

**SUBSTITUTE FOR
SENATE BILL NO. 55**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7dd (MCL 211.7dd), as amended by 2012 PA 324.

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
10 land.

11 (v) A person holding a life lease in property previously sold

1 or transferred to another.

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

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

12 (viii) A cooperative housing corporation.

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

15 (b) "Person", for purposes of defining owner as used in
16 section 7cc, means an individual and for purposes of defining owner
17 as used in section 7ee means an individual, partnership,
18 corporation, limited liability company, association, or other legal
19 entity.

20 (c) "Principal residence" means the 1 place where an owner of
21 the property has his or her true, fixed, and permanent home to
22 which, whenever absent, he or she intends to return and that shall
23 continue as a principal residence until another principal residence
24 is established. Except as otherwise provided in this subdivision,
25 principal residence includes only that portion of a dwelling or
26 unit in a multiple-unit dwelling that is subject to ad valorem
27 taxes and that is owned and occupied by an owner of the dwelling or

1 unit. Principal residence also includes all of an owner's
2 unoccupied property classified as residential that is adjoining or
3 contiguous to the dwelling subject to ad valorem taxes and that is
4 owned and occupied by the owner. Beginning December 31, 2007,
5 principal residence also includes all of an owner's unoccupied
6 property classified as timber-cutover real property under section
7 34c that is adjoining or contiguous to the dwelling subject to ad
8 valorem taxes and that is owned and occupied by the owner.

9 Contiguity is not broken by boundary between local tax collecting
10 units, a road, a right-of-way, or property purchased or taken under
11 condemnation proceedings by a public utility for power transmission
12 lines if the 2 parcels separated by the purchased or condemned
13 property were a single parcel prior to the sale or condemnation.
14 Except as otherwise provided in this subdivision, principal
15 residence also includes any portion of a dwelling or unit of an
16 owner that is rented or leased to another person as a residence as
17 long as that portion of the dwelling or unit that is rented or
18 leased is less than 50% of the total square footage of living space
19 in that dwelling or unit. Principal residence also includes a life
20 care facility registered under the living care disclosure act, 1976
21 PA 440, MCL 554.801 to 554.844. Principal residence also includes
22 property owned by a cooperative housing corporation and occupied by
23 tenant stockholders. Property that qualified as a principal
24 residence shall continue to qualify as a principal residence for 3
25 years after all or any portion of the dwelling or unit included in
26 or constituting the principal residence is rented or leased to
27 another person as a residence if all of the following conditions

1 are satisfied:

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

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

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

16 (d) "Qualified agricultural property" means unoccupied
17 property and related buildings classified as agricultural, or other
18 unoccupied property and related buildings located on that property
19 devoted primarily to agricultural use as defined in section 36101
20 of the natural resources and environmental protection act, 1994 PA
21 451, MCL 324.36101. Related buildings include a residence occupied
22 by a person employed in or actively involved in the agricultural
23 use and who has not claimed a principal residence exemption on
24 other property. For taxes levied after December 31, 2008, property
25 shall not lose its status as qualified agricultural property as a
26 result of an owner or lessee of that property implementing a
27 wildlife risk mitigation action plan. Notwithstanding any other

1 provision of this act to the contrary, if after December 31, 2008
2 the classification of property was changed as a result of the
3 implementation of a wildlife risk mitigation action plan, the owner
4 of that property may appeal that change in classification to the
5 board of review under section 30 in the year in which the
6 amendatory act that added this sentence takes effect or in the 3
7 immediately succeeding years. Within 30 days of the effective date
8 of the amendatory act that added the immediately preceding
9 sentence, the department of treasury shall update its publication
10 entitled "Qualified Agricultural Property Exemption Guidelines" and
11 shall post that updated publication on the department of treasury
12 website. Property used for commercial storage, commercial
13 processing, commercial distribution, commercial marketing, or
14 commercial shipping operations or other commercial or industrial
15 purposes is not qualified agricultural property. A parcel of
16 property is devoted primarily to agricultural use only if more than
17 50% of the parcel's acreage is devoted to agricultural use **OR IF**
18 **MORE THAN 50% OF THE PARCEL'S ACREAGE IS DEVOTED TO A COMBINATION**
19 **OF AGRICULTURAL USE AND IS EXEMPT UNDER SECTION 7JJ[1] AS QUALIFIED**
20 **FOREST PROPERTY.** An owner shall not receive an exemption for that
21 portion of the total state equalized valuation of the property that
22 is used for a commercial or industrial purpose or that is a
23 residence that is not a related building. As used in this
24 subdivision:

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

27 (A) Making it difficult for wildlife to access feed by storing

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

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

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

22 Enacting section 1. This amendatory act takes effect June 1,
23 2013.