merchantable products, and marsh
25 lands or other barren land. However, when a typical purchase of
26 this type of land is for residential or recreational uses, the
27 classification shall be changed to residential.

1 (3) The classifications of assessable personal property are
2 described as follows:

3 (a) Agricultural personal property includes any agricultural
4 equipment and produce not exempt by law.

5 (b) Commercial personal property includes the following:

6 (i) All equipment, furniture, and fixtures on commercial
7 parcels, and inventories not exempt by law.

8 (ii) All outdoor advertising signs and billboards.

9 (iii) Well drilling rigs and other equipment attached to a
10 transporting vehicle but not designed for operation while the
11 vehicle is moving on the highway.

12 (iv) Unlicensed commercial vehicles or commercial vehicles
13 licensed as special mobile equipment or by temporary permits.

14 (c) Industrial personal property includes the following:

15 (i) All machinery and equipment, furniture and fixtures, and
16 dies on industrial parcels, and inventories not exempt by law.

17 (ii) Personal property of mining companies valued by the state
18 geologist.

19 (d) For taxes levied before January 1, 2003, residential
20 personal property includes a home, cottage, or cabin on leased
21 land, and a mobile home that would be assessable as real property
22 under section 2a except that the land on which it is located is not
23 assessable because the land is exempt.

24 (e) Utility personal property includes the following:

25 (i) Electric transmission and distribution systems, substation
26 equipment, spare parts, gas distribution systems, and water
27 transmission and distribution systems.

1 (ii) Oil wells and allied equipment such as tanks, gathering
2 lines, field pump units, and buildings.

3 (iii) Inventories not exempt by law.

4 (iv) Gas wells with allied equipment and gathering lines.

5 (v) Oil or gas field equipment stored in the open or in
6 warehouses such as drilling rigs, motors, pipes, and parts.

7 (vi) Gas storage equipment.

8 (vii) Transmission lines of gas or oil transporting companies.

9 (4) For taxes levied before January 1, 2003, buildings on
10 leased land of any classification are improvements where the owner
11 of the improvement is not the owner of the land or fee, the value
12 of the land is not assessed to the owner of the building, and the
13 improvement has been assessed as personal property pursuant to
14 section 14(6).

15 (5) If the total usage of a parcel includes more than 1
16 classification, the assessor shall determine the classification
17 that most significantly influences the total valuation of the
18 parcel.

19 (6) An owner of any assessable property who disputes the
20 classification of that parcel shall notify the assessor and may
21 protest the assigned classification to the March board of review.
22 An owner or assessor may appeal the decision of the March board of
23 review by filing a petition with the state tax commission not later
24 than June 30 in that tax year. The state tax commission shall
25 arbitrate the petition based on the written petition and the
26 written recommendations of the assessor and the state tax
27 commission staff. An appeal may not be taken from the decision of

1 the state tax commission regarding classification complaint
2 petitions and the state tax commission's determination is final and
3 binding for the year of the petition.

4 (7) The department of treasury may appeal the classification
5 of any assessable property to the residential and small claims
6 division of the Michigan tax tribunal not later than December 31 in
7 the tax year for which the classification is appealed.

8 (8) This section shall not be construed to encourage the
9 assessment of property at other than the uniform percentage of true
10 cash value prescribed by this act.

11 Sec. 34d. (1) As used in this section or section 27a, or
12 section 3 or 31 of article IX of the state constitution of 1963:

13 (a) For taxes levied before 1995, "additions" means all
14 increases in value caused by new construction or a physical
15 addition of equipment or furnishings, and the value of property
16 that was exempt from taxes or not included on the assessment unit's
17 immediately preceding year's assessment roll.

18 (b) For taxes levied after 1994, "additions" means, except as
19 provided in subdivision (c), all of the following:

20 (i) Omitted real property. As used in this subparagraph,
21 "omitted real property" means previously existing tangible real
22 property not included in the assessment. Omitted real property
23 shall not increase taxable value as an addition unless the
24 assessing jurisdiction has a property record card or other
25 documentation showing that the omitted real property was not
26 previously included in the assessment. The assessing jurisdiction
27 has the burden of proof in establishing whether the omitted real

1 property is included in the assessment. Omitted real property for
2 the current and the 2 immediately preceding years, discovered after
3 the assessment roll has been completed, shall be added to the tax
4 roll pursuant to the procedures established in section 154. For
5 purposes of determining the taxable value of real property under
6 section 27a, the value of omitted real property is based on the
7 value and the ratio of taxable value to true cash value the omitted
8 real property would have had if the property had not been omitted.

9 (ii) Omitted personal property. As used in this subparagraph,
10 "omitted personal property" means previously existing tangible
11 personal property not included in the assessment. Omitted personal
12 property shall be added to the tax roll pursuant to section 154.

13 (iii) New construction. As used in this subparagraph, "new
14 construction" means property not in existence on the immediately
15 preceding tax day and not replacement construction. New
16 construction includes the physical addition of equipment or
17 furnishings, subject to the provisions set forth in section
18 27(2)(a) to (o). For purposes of determining the taxable value of
19 property under section 27a, the value of new construction is the
20 true cash value of the new construction multiplied by 0.50.

21 (iv) Previously exempt property. As used in this subparagraph,
22 "previously exempt property" means property that was exempt from ad
23 valorem taxation under this act on the immediately preceding tax
24 day but is subject to ad valorem taxation on the current tax day
25 under this act. For purposes of determining the taxable value of
26 real property under section 27a:

27 (A) The value of property previously exempt under section 7u

1 is the taxable value the entire parcel of property would have had
2 if that property had not been exempt, minus the product of the
3 entire parcel's taxable value in the immediately preceding year and
4 the lesser of 1.05 or the inflation rate.

5 (B) The taxable value of property that is a facility as that
6 term is defined in section 2 of 1974 PA 198, MCL 207.552, that was
7 previously exempt under section 7k is the taxable value that
8 property would have had under this act if it had not been exempt.

9 (C) The value of property previously exempt under any other
10 section of law is the true cash value of the previously exempt
11 property multiplied by 0.50.

12 (v) Replacement construction. As used in this subparagraph,
13 "replacement construction" means construction that replaced
14 property damaged or destroyed by accident or act of God and that
15 occurred after the immediately preceding tax day to the extent the
16 construction's true cash value does not exceed the true cash value
17 of property that was damaged or destroyed by accident or act of God
18 in the immediately preceding 3 years. For purposes of determining
19 the taxable value of property under section 27a, the value of the
20 replacement construction is the true cash value of the replacement
21 construction multiplied by a fraction the numerator of which is the
22 taxable value of the property to which the construction was added
23 in the immediately preceding year and the denominator of which is
24 the true cash value of the property to which the construction was
25 added in the immediately preceding year, and then multiplied by the
26 lesser of 1.05 or the inflation rate.

27 (vi) An increase in taxable value attributable to the complete

1 or partial remediation of environmental contamination existing on
2 the immediately preceding tax day. The department of environmental
3 quality shall determine the degree of remediation based on
4 information available in existing department of environmental
5 quality records or information made available to the department of
6 environmental quality if the ~~appropriate assessing officer~~ **ASSESSOR**
7 for a local tax collecting unit requests that determination. The
8 increase in taxable value attributable to the remediation is the
9 increase in true cash value attributable to the remediation
10 multiplied by a fraction the numerator of which is the taxable
11 value of the property had it not been contaminated and the
12 denominator of which is the true cash value of the property had it
13 not been contaminated.

14 (vii) An increase in the value attributable to the property's
15 occupancy rate if either a loss, as that term is defined in this
16 section, had been previously allowed because of a decrease in the
17 property's occupancy rate or if the value of new construction was
18 reduced because of a below-market occupancy rate. For purposes of
19 determining the taxable value of property under section 27a, the
20 value of an addition for the increased occupancy rate is the
21 product of the increase in the true cash value of the property
22 attributable to the increased occupancy rate multiplied by a
23 fraction the numerator of which is the taxable value of the
24 property in the immediately preceding year and the denominator of
25 which is the true cash value of the property in the immediately
26 preceding year, and then multiplied by the lesser of 1.05 or the
27 inflation rate.

1 (viii) Public services. As used in this subparagraph, "public
2 services" means water service, sewer service, a primary access
3 road, natural gas service, electrical service, telephone service,
4 sidewalks, or street lighting. For purposes of determining the
5 taxable value of real property under section 27a, the value of
6 public services is the amount of increase in true cash value of the
7 property attributable to the available public services multiplied
8 by 0.50 and shall be added in the calendar year following the
9 calendar year when those public services are initially available.

10 (c) For taxes levied after 1994, additions do not include
11 increased value attributable to any of the following:

12 (i) Platting, splits, or combinations of property.

13 (ii) A change in the zoning of property.

14 (iii) For the purposes of the calculation of the millage
15 reduction fraction under subsection (7) only, increased taxable
16 value under section 27a(3) **OR, FOR QUALIFIED AGRICULTURAL PROPERTY,**
17 **UNDER SECTION 27E(3)** after a transfer of ownership of property.

18 (d) "Assessed valuation of property as finally equalized"
19 means taxable value **AS DETERMINED** under section 27a.

20 (e) "Financial officer" means the officer responsible for
21 preparing the budget of a unit of local government.

22 (f) "General price level" means the annual average of the 12
23 monthly values for the United States consumer price index for all
24 urban consumers as defined and officially reported by the United
25 States department of labor, bureau of labor statistics.

26 (g) For taxes levied before 1995, "losses" means a decrease in
27 value caused by the removal or destruction of real or personal

1 property and the value of property taxed in the immediately
2 preceding year that has been exempted or removed from the
3 assessment unit's assessment roll.

4 (h) For taxes levied after 1994, "losses" means, except as
5 provided in subdivision (i), all of the following:

6 (i) Property that has been destroyed or removed. For purposes
7 of determining the taxable value of property under section 27a, the
8 value of property destroyed or removed is the product of the true
9 cash value of that property multiplied by a fraction the numerator
10 of which is the taxable value of that property in the immediately
11 preceding year and the denominator of which is the true cash value
12 of that property in the immediately preceding year.

13 (ii) Property that was subject to ad valorem taxation under
14 this act in the immediately preceding year that is now exempt from
15 ad valorem taxation under this act. For purposes of determining the
16 taxable value of property under section 27a, the value of property
17 exempted from ad valorem taxation under this act is the amount
18 exempted.

19 (iii) An adjustment in value, if any, because of a decrease in
20 the property's occupancy rate, to the extent provided by law. For
21 purposes of determining the taxable value of real property under
22 section 27a, the value of a loss for a decrease in the property's
23 occupancy rate is the product of the decrease in the true cash
24 value of the property attributable to the decreased occupancy rate
25 multiplied by a fraction the numerator of which is the taxable
26 value of the property in the immediately preceding year and the
27 denominator of which is the true cash value of the property in the

1 immediately preceding year.

2 (iv) A decrease in taxable value attributable to environmental
3 contamination existing on the immediately preceding tax day. The
4 department of environmental quality shall determine the degree to
5 which environmental contamination limits the use of property based
6 on information available in existing department of environmental
7 quality records or information made available to the department of
8 environmental quality if the ~~appropriate assessing officer~~ **ASSESSOR**
9 for a local tax collecting unit requests that determination. The
10 department of environmental quality's determination of the degree
11 to which environmental contamination limits the use of property
12 shall be based on the criteria established for the categories set
13 forth in section 20120a(1) of the natural resources and
14 environmental protection act, 1994 PA 451, MCL 324.20120a. The
15 decrease in taxable value attributable to the contamination is the
16 decrease in true cash value attributable to the contamination
17 multiplied by a fraction the numerator of which is the taxable
18 value of the property had it not been contaminated and the
19 denominator of which is the true cash value of the property had it
20 not been contaminated.

21 (i) For taxes levied after 1994, losses do not include
22 decreased value attributable to either of the following:

23 (i) Platting, splits, or combinations of property.

24 (ii) A change in the zoning of property.

25 (j) "New construction and improvements" means additions less
26 losses.

27 (k) "Current year" means the year for which the millage

1 limitation is being calculated.

2 (1) "Inflation rate" means the ratio of the general price level
3 for the state fiscal year ending in the calendar year immediately
4 preceding the current year divided by the general price level for
5 the state fiscal year ending in the calendar year before the year
6 immediately preceding the current year.

7 (2) On or before the first Monday in May of each year, the
8 ~~assessing officer~~ **ASSESSOR** of each township or city shall tabulate
9 the tentative taxable value as approved by the local board of
10 review and as modified by county equalization for each
11 classification of property that is separately equalized for each
12 unit of local government and provide the tabulated tentative
13 taxable values to the county equalization director. The tabulation
14 by the ~~assessing officer~~ **ASSESSOR** shall contain additions and
15 losses for each classification of property that is separately
16 equalized for each unit of local government or part of a unit of
17 local government in the township or city. If as a result of state
18 equalization the taxable value of property changes, the ~~assessing~~
19 ~~officer~~ **ASSESSOR** of each township or city shall revise the
20 calculations required by this subsection on or before the Friday
21 following the fourth Monday in May. The county equalization
22 director shall compute these amounts and the current and
23 immediately preceding year's taxable values for each classification
24 of property that is separately equalized for each unit of local
25 government that levies taxes under this act within the boundary of
26 the county. The county equalization director shall cooperate with
27 equalization directors of neighboring counties, as necessary, to

1 make the computation for units of local government located in more
2 than 1 county. The county equalization director shall calculate the
3 millage reduction fraction for each unit of local government in the
4 county for the current year. The financial officer for each taxing
5 jurisdiction shall calculate the compounded millage reduction
6 fractions beginning in 1980 resulting from the multiplication of
7 successive millage reduction fractions and shall recognize a local
8 voter action to increase the compounded millage reduction fraction
9 to a maximum of 1 as a new beginning fraction. Upon request of the
10 superintendent of the intermediate school district, the county
11 equalization director shall transmit the complete computations of
12 the taxable values to the superintendent of the intermediate school
13 district within that county. At the request of the presidents of
14 community colleges, the county equalization director shall transmit
15 the complete computations of the taxable values to the presidents
16 of community colleges within the county.

17 (3) On or before the first Monday in June of each year, the
18 county equalization director shall deliver the statement of the
19 computations signed by the county equalization director to the
20 county treasurer.

21 (4) On or before the second Monday in June of each year, the
22 treasurer of each county shall certify the immediately preceding
23 year's taxable values, the current year's taxable values, the
24 amount of additions and losses for the current year, and the
25 current year's millage reduction fraction for each unit of local
26 government that levies a property tax in the county.

27 (5) The financial officer of each unit of local government

1 shall make the computation of the tax rate using the data certified
2 by the county treasurer and the state tax commission. At the annual
3 session in October, the county board of commissioners shall not
4 authorize the levy of a tax unless the governing body of the taxing
5 jurisdiction has certified that the requested millage has been
6 reduced, if necessary, in compliance with section 31 of article IX
7 of the state constitution of 1963.

8 (6) The number of mills permitted to be levied in a tax year
9 is limited as provided in this section pursuant to section 31 of
10 article IX of the state constitution of 1963. A unit of local
11 government shall not levy a tax rate greater than the rate
12 determined by reducing its maximum rate or rates authorized by law
13 or charter by a millage reduction fraction as provided in this
14 section without voter approval.

15 (7) A millage reduction fraction shall be determined for each
16 year for each local unit of government. For ad valorem property
17 taxes that became a lien before January 1, 1983, the numerator of
18 the fraction shall be the total state equalized valuation for the
19 immediately preceding year multiplied by the inflation rate and the
20 denominator of the fraction shall be the total state equalized
21 valuation for the current year minus new construction and
22 improvements. For ad valorem property taxes that become a lien
23 after December 31, 1982 and through December 31, 1994, the
24 numerator of the fraction shall be the product of the difference
25 between the total state equalized valuation for the immediately
26 preceding year minus losses multiplied by the inflation rate and
27 the denominator of the fraction shall be the total state equalized

1 valuation for the current year minus additions. For ad valorem
2 property taxes that are levied after December 31, 1994, the
3 numerator of the fraction shall be the product of the difference
4 between the total taxable value for the immediately preceding year
5 minus losses multiplied by the inflation rate and the denominator
6 of the fraction shall be the total taxable value for the current
7 year minus additions. For each year after 1993, a millage reduction
8 fraction shall not exceed 1.

9 (8) The compounded millage reduction fraction for each year
10 after 1980 shall be calculated by multiplying the local unit's
11 previous year's compounded millage reduction fraction by the
12 current year's millage reduction fraction. Beginning with 1980 tax
13 levies, the compounded millage reduction fraction for the year
14 shall be multiplied by the maximum millage rate authorized by law
15 or charter for the unit of local government for the year, except as
16 provided by subsection (9). A compounded millage reduction fraction
17 shall not exceed 1.

18 (9) The millage reduction shall be determined separately for
19 authorized millage approved by the voters. The limitation on
20 millage authorized by the voters on or before April 30 of a year
21 shall be calculated beginning with the millage reduction fraction
22 for that year. Millage authorized by the voters after April 30
23 shall not be subject to a millage reduction until the year
24 following the voter authorization which shall be calculated
25 beginning with the millage reduction fraction for the year
26 following the authorization. The first millage reduction fraction
27 used in calculating the limitation on millage approved by the

1 voters after January 1, 1979 shall not exceed 1.

2 (10) A millage reduction fraction shall be applied separately
3 to the aggregate maximum millage rate authorized by a charter and
4 to each maximum millage rate authorized by state law for a specific
5 purpose.

6 (11) A unit of local government may submit to the voters for
7 their approval the levy in that year of a tax rate in excess of the
8 limit set by this section. The ballot question shall ask the voters
9 to approve the levy of a specific number of mills in excess of the
10 limit. The provisions of this section do not allow the levy of a
11 millage rate in excess of the maximum rate authorized by law or
12 charter. If the authorization to levy millage expires after 1993
13 and a local governmental unit is asking voters to renew the
14 authorization to levy the millage, the ballot question shall ask
15 for renewed authorization for the number of expiring mills as
16 reduced by the millage reduction required by this section. If the
17 election occurs before June 1 of a year, the millage reduction is
18 based on the immediately preceding year's millage reduction
19 applicable to that millage. If the election occurs after May 31 of
20 a year, the millage reduction shall be based on that year's millage
21 reduction applicable to that millage had it not expired.

22 (12) A reduction or limitation under this section shall not be
23 applied to taxes imposed for the payment of principal and interest
24 on bonds or other evidence of indebtedness or for the payment of
25 assessments or contract obligations in anticipation of which bonds
26 are issued that were authorized before December 23, 1978, as
27 provided by section 4 of chapter I of former 1943 PA 202, or to

1 taxes imposed for the payment of principal and interest on bonds or
2 other evidence of indebtedness or for the payment of assessments or
3 contract obligations in anticipation of which bonds are issued that
4 are approved by the voters after December 22, 1978.

5 (13) If it is determined subsequent to the levy of a tax that
6 an incorrect millage reduction fraction has been applied, the
7 amount of additional tax revenue or the shortage of tax revenue
8 shall be deducted from or added to the next regular tax levy for
9 that unit of local government after the determination of the
10 authorized rate pursuant to this section.

11 (14) If as a result of an appeal of county equalization or
12 state equalization the taxable value of a unit of local government
13 changes, the millage reduction fraction for the year shall be
14 recalculated. The financial officer shall effectuate an addition or
15 reduction of tax revenue in the same manner as prescribed in
16 subsection (13).

17 (15) The fractions calculated pursuant to this section shall
18 be rounded to 4 decimal places, except that the inflation rate
19 shall be computed by the state tax commission and shall be rounded
20 to 3 decimal places. The state tax commission shall publish the
21 inflation rate before March 1 of each year.

22 (16) Beginning with taxes levied in 1994, the millage
23 reduction required by section 31 of article IX of the state
24 constitution of 1963 shall permanently reduce the maximum rate or
25 rates authorized by law or charter. The reduced maximum authorized
26 rate or rates for 1994 shall equal the product of the maximum rate
27 or rates authorized by law or charter before application of this

1 section multiplied by the compounded millage reduction applicable
2 to that millage in 1994 pursuant to subsections (8) to (12). The
3 reduced maximum authorized rate or rates for 1995 and each year
4 after 1995 shall equal the product of the immediately preceding
5 year's reduced maximum authorized rate or rates multiplied by the
6 current year's millage reduction fraction and shall be adjusted for
7 millage for which authorization has expired and new authorized
8 millage approved by the voters pursuant to subsections (8) to (12).

9 Enacting section 1. Section 7a of the general property tax
10 act, 1893 PA 206, MCL 211.7a, is repealed.

11 Enacting section 2. This amendatory act does not take effect
12 unless Senate Joint Resolution _____ or House Joint Resolution D
13 (request no. 00262'07) of the 94th Legislature becomes a part
14 of the state constitution of 1963 as provided in section 1 of
15 article XII of the state constitution of 1963.