

HOUSE BILL No. 5926

September 22, 2016, Introduced by Rep. Price and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 27a (MCL 211.27a), as amended by 2015 PA 243.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27a. (1) Except as otherwise provided in this section,
2 property shall be assessed at 50% of its true cash value under
3 section 3 of article IX of the state constitution of 1963.

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

7 (a) The property's taxable value in the immediately preceding
8 year minus any losses, multiplied by the lesser of 1.05 or the
9 inflation rate, plus all additions. For taxes levied in 1995, the

1 property's taxable value in the immediately preceding year is the
2 property's state equalized valuation in 1994.

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

4 (3) Upon a transfer of ownership of property after 1994, the
5 property's taxable value for the calendar year following the year
6 of the transfer is the property's state equalized valuation for the
7 calendar year following the transfer.

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

26 (5) Assessment of property, as required in this section and
27 section 27, is inapplicable to the assessment of property subject

1 to the levy of ad valorem taxes within voted tax limitation
2 increases to pay principal and interest on limited tax bonds issued
3 by any governmental unit, including a county, township, community
4 college district, or school district, before January 1, 1964, if
5 the assessment required to be made under this act would be less
6 than the assessment as state equalized prevailing on the property
7 at the time of the issuance of the bonds. This inapplicability
8 continues until levy of taxes to pay principal and interest on the
9 bonds is no longer required. The assessment of property required by
10 this act applies for all other purposes.

11 (6) As used in this act, "transfer of ownership" means the
12 conveyance of title to or a present interest in property, including
13 the beneficial use of the property, the value of which is
14 substantially equal to the value of the fee interest. Transfer of
15 ownership of property includes, but is not limited to, the
16 following:

17 (a) A conveyance by deed.

18 (b) A conveyance by land contract. The taxable value of
19 property conveyed by a land contract executed after December 31,
20 1994 shall be adjusted under subsection (3) for the calendar year
21 following the year in which the contract is entered into and shall
22 not be subsequently adjusted under subsection (3) when the deed
23 conveying title to the property is recorded in the office of the
24 register of deeds in the county in which the property is located.

25 (c) A conveyance to a trust after December 31, 1994, except
26 under any of the following conditions:

27 (i) If the settlor or the settlor's spouse, or both, conveys

1 the property to the trust and the sole present beneficiary or
2 beneficiaries are the settlor or the settlor's spouse, or both.

3 (ii) Beginning December 31, 2014, for residential real
4 property, if the settlor or the settlor's spouse, or both, conveys
5 the residential real property to the trust and the sole present
6 beneficiary or beneficiaries are the settlor's or the settlor's
7 spouse's mother, father, brother, sister, son, daughter, adopted
8 son, adopted daughter, grandson, or granddaughter and the
9 residential real property is not used for any commercial purpose
10 following the conveyance. Upon request by the department of
11 treasury or the assessor, the sole present beneficiary or
12 beneficiaries shall furnish proof within 30 days that the sole
13 present beneficiary or beneficiaries meet the requirements of this
14 subparagraph. If a present beneficiary fails to comply with a
15 request by the department of treasury or assessor under this
16 subparagraph, that present beneficiary is subject to a fine of
17 \$200.00.

18 (d) A conveyance by distribution from a trust, except under
19 any of the following conditions:

20 (i) If the distributee is the sole present beneficiary or the
21 spouse of the sole present beneficiary, or both.

22 (ii) Beginning December 31, 2014, a distribution of
23 residential real property if the distributee is the settlor's or
24 the settlor's spouse's mother, father, brother, sister, son,
25 daughter, adopted son, adopted daughter, grandson, or granddaughter
26 and the residential real property is not used for any commercial
27 purpose following the conveyance. Upon request by the department of

1 treasury or the assessor, the sole present beneficiary or
2 beneficiaries shall furnish proof within 30 days that the sole
3 present beneficiary or beneficiaries meet the requirements of this
4 subparagraph. If a present beneficiary fails to comply with a
5 request by the department of treasury or assessor under this
6 subparagraph, that present beneficiary is subject to a fine of
7 \$200.00.

8 (e) A change in the sole present beneficiary or beneficiaries
9 of a trust, except under any of the following conditions:

10 (i) A change that adds or substitutes the spouse of the sole
11 present beneficiary.

12 (ii) Beginning December 31, 2014, for residential real
13 property, a change that adds or substitutes the settlor's or the
14 settlor's spouse's mother, father, brother, sister, son, daughter,
15 adopted son, adopted daughter, grandson, or granddaughter and the
16 residential real property is not used for any commercial purpose
17 following the conveyance. Upon request by the department of
18 treasury or the assessor, the sole present beneficiary or
19 beneficiaries shall furnish proof within 30 days that the sole
20 present beneficiary or beneficiaries meet the requirements of this
21 subparagraph. If a present beneficiary fails to comply with a
22 request by the department of treasury or assessor under this
23 subparagraph, that present beneficiary is subject to a fine of
24 \$200.00.

25 (f) A conveyance by distribution under a will or by intestate
26 succession, except under any of the following conditions:

27 (i) If the distributee is the decedent's spouse.

1 (ii) Beginning December 31, 2014, for residential real
2 property, if the distributee is the decedent's or the decedent's
3 spouse's mother, father, brother, sister, son, daughter, adopted
4 son, adopted daughter, grandson, or granddaughter and the
5 residential real property is not used for any commercial purpose
6 following the conveyance. Upon request by the department of
7 treasury or the assessor, the sole present beneficiary or
8 beneficiaries shall furnish proof within 30 days that the sole
9 present beneficiary or beneficiaries meet the requirements of this
10 subparagraph. If a present beneficiary fails to comply with a
11 request by the department of treasury or assessor under this
12 subparagraph, that present beneficiary is subject to a fine of
13 \$200.00.

14 (g) A conveyance by lease if the total duration of the lease,
15 including the initial term and all options for renewal, is more
16 than 35 years or the lease grants the lessee a bargain purchase
17 option. As used in this subdivision, "bargain purchase option"
18 means the right to purchase the property at the termination of the
19 lease for not more than 80% of the property's projected true cash
20 value at the termination of the lease. After December 31, 1994, the
21 taxable value of property conveyed by a lease with a total duration
22 of more than 35 years or with a bargain purchase option shall be
23 adjusted under subsection (3) for the calendar year following the
24 year in which the lease is entered into. This subdivision does not
25 apply to personal property except buildings described in section
26 14(6) and personal property described in section 8(h), (i), and
27 (j). This subdivision does not apply to that portion of the

1 property not subject to the leasehold interest conveyed.

2 (h) Except as otherwise provided in this subdivision, a
3 conveyance of an ownership interest in a corporation, partnership,
4 sole proprietorship, limited liability company, limited liability
5 partnership, or other legal entity if the ownership interest
6 conveyed is more than 50% of the corporation, partnership, sole
7 proprietorship, limited liability company, limited liability
8 partnership, or other legal entity. Unless notification is provided
9 under subsection (10), the corporation, partnership, sole
10 proprietorship, limited liability company, limited liability
11 partnership, or other legal entity shall notify the assessing
12 officer on a form provided by the state tax commission not more
13 than 45 days after a conveyance of an ownership interest that
14 constitutes a transfer of ownership under this subdivision. Both of
15 the following apply to a corporation subject to 1897 PA 230, MCL
16 455.1 to 455.24:

17 (i) A transfer of stock of the corporation is a transfer of
18 ownership only with respect to the real property that is assessed
19 to the transferor lessee stockholder.

20 (ii) A cumulative conveyance of more than 50% of the
21 corporation's stock does not constitute a transfer of ownership of
22 the corporation's real property.

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

26 (j) A conveyance of an ownership interest in a cooperative
27 housing corporation, except that portion of the property not

1 subject to the ownership interest conveyed.

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

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

5 (b) A transfer from a husband, a wife, or a married couple
6 creating or disjoining a tenancy by the entirety in the grantors
7 or the grantor and his or her spouse.

8 (c) Subject to subdivision (d), a transfer of that portion of
9 property subject to a life estate or life lease retained by the
10 transferor, until expiration or termination of the life estate or
11 life lease. That portion of property transferred that is not
12 subject to a life lease shall be adjusted under subsection (3).

13 (d) ~~Beginning December 31, 2014, a~~ **A** transfer of that portion
14 of ~~residential real~~ property that had been subject to a life estate
15 or life lease retained by the transferor resulting from expiration
16 or termination of that life estate or life lease, if the transferee
17 ~~is~~ **OR TRANSFEREES ARE ANY OF THE FOLLOWING:**

18 **(i) THE TRANSFEROR'S SPOUSE, OR A TRUST IF THE SOLE PRESENT**
19 **BENEFICIARY OF THE TRUST IS THE TRANSFEROR'S SPOUSE, OR AN ESTATE**
20 **IF THE PROPERTY IS DISTRIBUTED FROM THE ESTATE SOLELY TO THE**
21 **TRANSFEROR'S SPOUSE.**

22 **(ii) BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL**
23 **PROPERTY,** the transferor's or transferor's spouse's mother, father,
24 brother, sister, son, daughter, adopted son, adopted daughter,
25 grandson, or granddaughter, ~~and~~ **OR 1 OR MORE OF THESE INDIVIDUALS,**
26 **OR A TRUST IF THE SOLE PRESENT BENEFICIARY OR BENEFICIARIES OF THE**
27 **TRUST ARE 1 OR MORE OF THESE INDIVIDUALS, OR AN ESTATE IF THE**

1 **RESIDENTIAL REAL PROPERTY IS DISTRIBUTED FROM THE ESTATE SOLELY TO**
 2 **1 OR MORE OF THESE INDIVIDUALS. HOWEVER, THIS SUBPARAGRAPH APPLIES**
 3 **ONLY SO LONG AS** the residential real property is not used for any
 4 commercial purpose following the transfer. Upon request by the
 5 department of treasury or the assessor, ~~the~~ **A transferee, A TRUST**
 6 **BENEFICIARY, OR AN ESTATE DISTRIBUTE UNDER THIS SUBPARAGRAPH** shall
 7 furnish proof within 30 days that the ~~transferee meets the~~
 8 requirements of this ~~subdivision.~~ **SUBPARAGRAPH ARE MET.** If a
 9 ~~transferee~~ **THAT INDIVIDUAL** fails to comply with a ~~a~~ **THAT** request, by
 10 ~~the department of treasury or assessor under this subdivision, that~~
 11 ~~transferee~~ **HE OR SHE** is subject to a fine of \$200.00.

12 (e) A transfer through foreclosure or forfeiture of a recorded
 13 instrument under chapter 31, 32, or 57 of the revised judicature
 14 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701
 15 to 600.5759, or through deed or conveyance in lieu of a foreclosure
 16 or forfeiture, until the mortgagee or land contract vendor
 17 subsequently transfers the property. If a mortgagee does not
 18 transfer the property within 1 year of the expiration of any
 19 applicable redemption period, the property shall be adjusted under
 20 subsection (3).

21 (f) A transfer by redemption by the person to whom taxes are
 22 assessed of property previously sold for delinquent taxes.

23 (g) A conveyance to a trust if the settlor or the settlor's
 24 spouse, or both, conveys the property to the trust and any of the
 25 following conditions are satisfied:

26 (i) If the sole present beneficiary of the trust is the
 27 settlor or the settlor's spouse, or both.

1 (ii) Beginning December 31, 2014, for residential real
2 property, if the sole present beneficiary of the trust is the
3 settlor's or the settlor's spouse's mother, father, brother,
4 sister, son, daughter, adopted son, adopted daughter, grandson, or
5 granddaughter and the residential real property is not used for any
6 commercial purpose following the conveyance. Upon request by the
7 department of treasury or the assessor, the sole present
8 beneficiary or beneficiaries shall furnish proof within 30 days
9 that the sole present beneficiary or beneficiaries meet the
10 requirements of this subparagraph. If a present beneficiary fails
11 to comply with a request by the department of treasury or assessor
12 under this subparagraph, that present beneficiary is subject to a
13 fine of \$200.00.

14 (h) A transfer pursuant to a judgment or order of a court of
15 record making or ordering a transfer, unless a specific monetary
16 consideration is specified or ordered by the court for the
17 transfer.

18 (i) A transfer creating or terminating a joint tenancy between
19 2 or more persons if at least 1 of the persons was an original
20 owner of the property before the joint tenancy was initially
21 created and, if the property is held as a joint tenancy at the time
22 of conveyance, at least 1 of the persons was a joint tenant when
23 the joint tenancy was initially created and that person has
24 remained a joint tenant since the joint tenancy was initially
25 created. A joint owner at the time of the last transfer of
26 ownership of the property is an original owner of the property. For
27 purposes of this subdivision, a person is an original owner of

1 property owned by that person's spouse.

2 (j) A transfer for security or an assignment or discharge of a
3 security interest.

4 (k) A transfer of real property or other ownership interests
5 among members of an affiliated group. As used in this subsection,
6 "affiliated group" means 1 or more corporations connected by stock
7 ownership to a common parent corporation. Upon request by the state
8 tax commission, a corporation shall furnish proof within 45 days
9 that a transfer meets the requirements of this subdivision. A
10 corporation that fails to comply with a request by the state tax
11 commission under this subdivision is subject to a fine of \$200.00.

12 (l) Normal public trading of shares of stock or other
13 ownership interests that, over any period of time, cumulatively
14 represent more than 50% of the total ownership interest in a
15 corporation or other legal entity and are traded in multiple
16 transactions involving unrelated individuals, institutions, or
17 other legal entities.

18 (m) A transfer of real property or other ownership interests
19 among corporations, partnerships, limited liability companies,
20 limited liability partnerships, or other legal entities if the
21 entities involved are commonly controlled. Upon request by the
22 state tax commission, a corporation, partnership, limited liability
23 company, limited liability partnership, or other legal entity shall
24 furnish proof within 45 days that a transfer meets the requirements
25 of this subdivision. A corporation, partnership, limited liability
26 company, limited liability partnership, or other legal entity that
27 fails to comply with a request by the state tax commission under

1 this subdivision is subject to a fine of \$200.00.

2 (n) A direct or indirect transfer of real property or other
3 ownership interests resulting from a transaction that qualifies as
4 a tax-free reorganization under section 368 of the internal revenue
5 code, 26 USC 368. Upon request by the state tax commission, a
6 property owner shall furnish proof within 45 days that a transfer
7 meets the requirements of this subdivision. A property owner who
8 fails to comply with a request by the state tax commission under
9 this subdivision is subject to a fine of \$200.00.

10 (o) A transfer of qualified agricultural property, if the
11 person to whom the qualified agricultural property is transferred
12 files an affidavit with the assessor of the local tax collecting
13 unit in which the qualified agricultural property is located and
14 with the register of deeds for the county in which the qualified
15 agricultural property is located attesting that the qualified
16 agricultural property will remain qualified agricultural property.
17 The affidavit under this subdivision shall be in a form prescribed
18 by the department of treasury. An owner of qualified agricultural
19 property shall inform a prospective buyer of that qualified
20 agricultural property that the qualified agricultural property is
21 subject to the recapture tax provided in the agricultural property
22 recapture act, 2000 PA 261, MCL 211.1001 to 211.1007, if the
23 qualified agricultural property is converted by a change in use, as
24 that term is defined in section 2 of the agricultural property
25 recapture act, 2000 PA 261, MCL 211.1002. If property ceases to be
26 qualified agricultural property at any time after being
27 transferred, all of the following shall occur:

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

4 (ii) The property is subject to the recapture tax provided for
5 under the agricultural property recapture act, 2000 PA 261, MCL
6 211.1001 to 211.1007.

7 (p) A transfer of qualified forest property, if the person to
8 whom the qualified forest property is transferred files a qualified
9 forest taxable value affidavit with the assessor of the local tax
10 collecting unit in which the qualified forest property is located
11 and with the register of deeds for the county in which the
12 qualified forest property is located attesting that the qualified
13 forest property will remain qualified forest property. The
14 qualified forest taxable value affidavit under this subdivision
15 shall be in a form prescribed by the department of agriculture and
16 rural development. The qualified forest taxable value affidavit
17 shall include a legal description of the qualified forest property,
18 the name of the new property owner, the year the transfer of the
19 property occurred, a statement indicating that the property owner
20 is attesting that the property for which the exemption is claimed
21 is qualified forest property and will be managed according to the
22 approved forest management plan, and any other information
23 pertinent to the parcel and the property owner. The property owner
24 shall provide a copy of the qualified forest taxable value
25 affidavit to the department. The department shall provide 1 copy of
26 the qualified forest taxable value affidavit to the local tax
27 collecting unit, 1 copy to the conservation district, and 1 copy to

1 the department of treasury. These copies may be sent
2 electronically. The exception to the recognition of a transfer of
3 ownership, as herein stated, extends to the land only of the
4 qualified forest property. If qualified forest property is improved
5 by buildings, structures, or land improvements, then those
6 improvements shall be recognized as a transfer of ownership, in
7 accordance with the provisions of section 7jj[1]. An owner of
8 qualified forest property shall inform a prospective buyer of that
9 qualified forest property that the qualified forest property is
10 subject to the recapture tax provided in the qualified forest
11 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,
12 if the qualified forest property is converted by a change in use,
13 as that term is defined in section 2 of the qualified forest
14 property recapture tax act, 2006 PA 379, MCL 211.1032. If property
15 ceases to be qualified forest property at any time after being
16 transferred, all of the following shall occur:

17 (i) The taxable value of that property shall be adjusted under
18 subsection (3) as of the December 31 in the year that the property
19 ceases to be qualified forest property, except to the extent that
20 the transfer of the qualified forest property would not have been
21 considered a transfer of ownership under this subsection.

22 (ii) Except as otherwise provided in subparagraph (iii), the
23 property is subject to the recapture tax provided for under the
24 qualified forest property recapture tax act, 2006 PA 379, MCL
25 211.1031 to 211.1036.

26 (iii) Beginning June 1, 2013 and ending November 30, 2013,
27 owners of property enrolled as qualified forest property before

1 January 1, 2013 may execute a new qualified forest taxable value
2 affidavit with the department of agriculture and rural development.
3 If a landowner elects to execute a qualified forest taxable value
4 affidavit, that owner is not required to pay the \$50.00 fee
5 required under section 7jj[1](2). If a landowner elects not to
6 execute a qualified forest taxable value affidavit, the existing
7 affidavit shall be rescinded, without subjecting the property to
8 the recapture tax provided for under the qualified forest property
9 recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the
10 taxable value of that property shall be adjusted under subsection
11 (3).

12 (q) Beginning on December 8, 2006, a transfer of land, but not
13 buildings or structures located on the land, which meets 1 or more
14 of the following requirements:

15 (i) The land is subject to a conservation easement under
16 subpart 11 of part 21 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.2140 to 324.2144. As used in
18 this subparagraph, "conservation easement" means that term as
19 defined in section 2140 of the natural resources and environmental
20 protection act, 1994 PA 451, MCL 324.2140.

21 (ii) A transfer of ownership of the land or a transfer of an
22 interest in the land is eligible for a deduction as a qualified
23 conservation contribution under section 170(h) of the internal
24 revenue code, 26 USC 170.

25 (r) A transfer of real property or other ownership interests
26 resulting from a consolidation or merger of a domestic nonprofit
27 corporation that is a boy or girl scout or camp fire girls

1 organization, a 4-H club or foundation, a young men's Christian
2 association, or a young women's Christian association and at least
3 50% of the members of that organization or association are
4 residents of this state.

5 (s) A change to the assessment roll or tax roll resulting from
6 the application of section 16a of 1897 PA 230, MCL 455.16a.

7 (t) Beginning December 31, 2013 through December 30, 2014, a
8 transfer of residential real property if the transferee is related
9 to the transferor by blood or affinity to the first degree and the
10 use of the residential real property does not change following the
11 transfer.

12 (u) Beginning December 31, 2014, a transfer of residential
13 real property if the transferee is the transferor's or the
14 transferor's spouse's mother, father, brother, sister, son,
15 daughter, adopted son, adopted daughter, grandson, or granddaughter
16 and the residential real property is not used for any commercial
17 purpose following the conveyance. Upon request by the department of
18 treasury or the assessor, the transferee shall furnish proof within
19 30 days that the transferee meets the requirements of this
20 subdivision. If a transferee fails to comply with a request by the
21 department of treasury or assessor under this subdivision, that
22 transferee is subject to a fine of \$200.00.

23 (v) Beginning December 31, 2014, for residential real
24 property, a conveyance from a trust if the person to whom the
25 residential real property is conveyed is the settlor's or the
26 settlor's spouse's mother, father, brother, sister, son, daughter,
27 adopted son, adopted daughter, grandson, or granddaughter and the

1 residential real property is not used for any commercial purpose
2 following the conveyance. Upon request by the department of
3 treasury or the assessor, the sole present beneficiary or
4 beneficiaries shall furnish proof within 30 days that the sole
5 present beneficiary or beneficiaries meet the requirements of this
6 subdivision. If a present beneficiary fails to comply with a
7 request by the department of treasury or assessor under this
8 subdivision, that present beneficiary is subject to a fine of
9 \$200.00.

10 (w) Beginning on ~~the effective date of the amendatory act that~~
11 ~~added this subdivision,~~ **MARCH 31, 2015**, a conveyance of land by
12 distribution under a will or trust or by intestate succession, but
13 not buildings or structures located on the land, which meets 1 or
14 more of the following requirements:

15 (i) The land is made subject to a conservation easement under
16 subpart 11 of part 21 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.2140 to 324.2144, prior to the
18 conveyance by distribution under a will or trust or by intestate
19 succession. As used in this subparagraph, "conservation easement"
20 means that term as defined in section 2140 of the natural resources
21 and environmental protection act, 1994 PA 451, MCL 324.2140.

22 (ii) The land or an interest in the land is made eligible for
23 a deduction as a qualified conservation contribution under section
24 170(h) of the internal revenue code, 26 USC 170, prior to the
25 conveyance by distribution under a will or trust or by intestate
26 succession.

27 (x) A conveyance of property under section 2120a(6) of the

1 natural resources and environmental protection act, 1994 PA 451,
2 MCL 324.2120a.

3 (8) If all of the following conditions are satisfied, the
4 local tax collecting unit shall revise the taxable value of
5 qualified agricultural property taxable on the tax roll in the
6 possession of that local tax collecting unit to the taxable value
7 that qualified agricultural property would have had if there had
8 been no transfer of ownership of that qualified agricultural
9 property since December 31, 1999 and there had been no adjustment
10 of that qualified agricultural property's taxable value under
11 subsection (3) since December 31, 1999:

12 (a) The qualified agricultural property was qualified
13 agricultural property for taxes levied in 1999 and each year after
14 1999.

15 (b) The owner of the qualified agricultural property files an
16 affidavit with the assessor of the local tax collecting unit under
17 subsection (7)(o).

18 (9) If the taxable value of qualified agricultural property is
19 adjusted under subsection (8), the owner of that qualified
20 agricultural property is not entitled to a refund for any property
21 taxes collected under this act on that qualified agricultural
22 property before the adjustment under subsection (8).

23 (10) The register of deeds of the county where deeds or other
24 title documents are recorded shall notify the assessing officer of
25 the appropriate local taxing unit not less than once each month of
26 any recorded transaction involving the ownership of property and
27 shall make any recorded deeds or other title documents available to

1 that county's tax or equalization department. Unless notification
2 is provided under subsection (6), the buyer, grantee, or other
3 transferee of the property shall notify the appropriate assessing
4 office in the local unit of government in which the property is
5 located of the transfer of ownership of the property within 45 days
6 of the transfer of ownership, on a form prescribed by the state tax
7 commission that states the parties to the transfer, the date of the
8 transfer, the actual consideration for the transfer, and the
9 property's parcel identification number or legal description. Forms
10 filed in the assessing office of a local unit of government under
11 this subsection shall be made available to the county tax or
12 equalization department for the county in which that local unit of
13 government is located. This subsection does not apply to personal
14 property except buildings described in section 14(6) and personal
15 property described in section 8(h), (i), and (j).

16 (11) As used in this section:

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

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

21 (c) "Commercial purpose" means used in connection with any
22 business or other undertaking intended for profit, but does not
23 include the rental of residential real property for a period of
24 less than 15 days in a calendar year.

25 (d) "Inflation rate" means that term as defined in section
26 34d.

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

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

3 (g) "Qualified forest property" means that term as defined in
4 section 7jj[1].

5 (h) "Residential real property" means real property classified
6 as residential real property under section 34c.