

SUBSTITUTE FOR
SENATE BILL NO. 907

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7dd (MCL 211.7dd), as amended by 2011 PA 320.

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:
3 (i) A person who owns property or who is purchasing property
4 under a land contract.
5 (ii) A person who is a partial owner of property.
6 (iii) A person who owns property as a result of being a
7 beneficiary of a will or trust or as a result of intestate
8 succession.
9 (iv) A person who owns or is purchasing a dwelling on leased

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1 land.

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

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

6 (vii) The sole present beneficiary of a trust if the trust
7 purchased or acquired the property as a principal residence for the
8 sole present beneficiary of the trust, and the sole present
9 beneficiary of the trust is totally and permanently disabled. As
10 used in this subparagraph, "totally and permanently disabled" means
11 disability as defined in section 216 of title II of the social
12 security act, 42 USC 416, without regard as to whether the sole
13 present beneficiary of the trust has reached the age of retirement.

14 (viii) A cooperative housing corporation.

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

17 (x) A PRESENT BENEFICIARY OF A TRUST IF THE TRUST OWNS THE
18 PROPERTY AND IT IS THE PRINCIPAL RESIDENCE OF THE PRESENT
19 BENEFICIARY.

<<(xi) BEFORE CLAIMING AN EXEMPTION UNDER SECTION 7CC, THE
PRESENT BENEFICIARY OF THE TRUST FILES AN AFFIDAVIT WITH THE
ASSESSOR OF THE LOCAL TAX COLLECTING UNIT NOTIFYING THE ASSESSOR THAT
THE PRESENT BENEFICIARY IS CLAIMING AN EXEMPTION UNDER SECTION 7CC
FOR PROPERTY OWNED BY THE TRUST. THE AFFIDAVIT SHALL BE IN A FORM
PRESCRIBED BY THE DEPARTMENT OF TREASURY. THE AFFIDAVIT SHALL INCLUDE
THE PRESENT BENEFICIARY'S NAME, THE ADDRESS OF THE PROPERTY FOR
WHICH AN EXEMPTION UNDER SECTION 7CC IS CLAIMED, AND A STATEMENT
THAT THE PRESENT BENEFICIARY HAS MET ALL REQUIREMENTS FOR AN
EXEMPTION UNDER SECTION 7CC.>>

20 (b) "Person", for purposes of defining owner as used in
21 section 7cc, means an individual and for purposes of defining owner
22 as used in section 7ee means an individual, partnership,
23 corporation, limited liability company, association, or other legal
24 entity.

25 (c) "Principal residence" means the 1 place where an owner of
26 the property has his or her true, fixed, and permanent home to
27 which, whenever absent, he or she intends to return and that shall

1 continue as a principal residence until another principal residence
2 is established. Except as otherwise provided in this subdivision,
3 principal residence includes only that portion of a dwelling or
4 unit in a multiple-unit dwelling that is subject to ad valorem
5 taxes and that is owned and occupied by an owner of the dwelling or
6 unit. Principal residence also includes all of an owner's
7 unoccupied property classified as residential that is adjoining or
8 contiguous to the dwelling subject to ad valorem taxes and that is
9 owned and occupied by the owner. Beginning December 31, 2007,
10 principal residence also includes all of an owner's unoccupied
11 property classified as timber-cutover real property under section
12 34c that is adjoining or contiguous to the dwelling subject to ad
13 valorem taxes and that is owned and occupied by the owner.
14 Contiguity is not broken by a road, a right-of-way, or property
15 purchased or taken under condemnation proceedings by a public
16 utility for power transmission lines if the 2 parcels separated by
17 the purchased or condemned property were a single parcel prior to
18 the sale or condemnation. Except as otherwise provided in this
19 subdivision, principal residence also includes any portion of a
20 dwelling or unit of an owner that is rented or leased to another
21 person as a residence as long as that portion of the dwelling or
22 unit that is rented or leased is less than 50% of the total square
23 footage of living space in that dwelling or unit. Principal
24 residence also includes a life care facility registered under the
25 living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844.
26 Principal residence also includes property owned by a cooperative
27 housing corporation and occupied by tenant stockholders. Property

1 that qualified as a principal residence shall continue to qualify
2 as a principal residence for 3 years after all or any portion of
3 the dwelling or unit included in or constituting the principal
4 residence is rented or leased to another person as a residence if
5 all of the following conditions are satisfied:

6 (i) The owner of the dwelling or unit is absent while on active
7 duty in the armed forces of the United States.

8 (ii) The dwelling or unit would otherwise qualify as the
9 owner's principal residence.

10 (iii) Except as otherwise provided in this subparagraph, the
11 owner files an affidavit with the assessor of the local tax
12 collecting unit on or before May 1 attesting that it is his or her
13 intent to occupy the dwelling or unit as a principal residence upon
14 completion of active duty in the armed forces of the United States.
15 In 2008 only, the owner may file an affidavit under this
16 subparagraph on or before December 31. A copy of an affidavit filed
17 under this subparagraph shall be forwarded to the department of
18 treasury pursuant to a schedule prescribed by the department of
19 treasury.

20 (d) "Qualified agricultural property" means unoccupied
21 property and related buildings classified as agricultural, or other
22 unoccupied property and related buildings located on that property
23 devoted primarily to agricultural use as defined in section 36101
24 of the natural resources and environmental protection act, 1994 PA
25 451, MCL 324.36101. Related buildings include a residence occupied
26 by a person employed in or actively involved in the agricultural
27 use and who has not claimed a principal residence exemption on

1 other property. For taxes levied after December 31, 2008, property
2 shall not lose its status as qualified agricultural property as a
3 result of an owner or lessee of that property implementing a
4 wildlife risk mitigation action plan. Notwithstanding any other
5 provision of this act to the contrary, if after December 31, 2008
6 the classification of property was changed as a result of the
7 implementation of a wildlife risk mitigation action plan, the owner
8 of that property may appeal that change in classification to the
9 board of review under section 30 in the year in which the
10 amendatory act that added this sentence takes effect or in the 3
11 immediately succeeding years. Within 30 days of the effective date
12 of the amendatory act that added the immediately preceding
13 sentence, the department of treasury shall update its publication
14 entitled "Qualified Agricultural Property Exemption Guidelines" and
15 shall post that updated publication on the department of treasury
16 website. Property used for commercial storage, commercial
17 processing, commercial distribution, commercial marketing, or
18 commercial shipping operations or other commercial or industrial
19 purposes is not qualified agricultural property. A parcel of
20 property is devoted primarily to agricultural use only if more than
21 50% of the parcel's acreage is devoted to agricultural use. An
22 owner shall not receive an exemption for that portion of the total
23 state equalized valuation of the property that is used for a
24 commercial or industrial purpose or that is a residence that is not
25 a related building. As used in this subdivision:

26 (i) "Project" means certain risk mitigating measures, which may
27 include, but are not limited to, the following:

1 (A) Making it difficult for wildlife to access feed by storing
2 livestock feed securely, restricting wildlife access to feeding and
3 watering areas, and deterring or reducing wildlife presence around
4 livestock feed by storing feed in an enclosed barn, wrapping bales
5 or covering stacks with tarps, closing ends of bags, storing grains
6 in animal-proof containers or bins, maintaining fences, practicing
7 small mammal and rodent control, or feeding away from wildlife
8 cover.

9 (B) Minimizing wildlife access to livestock feed and water by
10 feeding livestock in an enclosed area, feeding in open areas near
11 buildings and human activity, removing extra or waste feed when
12 livestock are moved, using hay feeders to reduce waste, using
13 artificial water systems to help keep livestock from sharing water
14 sources with wildlife, fencing off stagnant ponds, wetlands, or
15 areas of wildlife habitats that pose a disease risk, and keeping
16 mineral feeders near buildings and human activity or using devices
17 that restrict wildlife usage.

18 (ii) "Wildlife risk mitigation action plan" means a written
19 plan consisting of 1 or more projects to help reduce the risks of a
20 communicable disease spreading between wildlife and livestock that
21 is approved by the department of agriculture under the animal
22 industry act, 1988 PA 466, MCL 287.701 to ~~287.745~~**287.746**.