



# HOUSE BILL No. 5779

May 11, 2000, Introduced by Reps. Green, Julian, Sheltroun, Mans, Geiger, Howell, Jelinek, Ehardt, Pappageorge, Rick Johnson, DeWeese, Gilbert, Koetje, Vear, Bradstreet, Mortimer, Brewer, DeVuyst and Birkholz and referred to the Committee on Agriculture and Resource Management.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 7dd, 7ee, 10, 24, 24c, 27a, 27b, 27c, 31,  
34, 34c, 34d, and 44 (MCL 211.7dd, 211.7ee, 211.10, 211.24,  
211.24c, 211.27a, 211.27b, 211.27c, 211.31, 211.34, 211.34c,  
211.34d, and 211.44), sections 7dd, 7ee, 24c, 27a, 27b, 34c, and  
34d as amended and section 27c as added by 1996 PA 476, sections  
10 and 24 as amended by 1994 PA 415, section 34 as amended by  
1986 PA 105, and section 44 as amended by 1996 PA 57, and by  
adding sections 7gg, 7hh, and 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) "Homestead" means that portion of a dwelling or unit in  
3 a multiple-unit dwelling that is subject to ad valorem taxes and  
4 is owned and occupied as a principal residence by an owner of the  
5 dwelling or unit. Homestead also includes all of an owner's  
6 unoccupied property classified as residential that is adjoining  
7 or contiguous to the dwelling subject to ad valorem taxes and  
8 that is owned and occupied as a principal residence by the  
9 owner. Contiguity is not broken by a road, a right-of-way, or  
10 property purchased or taken under condemnation proceedings by a  
11 public utility for power transmission lines if the 2 parcels sep-  
12 arated by the purchased or condemned property were a single  
13 parcel prior to the sale or condemnation. Homestead also  
14 includes any portion of a principal residence of an owner that is  
15 rented or leased to another person as a residence as long as that  
16 portion of the principal residence that is rented or leased is  
17 less than 50% of the total square footage of living space in that  
18 principal residence. Homestead also includes a life care facil-  
19 ity registered under the living care disclosure act, ~~Act No. 440~~  
20 ~~of the Public Acts of 1976, being sections 554.801 to 554.844 of~~  
21 ~~the Michigan Compiled Laws 1976 PA 440, MCL 554.801 TO 554.844.~~  
22 Homestead also includes property owned by a cooperative housing  
23 corporation and occupied as a principal residence by tenant  
24 stockholders.

25       (b) "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 ben-  
5 eficiary 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  
10 sold or transferred to another.

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

13 (vii) A cooperative housing corporation.

14 (viii) A facility registered under ~~Act No. 440 of the~~  
15 ~~Public Acts of 1976~~ THE LIVING CARE DISCLOSURE ACT, 1976 PA 440,  
16 MCL 554.801 TO 554.844.

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

22 (d) "Principal residence" means the 1 place where a person  
23 has his or her true, fixed, and permanent home to which, whenever  
24 absent, he or she intends to return and that shall continue as a  
25 principal residence until another principal residence is  
26 established.

1 (e) "Qualified agricultural property" means unoccupied  
2 property and related buildings classified as agricultural REAL  
3 PROPERTY, or other unoccupied property and related buildings  
4 located on that property devoted primarily to agricultural use as  
5 defined in section ~~36101 of part 361 (farmland and open space~~  
6 ~~preservation) of the natural resources and environmental protec-~~  
7 ~~tion act, Act No. 451 of the Public Acts of 1994, being section~~  
8 ~~324.36101 of the Michigan Compiled Laws~~ 34C. Related buildings  
9 include a residence occupied by a person employed in or actively  
10 involved in the agricultural use and who has not claimed a home-  
11 stead exemption on other property. Property used for commercial  
12 storage, commercial processing, commercial distribution, commer-  
13 cial marketing, or commercial shipping operations or other com-  
14 mercial or industrial purposes is not qualified agricultural  
15 property. A parcel of property is devoted primarily to agricul-  
16 tural use only if more than 50% of the parcel's acreage is  
17 devoted to agricultural use. An owner shall not receive an  
18 exemption for that portion of the total state equalized valuation  
19 of the property that is used for a commercial or industrial pur-  
20 pose or that is a residence that is not a related building.

21 Sec. 7ee. (1) Qualified agricultural property is exempt  
22 from the tax levied by a local school district for school operat-  
23 ing purposes to the extent provided under section 1211 of the  
24 revised school code, ~~Act No. 451 of the Public Acts of 1976,~~  
25 ~~being section 380.1211 of the Michigan Compiled Laws~~ 1976 PA  
26 451, MCL 380.1211, according to the provisions of this section.

1       (2) Qualified agricultural property that is classified as  
2 agricultural REAL PROPERTY under section 34c is exempt under  
3 subsection (1) and the owner is not required to file an affidavit  
4 claiming an exemption with the local tax collecting unit unless  
5 requested by the assessor to determine whether the property  
6 includes structures that are not exempt under this section. To  
7 claim an exemption under subsection (1) for qualified agricul-  
8 tural property that is not classified as agricultural REAL  
9 PROPERTY under section 34c, the owner shall file an affidavit  
10 claiming the exemption with the local tax collecting unit by  
11 May 1 FOR TAXES LEVIED BEFORE JANUARY 1, 2001 AND BY TAX DAY AS  
12 PROVIDED IN SECTION 2 FOR TAXES LEVIED AFTER DECEMBER 31, 2000.  
13 However, if an affidavit claiming a homestead exemption on quali-  
14 fied agricultural property not classified as agricultural REAL  
15 PROPERTY was not filed by May 1 in 1994, the owner shall file an  
16 affidavit under this section by June 1, 1994.

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

19       (4) For property classified as agricultural REAL PROPERTY,  
20 and upon receipt of an affidavit filed under subsection (2) for  
21 property not classified as agricultural REAL PROPERTY, the asses-  
22 sor shall determine if the property is qualified agricultural  
23 property and if so shall exempt the property from the collection  
24 of the tax as provided in subsection (1) until December 31 of the  
25 year in which the property is no longer qualified agricultural  
26 property as defined in section 7dd. An owner is required to file

1 a new claim for exemption on the same property as requested by  
2 the assessor under subsection (2).

3 (5) Not more than 90 days after all or a portion of the  
4 exempted property is no longer qualified agricultural property,  
5 the owner shall rescind the exemption for the applicable portion  
6 of the property by filing with the local tax collecting unit a  
7 rescission form prescribed by the department of treasury.  
8 Beginning October 1, 1994, an owner who fails to file a rescis-  
9 sion as required by this subsection is subject to a penalty of  
10 \$5.00 per day for each separate failure beginning after the 90  
11 days have elapsed, up to a maximum of \$200.00. This penalty  
12 shall be collected under ~~Act No. 122 of the Public Acts of 1941,~~  
13 ~~being sections 205.1 to 205.31 of the Michigan Compiled Laws~~  
14 ~~1941 PA 122, MCL 205.1 TO 205.31,~~ and shall be deposited in the  
15 state school aid fund established in section 11 of article IX of  
16 the state constitution of 1963. This penalty may be waived by  
17 the department of treasury.

18 (6) An owner of property that is qualified agricultural  
19 property on May 1 for which an exemption was not on the tax roll  
20 may file an appeal with the July or December board of review in  
21 the year the exemption was claimed or the immediately succeeding  
22 year. An owner of property that is qualified agricultural prop-  
23 erty ~~on May 1~~ for which an exemption was denied by the assessor  
24 in the year the affidavit was filed, may file an appeal with the  
25 July board of review for summer taxes or, if there is not a  
26 summer levy of school operating taxes, with the December COUNTY  
27 QUALIFIED AGRICULTURAL PROPERTY board of review.

1       (7) If the assessor of the local tax collecting unit  
2 believes that the property for which an exemption has been  
3 granted is not qualified agricultural property, effective for  
4 taxes levied after 1994, the assessor may deny or modify an  
5 existing exemption by notifying the owner in writing at the time  
6 required for providing a notice under section 24c. A taxpayer  
7 may appeal the assessor's determination to the board of review  
8 meeting under section 30. A decision of the board of review may  
9 be appealed to the residential and small claims division of the  
10 Michigan tax tribunal.

11       (8) If an exemption under this section is erroneously grant-  
12 ed, an owner may request in writing that the local tax collecting  
13 unit withdraw the exemption. If an owner requests that an exemp-  
14 tion be withdrawn, the local assessor shall notify the owner that  
15 the exemption issued under this section has been denied based on  
16 that owner's request. If an exemption is withdrawn, the property  
17 that had been subject to that exemption shall be immediately  
18 placed on the tax roll by the local tax collecting unit if the  
19 local tax collecting unit has possession of the tax roll or by  
20 the county treasurer if the county has possession of the tax roll  
21 as though the exemption had not been granted. A corrected tax  
22 bill shall be issued for the tax year being adjusted by the local  
23 tax collecting unit if the local tax collecting unit has posses-  
24 sion of the tax roll or by the county treasurer if the county has  
25 possession of the tax roll. If an owner requests that an exemp-  
26 tion under this section be withdrawn before that owner is  
27 contacted in writing by the local assessor regarding that owner's

1 eligibility for the exemption and that owner pays the corrected  
2 tax bill issued under this subsection within 30 days after the  
3 corrected tax bill is issued, that owner is not liable for any  
4 penalty or interest on the additional tax. An owner who pays a  
5 corrected tax bill issued under this subsection more than 30 days  
6 after the corrected tax bill is issued is liable for the penal-  
7 ties and interest that would have accrued if the exemption had  
8 not been granted from the date the taxes were originally levied.

9       (9) An owner of qualified agricultural property for which an  
10 exemption was on the tax roll in 1995 and each year after 1995  
11 and for which an exemption was not on the tax roll in 1994 may  
12 appeal to the July or December board of review in 1997 to have an  
13 exemption placed on the 1994 tax roll if all of the following  
14 conditions are satisfied:

15       (a) The qualified agricultural property was qualified agri-  
16 cultural property in 1994 and has been qualified agricultural  
17 property since 1994.

18       (b) The owner owned that qualified agricultural property on  
19 May 1, 1994.

20       (c) If a claim of exemption was denied in 1994, the owner  
21 did not timely appeal that denial as provided in this section.

22       (d) The owner has owned that qualified agricultural property  
23 since 1994.

24       (10) If the July or December board of review in 1997 grants  
25 a claim of exemption for 1994 under subsection (9), the county  
26 treasurer with possession of the tax roll being adjusted shall  
27 amend the 1994 tax roll to reflect the exemption and shall issue



1 a corrected tax bill exempting that qualified agricultural  
2 property from the tax levied in 1994 for school operating pur-  
3 poses to the extent provided under section 1211 of ~~Act No. 451~~  
4 ~~of the Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451,  
5 MCL 380.1211, pursuant to subsection (1).

6 (11) If the July or December board of review in 1997 denies  
7 a claim of exemption for 1994 under subsection (9), an owner may  
8 appeal that denial to the residential and small claims division  
9 of the Michigan tax tribunal within 35 days of that denial.

10 (12) AN OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL  
11 INFORM A PROSPECTIVE BUYER OF THAT QUALIFIED AGRICULTURAL PROP-  
12 ERTY THAT IF THE QUALIFIED AGRICULTURAL PROPERTY IS CONVERTED BY  
13 A CHANGE IN USE THE QUALIFIED AGRICULTURAL PROPERTY IS SUBJECT TO  
14 THE RECAPTURE TAX PROVIDED IN THE AGRICULTURAL PROPERTY RECAPTURE  
15 ACT. AS USED IN THIS SUBSECTION, "CONVERTED BY A CHANGE IN USE"  
16 MEANS THAT TERM AS DEFINED IN THE AGRICULTURAL PROPERTY RECAPTURE  
17 ACT.

18 SEC. 7GG. (1) A GREENHOUSE, BUT NOT THE LAND ON WHICH IT IS  
19 LOCATED, AND ALL FLOWERING, NURSERY, OR VEGETABLE PLANTS LOCATED  
20 WITHIN THE GREENHOUSE ARE EXEMPT FROM THE COLLECTION OF TAXES  
21 UNDER THIS ACT.

22 (2) AS USED IN THIS SECTION, "GREENHOUSE" MEANS A STRUCTURE  
23 OR ENCLOSURE CONSISTING OF A WOOD, FIBERGLASS, OR METAL FRAME  
24 WITH A GLASS, PLASTIC, ACRYLIC, POLYCARBONATE, POLYETHYLENE, OR  
25 SIMILAR COVERING, THAT IS DESIGNED TO REGULATE CLIMATIC CONDI-  
26 TIONS IN ORDER TO GERMINATE, GROW, OR STORE FLOWERING, NURSERY,  
27 OR VEGETABLE PLANTS.

1        SEC. 7HH. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2000,  
2 RESIDENTIAL DEVELOPMENT PROPERTY IS EXEMPT FROM THE COLLECTION OF  
3 TAXES LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING PUR-  
4 POSES UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976 PA 451,  
5 MCL 380.1211, TO THE SAME EXTENT THAT A HOMESTEAD IS EXEMPT UNDER  
6 SECTION 7CC FROM TAXES LEVIED BY A LOCAL SCHOOL DISTRICT FOR  
7 SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE REVISED  
8 SCHOOL CODE, 1976 PA 451, MCL 380.1211.

9        (2) AS USED IN THIS SECTION:

10        (A) "HOMESTEAD" MEANS THAT TERM AS DEFINED IN SECTION 7DD.

11        (B) "RESIDENTIAL DEVELOPMENT PROPERTY" MEANS REAL PROPERTY  
12 THAT MEETS ALL OF THE FOLLOWING CRITERIA:

13        (i) IS CLASSIFIED AS RESIDENTIAL REAL PROPERTY UNDER SECTION  
14 34C.

15        (ii) IS SUBJECT TO 1 OF THE FOLLOWING CONDITIONS:

16        (A) A FINAL PLAT FOR THE REAL PROPERTY IS RECORDED PURSUANT  
17 TO THE LAND DIVISION ACT, 1967 PA 288, MCL 560.101 TO 560.293,  
18 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS  
19 SECTION.

20        (B) A CONDOMINIUM SUBDIVISION PLAN IS COMPLETED AND A MASTER  
21 DEED FOR ALL OR A PORTION OF THE REAL PROPERTY IS RECORDED PURSU-  
22 ANT TO THE CONDOMINIUM ACT, 1978 PA 59, MCL 559.101 TO 559.275,  
23 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS  
24 SECTION.

25        (iii) A RESIDENTIAL DWELLING OR CONDOMINIUM UNIT THAT IS  
26 OCCUPIED OR THAT HAS EVER BEEN OCCUPIED IS NOT LOCATED ON THE  
27 REAL PROPERTY. RESIDENTIAL DEVELOPMENT PROPERTY MAY INCLUDE

1 PROPERTY ON WHICH IS LOCATED A PARTIALLY COMPLETED RESIDENTIAL  
2 DWELLING OR A PARTIALLY COMPLETED CONDOMINIUM UNIT, OR A FULLY  
3 COMPLETED RESIDENTIAL DWELLING THAT IS NOT OCCUPIED AND HAS NEVER  
4 BEEN OCCUPIED OR A FULLY COMPLETED CONDOMINIUM UNIT THAT IS NOT  
5 OCCUPIED AND HAS NEVER BEEN OCCUPIED. RESIDENTIAL DEVELOPMENT  
6 PROPERTY DOES NOT INCLUDE PROPERTY ON WHICH IS LOCATED A RESIDEN-  
7 TIAL DWELLING OR CONDOMINIUM UNIT USED FOR COMMERCIAL PURPOSES OR  
8 AS AN OFFICE, SHOWROOM, OR MODEL.

9       Sec. 10. (1) An assessment of all the property in the state  
10 liable to taxation shall be made annually in all townships, vil-  
11 lages, and cities by the ~~applicable~~ APPROPRIATE assessing offi-  
12 cer as provided in section 3 of article IX of the state constitu-  
13 tion of 1963 and section 27a.

14       (2) Notwithstanding any provision to the contrary in the act  
15 of incorporation or charter of a village, an assessment for vil-  
16 lage taxes shall be identical to the assessment made by the  
17 ~~applicable~~ APPROPRIATE assessing officer of the township in  
18 which the village is located, and tax statements shall set forth  
19 clearly the state equalized ~~value~~ VALUATION OR AGRICULTURAL USE  
20 VALUE FOR QUALIFIED AGRICULTURAL PROPERTY and the taxable value  
21 of the individual properties in the village upon which authorized  
22 millages are levied.

23       (3) If a nonresident of the taxing unit requests in writing  
24 information regarding the assessment of his or her property, the  
25 ~~supervisor or~~ APPROPRIATE assessing officer shall reply to the  
26 request within a reasonable length of time.

1        Sec. 24. (1) On or before the first Monday in March in each  
2 year, the ~~supervisor or~~ assessor shall make and complete an  
3 assessment roll, upon which he or she shall set down the name and  
4 address of every person liable to be taxed in the ~~township or~~  
5 ~~assessment district~~ LOCAL TAX COLLECTING UNIT with a full  
6 description of all the real property liable to be taxed. If the  
7 name of the owner or occupant of any tract or parcel of real  
8 property is known, the assessor shall enter the name and address  
9 of the owner or occupant opposite to the description of the  
10 property. If unknown, the real property described upon the roll  
11 shall be assessed as "owner unknown". All contiguous subdivi-  
12 sions of any section that are owned by 1 person, firm, corpora-  
13 tion, or other legal entity and all unimproved lots in any block  
14 that are contiguous and owned by 1 person, firm, corporation, or  
15 other legal entity shall be assessed as 1 parcel, unless demand  
16 in writing is made by the owner or occupant to have each subdivi-  
17 sion of the section or each lot assessed separately. However,  
18 failure to assess contiguous parcels as entireties does not  
19 invalidate the assessment as made. Each description shall show  
20 as near as possible the number of acres contained in it, as  
21 determined by the assessor. It is not necessary for the assess-  
22 ment roll to specify the quantity of land comprised in any town,  
23 city, or village lot. The assessor shall estimate, according to  
24 his or her best information and judgment, the TRUE CASH VALUE AND  
25 AGRICULTURAL USE VALUE FOR QUALIFIED AGRICULTURAL PROPERTY AND  
26 THE true cash value and assessed value of every parcel of real  
27 property THAT IS NOT QUALIFIED AGRICULTURAL PROPERTY and set the

1 AGRICULTURAL USE VALUE OR assessed value down opposite the  
2 parcel. The assessor shall calculate the tentative taxable value  
3 of every parcel of real property and set that value down opposite  
4 the parcel. The assessor shall determine the percentage of value  
5 of every parcel of real property that is exempt from the tax  
6 levied by a local school district for school operating purposes  
7 to the extent provided under section 1211 of the school code of  
8 1976, ~~Act No. 451 of the Public Acts of 1976, being section~~  
9 ~~380.1211 of the Michigan Compiled laws~~ 1976 PA 451, MCL  
10 380.1211, and set that percentage of value down opposite the  
11 parcel. The assessor shall determine the date of the last trans-  
12 fer of ownership of every parcel of real property occurring after  
13 December 31, 1994 and set that date down opposite the parcel.  
14 The assessor shall also estimate the true cash value of all the  
15 personal property of each person, and set the assessed value and  
16 tentative taxable value down opposite the name of the person. In  
17 determining the property to be assessed and in estimating the  
18 value of that property, the assessor is not bound to follow the  
19 statements of any person, but shall exercise his or her best  
20 judgment. Property assessed to a person other than the owner  
21 shall be assessed separately from the owner's property and shall  
22 show in what capacity it is assessed to that person, whether as  
23 agent, guardian, or otherwise. Two or more persons not being  
24 copartners, owning personal property in common, may each be  
25 assessed severally for each person's portion. Undivided inter-  
26 ests in lands owned by tenants in common, or joint tenants not  
27 being copartners, may be assessed to the owners.

1       (2) The state geologist, or his or her duly authorized  
2 deputy, shall determine, according to his or her best information  
3 and judgment, the true cash value of the metallic mining proper-  
4 ties and mineral rights consisting of metallic resources that are  
5 either producing, developed, or have a known commercial mineral  
6 value, including surface rights and personal property that may be  
7 used in the operation or development of the property assessed, or  
8 any stockpile of ore or mineral stored on the surface. For the  
9 purpose of encouraging the exploration and development of metal-  
10 lic mineral resources, metallic mineral ore newly discovered or  
11 proven in the ground and not part of the property of an operating  
12 mine shall be exempt from the taxes collected under this act for  
13 a maximum period of 10 years or until the time it becomes part of  
14 the property of an operating mine or it in itself becomes an  
15 operating mine. Metallic mineral ore newly discovered or proven  
16 in the ground and part of the property of an operating mine shall  
17 be exempt from taxes collected under this act until it, in combi-  
18 nation with previously discovered metallic mineral ore of the  
19 operating mine, comes into a 10-year recovery period of the mine  
20 as determined by the average normal annual rate of extraction of  
21 the mine.

22       (3) An operating mine shall be defined to be an operating  
23 mine as of the date of starting of a shaft, stripping of overbur-  
24 den, or rehabilitation, or an abandoned or idle mine closed for  
25 not less than 2 years. Ore shall not enjoy more than 10 years'  
26 exemption from taxation. This section does not exempt from the  
27 taxes collected under this act ore reserves proven as of April 1,

1 1947. It is the intent of this act that mineral properties shall  
2 be valued and assessed in the future for ad valorem taxes accord-  
3 ing to the formula used in the valuation of mineral properties  
4 before the effective date of this act. It is the intent of this  
5 act that no metallic mineral ore shall be exempt more than 10  
6 years because of the application of this act and if at any time  
7 it becomes evident that such is the case, the state tax commis-  
8 sion shall determine the value of this untaxed ore and place this  
9 valuation on the proper tax roll. The state geologist shall  
10 report his or her determination of the true cash value of the  
11 mineral properties to the state tax commission on or before  
12 February 10 of each year. The state tax commission shall assess  
13 the mineral properties containing 20% or more of natural iron per  
14 ton of ore in conformity and uniformity with all other property  
15 within the assessing district. The state tax commission shall  
16 assess all other metallic mineral properties at the value certi-  
17 fied by the state geologist. The state tax commission, as early  
18 as is practicable before February 20, shall certify the assess-  
19 ment of the property to the ~~supervisor or assessing officer~~  
20 ASSESSOR of the township or city in which the property is situat-  
21 ed, who shall for the mineral properties and mineral rights that  
22 are owned separate from the surface rights on the property assess  
23 each to the owner at the valuation certified to him or her.  
24 However, an adjustment to the value certified by the state tax  
25 commission may be made by the ~~supervisor or assessing officer~~  
26 ASSESSOR of the township or city to reflect any general  
27 adjustment of assessed valuation from the immediately preceding

1 year not included in the state tax commission computation. The  
2 ~~supervisor or assessing officer~~ ASSESSOR shall determine the  
3 true cash value of the surface rights and assess the value of the  
4 surface rights to the owner. The assessment upon the metallic  
5 mining properties and mineral rights may be altered from year to  
6 year regardless of whether any previous assessment has been  
7 reviewed by the state tax commission. The ~~supervisor or other~~  
8 ~~local assessing officer~~ ASSESSOR or the owner of any interest in  
9 the property assessed may appeal the assessment and valuation of  
10 the property as determined by the board of review to the state  
11 tax commission which shall review the assessment and valuation as  
12 provided in section 152.

13       Sec. 24c. (1) The assessor shall give to each owner or  
14 person or persons listed on the assessment roll of the property a  
15 notice by first-class mail of an increase in the tentative state  
16 equalized valuation, THE TENTATIVE AGRICULTURAL USE VALUE, or the  
17 tentative taxable value for the year. The notice shall specify  
18 each parcel of property, the tentative taxable value for the cur-  
19 rent year and, beginning in 1996, the taxable value for the imme-  
20 diately preceding year. The notice shall also specify the time  
21 and place of the meeting of the board of review. Beginning in  
22 1996, the notice shall also specify the difference between the  
23 property's tentative taxable value in the current year and the  
24 property's taxable value in the immediately preceding year.

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



1 (a) The state equalized valuation for the immediately  
2 preceding year.

3 (b) The tentative state equalized valuation for the current  
4 year.

5 (c) The net change between the tentative state equalized  
6 valuation for the current year and the state equalized valuation  
7 for the immediately preceding year.

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

10 (i) BEGINNING IN 2002, THE AGRICULTURAL USE VALUE FOR THE  
11 IMMEDIATELY PRECEDING YEAR.

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

14 (iii) BEGINNING IN 2002, THE NET CHANGE BETWEEN THE TENTA-  
15 TIVE AGRICULTURAL USE VALUE FOR THE CURRENT YEAR AND THE AGRICUL-  
16 TURAL USE VALUE FOR THE IMMEDIATELY PRECEDING YEAR.

17 (iv) THE RECAPTURE TAX THAT WOULD BE IMPOSED UNDER THE AGRI-  
18 CULTURAL PROPERTY RECAPTURE ACT IF THE QUALIFIED AGRICULTURAL  
19 PROPERTY WERE CONVERTED BY A CHANGE IN USE. AS USED IN THIS SUB-  
20 PARAGRAPH, "CONVERTED BY A CHANGE IN USE" MEANS THAT TERM AS  
21 DEFINED IN THE AGRICULTURAL PROPERTY RECAPTURE ACT.

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

26 (F) ~~-(e)-~~ The inflation rate for the immediately preceding  
27 year as defined in section 34d.

1       (G) ~~-(f)-~~ A statement provided by the state tax commission  
2 explaining the relationship between state equalized valuation and  
3 taxable value OR, FOR QUALIFIED AGRICULTURAL PROPERTY, THE RELA-  
4 TIONSHIP BETWEEN THE AGRICULTURAL USE VALUE AND TAXABLE VALUE.  
5 Beginning in 1996, if the assessor believes that a transfer of  
6 ownership has occurred in the immediately preceding year, the  
7 statement shall state that the ownership was transferred and that  
8 the taxable value of that property is the same as the state  
9 equalized valuation of that property OR, FOR QUALIFIED AGRICUL-  
10 TURAL PROPERTY, THE SAME AS THE AGRICULTURAL USE VALUE.

11       (3) When required by the income tax act of 1967, ~~Act~~  
12 ~~No. 281 of the Public Acts of 1967, being sections 206.1 to~~  
13 ~~206.532 of the Michigan Compiled Laws~~ 1967 PA 281, MCL 206.1 TO  
14 206.532, the assessment notice shall include or be accompanied by  
15 information or forms prescribed by ~~Act No. 281 of the Public~~  
16 ~~Acts of 1967~~ THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.1  
17 TO 206.532.

18       (4) The assessment notice shall be addressed to the owner  
19 according to the records of the assessor and mailed not less than  
20 10 days before the meeting of the board of review. The failure  
21 to send or receive an assessment notice does not invalidate an  
22 assessment roll or an assessment on that property.

23       (5) The tentative state equalized valuation shall be calcu-  
24 lated by multiplying the assessment by the tentative equalized  
25 valuation multiplier. If the assessor has made assessment  
26 adjustments that would have changed the tentative multiplier, the  
27 assessor may recalculate the multiplier for use in the notice.

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

4 (7) Beginning in 1995, the assessment notice under subsec-  
5 tion (1) shall include the following statement:

6 "If you purchased your homestead after May 1 last  
7 year, to claim the homestead exemption, if you have  
8 not already done so, you are required to file an  
9 affidavit before May 1."

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

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

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

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

23 (3) Upon a transfer of ownership of property after 1994, the  
24 property's taxable value for the calendar year following the year  
25 of the transfer is the property's state equalized valuation for  
26 the calendar year following the transfer.

1       (4) If the taxable value of property is adjusted under  
2 subsection (3), a subsequent increase in the property's taxable  
3 value is subject to the limitation set forth in subsection (2)  
4 until a subsequent transfer of ownership occurs.

5       (5) Assessment of property, as required in this section and  
6 section 27, is inapplicable to the assessment of property subject  
7 to the levy of ad valorem taxes within voted tax limitation  
8 increases to pay principal and interest on limited tax bonds  
9 issued by any governmental unit, including a county, township,  
10 community college district, or school district, before January 1,  
11 1964, if the assessment required to be made under this act would  
12 be less than the assessment as state equalized prevailing on the  
13 property at the time of the issuance of the bonds. This inappli-  
14 cability shall continue until levy of taxes to pay principal and  
15 interest on the bonds is no longer required. The assessment of  
16 property required by this act shall be applicable for all other  
17 purposes.

18       (6) As used in this act, "transfer of ownership" means the  
19 conveyance of title to or a present interest in property, includ-  
20 ing the beneficial use of the property, the value of which is  
21 substantially equal to the value of the fee interest. Transfer  
22 of ownership of property includes, but is not limited to, the  
23 following:

24       (a) A conveyance by deed.

25       (b) A conveyance by land contract. The taxable value of  
26 property conveyed by a land contract executed after December 31,  
27 1994 shall be adjusted under subsection (3) for the calendar year

1 following the year in which the contract is entered into and  
2 shall not be subsequently adjusted under subsection (3) when the  
3 deed conveying title to the property is recorded in the office of  
4 the register of deeds in the county in which the property is  
5 located.

6 (c) A conveyance to a trust after December 31, 1994, except  
7 if the settlor or the settlor's spouse, or both, conveys the  
8 property to the trust and the sole present beneficiary or benefi-  
9 ciaries are the settlor or the settlor's spouse, or both.

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

13 (e) A change in the sole present beneficiary or beneficia-  
14 ries of a trust, except a change that adds or substitutes the  
15 spouse of the sole present beneficiary.

16 (f) A conveyance by distribution under a will or by intes-  
17 tate succession, except if the distributee is the decedent's  
18 spouse.

19 (g) A conveyance by lease if the total duration of the  
20 lease, including the initial term and all options for renewal, is  
21 more than 35 years or the lease grants the ~~leasee~~ LESSEE a bar-  
22 gain purchase option. As used in this subdivision, "bargain pur-  
23 chase option" means the right to purchase the property at the  
24 termination of the lease for not more than 80% of the property's  
25 projected true cash value at the termination of the lease. After  
26 December 31, 1994, the taxable value of property conveyed by a  
27 lease with a total duration of more than 35 years or with a

1 bargain purchase option shall be adjusted under subsection (3)  
2 for the calendar year following the year in which the lease is  
3 entered into. This subdivision does not apply to personal prop-  
4 erty except buildings described in section 14(6) and personal  
5 property described in section 8(h), (i), and (j). This subdivi-  
6 sion does not apply to that portion of the property not subject  
7 to the leasehold interest conveyed.

8       (h) A conveyance of an ownership interest in a corporation,  
9 partnership, sole proprietorship, limited liability company,  
10 limited liability partnership, or other legal entity if the  
11 ownership interest conveyed is more than 50% of the corporation,  
12 partnership, sole proprietorship, limited liability company,  
13 limited liability partnership, or other legal entity. Unless  
14 notification is provided under subsection (8), the corporation,  
15 partnership, sole proprietorship, limited liability company,  
16 limited liability partnership, or other legal entity shall notify  
17 the ~~assessing officer~~ ASSESSOR on a form provided by the state  
18 tax commission not more than 45 days after a conveyance of an  
19 ownership interest that constitutes a transfer of ownership under  
20 this subdivision.

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

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

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

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

4 (b) A transfer from a husband, a wife, or a husband and wife  
5 creating or disjoining a tenancy by the entireties in the grant-  
6 ors or the grantor and his or her spouse.

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

12 (d) A transfer through foreclosure or forfeiture of a  
13 recorded instrument under chapter 31, 32, or 57 of the revised  
14 judicature act of 1961, ~~Act No. 236 of the Public Acts of 1961,~~  
15 ~~being sections 600.3101 to 600.3280 and 600.5701 to 600.5785 of~~  
16 ~~the Michigan Compiled Laws 1961 PA 236, MCL 600.3101 TO 600.3280~~  
17 ~~AND 600.5701 TO 600.5785,~~ or through deed or conveyance in lieu  
18 of a foreclosure or forfeiture, until the mortgagee or land con-  
19 tract vendor subsequently transfers the property. If a mortgagee  
20 does not transfer the property within 1 year of the expiration of  
21 any applicable redemption period, the property shall be adjusted  
22 under subsection (3).

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

25 (f) A conveyance to a trust if the settlor or the settlor's  
26 spouse, or both, conveys the property to the trust and the sole

1 present beneficiary of the trust is the settlor or the settlor's  
2 spouse, or both.

3 (g) A transfer pursuant to a judgment or order of a court of  
4 record making or ordering a transfer, unless a specific monetary  
5 consideration is specified or ordered by the court for the  
6 transfer.

7 (h) A transfer creating or terminating a joint tenancy  
8 between 2 or more persons if at least 1 of the persons was an  
9 original owner of the property before the joint tenancy was ini-  
10 tially created and, if the property is held as a joint tenancy at  
11 the time of conveyance, at least 1 of the persons was a joint  
12 tenant when the joint tenancy was initially created and that  
13 person has remained a joint tenant since the joint tenancy was  
14 initially created. A joint owner at the time of the last trans-  
15 fer of ownership of the property is an original owner of the  
16 property. For purposes of this subdivision, a person is an orig-  
17 inal owner of property owned by that person's spouse.

18 (i) A transfer for security or an assignment or discharge of  
19 a security interest.

20 (j) A transfer of real property or other ownership interests  
21 among members of an affiliated group. As used in this subsec-  
22 tion, "affiliated group" means 1 or more corporations connected  
23 by stock ownership to a common parent corporation. Upon request  
24 by the state tax commission, a corporation shall furnish proof  
25 within 45 days that a transfer meets the requirements of this  
26 subdivision. A corporation that fails to comply with a request



1 by the state tax commission under this subdivision is subject to  
2 a fine of \$200.00.

3 (k) Normal public trading of shares of stock or other owner-  
4 ship interests that, over any period of time, cumulatively repre-  
5 sent more than 50% of the total ownership interest in a corpora-  
6 tion or other legal entity and are traded in multiple transac-  
7 tions involving unrelated individuals, institutions, or other  
8 legal entities.

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

21 (m) A direct or indirect transfer of real property or other  
22 ownership interests resulting from a transaction that qualifies  
23 as a tax-free reorganization under section 368 of the internal  
24 revenue code of 1986. ~~-, 26 U.S.C. 368.~~ Upon request by the  
25 state tax commission, a property owner shall furnish proof within  
26 45 days that a transfer meets the requirements of this  
27 subdivision. A property owner who fails to comply with a request

1 by the state tax commission under this subdivision is subject to  
2 a fine of \$200.00.

3       (8) The register of deeds of the county where deeds or other  
4 title documents are recorded shall notify the ~~assessing officer~~  
5 ASSESSOR of the appropriate local taxing unit not less than once  
6 each month of any recorded transaction involving the ownership of  
7 property and shall make any recorded deeds or other title docu-  
8 ments available to that county's tax or equalization department.  
9 Unless notification is provided under subsection (6), the buyer,  
10 grantee, or other transferee of the property shall notify the  
11 appropriate assessing office in the local unit of government in  
12 which the property is located of the transfer of ownership of the  
13 property within 45 days of the transfer of ownership, on a form  
14 prescribed by the state tax commission that states the parties to  
15 the transfer, the date of the transfer, the actual consideration  
16 for the transfer, and the property's parcel identification number  
17 or legal description. Forms filed in the assessing office of a  
18 local unit of government under this subsection shall be made  
19 available to the county tax or equalization department for the  
20 county in which that local unit of government is located. This  
21 subsection does not apply to personal property except buildings  
22 described in section 14(6) and personal property described in  
23 section 8(h), (i), and (j).

24       (9) As used in this section:

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

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

4 (c) "Inflation rate" means that term as defined in section  
5 34d.

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

7 Sec. 27b. (1) If the buyer, grantee, or other transferee in  
8 the immediately preceding transfer of ownership of property does  
9 not notify the ~~appropriate assessing office~~ ASSESSOR as  
10 required ~~by~~ UNDER section 27a(8) OR, FOR QUALIFIED AGRICULTURAL  
11 PROPERTY, UNDER SECTION 27E, the property's taxable value shall  
12 be adjusted under section 27a(3) OR, FOR QUALIFIED AGRICULTURAL  
13 PROPERTY, UNDER SECTION 27E(3) and all of the following shall be  
14 levied:

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

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

20 (c) A penalty of \$5.00 per day for each separate failure  
21 beginning after the 45 days have elapsed, up to a maximum of  
22 \$200.00.

23 (2) The ~~appropriate assessing officer~~ ASSESSOR shall cer-  
24 tify for collection to the treasurer of the local tax collecting  
25 unit if the local tax collecting unit has possession of the tax  
26 roll or the county treasurer if the county has possession of the

1 tax roll any additional taxes due under subsection (1)(a) and any  
2 penalty due under subsection (1)(c).

3       (3) The treasurer of the local tax collecting unit if the  
4 local tax collecting unit has possession of the tax roll or the  
5 county treasurer if the county has possession of the tax roll  
6 shall collect any taxes, interest, and penalty due pursuant to  
7 this section, and shall immediately prepare and submit a cor-  
8 rected tax bill for any additional taxes due under subsection  
9 (1)(a) and any interest and penalty due under subsection (1)(b).  
10 A penalty due under subsection (1)(c) may be collected with the  
11 immediately succeeding regular tax bill.

12       (4) Any taxes, interest, and penalty collected pursuant to  
13 subsection (1)(a) and (b) shall be distributed in the same manner  
14 as other delinquent taxes, interest, and penalties are distrib-  
15 uted under this act. Any penalty collected under  
16 subsection (1)(c) shall be distributed to the local tax collect-  
17 ing unit.

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

21       (6) If the taxable value of property is increased under this  
22 section, the ~~appropriate assessing officer~~ ASSESSOR shall imme-  
23 diately notify by first-class mail the owner of that property of  
24 that increase in taxable value. A buyer, grantee, or other  
25 transferee may appeal any increase in taxable value or the levy  
26 of any additional taxes, interest, and penalties under  
27 subsection (1) to the Michigan tax tribunal within 35 days of

1 receiving the notice of the increase in the property's taxable  
2 value. An appeal under this subsection is limited to the issues  
3 of whether a transfer of ownership has occurred and correcting  
4 arithmetic errors. A dispute regarding the valuation of the  
5 property is not a basis for appeal under this subsection.

6 (7) If the taxable value of property is adjusted under sub-  
7 section (1), the ~~assessing officer~~ ASSESSOR making the adjust-  
8 ment shall file an affidavit with all officials responsible for  
9 determining assessment figures, rate of taxation, or mathematical  
10 calculations for that property within 30 days of the date the  
11 adjustment is made. The affidavit shall state the amount of the  
12 adjustment and the amount of additional taxes levied. The offi-  
13 cials with whom the affidavit is filed shall correct all official  
14 records for which they are responsible to reflect the adjustment  
15 and levy.

16 Sec. 27c. If the buyer, grantee, or other transferee in any  
17 preceding transfer of ownership of property does not notify the  
18 ~~appropriate assessing office~~ ASSESSOR as required by section  
19 27a(8) OR, FOR QUALIFIED AGRICULTURAL PROPERTY, UNDER SECTION  
20 27E(5), a taxing unit may sue that buyer, grantee, or other  
21 transferee as provided in section 47 for all of the following:

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

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

1 (c) A penalty of \$5.00 per day for each separate failure  
2 beginning after the 45 days have elapsed, up to a maximum of  
3 \$200.00.

4 SEC. 27E. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,  
5 BEGINNING DECEMBER 31, 2000, PROPERTY THAT IS QUALIFIED AGRICUL-  
6 TURAL PROPERTY SHALL BE ASSESSED AT 50% OF ITS AGRICULTURAL USE  
7 VALUE UNDER SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION OF  
8 1963.

9 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), FOR  
10 TAXES LEVIED IN 2000 AND FOR EACH YEAR AFTER 2000, THE TAXABLE  
11 VALUE OF EACH PARCEL OF QUALIFIED AGRICULTURAL PROPERTY IS THE  
12 LESSER OF THE FOLLOWING:

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

16 (B) THE QUALIFIED AGRICULTURAL PROPERTY'S CURRENT AGRICUL-  
17 TURAL USE VALUE.

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

20 (3) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL  
21 PROPERTY AND IF THE PROPERTY REMAINS QUALIFIED AGRICULTURAL PROP-  
22 ERTY, THE QUALIFIED AGRICULTURAL PROPERTY'S TAXABLE VALUE FOR THE  
23 CALENDAR YEAR FOLLOWING THE YEAR OF THE TRANSFER IS THE  
24 PROPERTY'S TAXABLE VALUE FOR THE CALENDAR YEAR IMMEDIATELY PRE-  
25 CEDING THE TRANSFER ADJUSTED UNDER SUBSECTION (2).

26 (4) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL  
27 PROPERTY AND IF THE PROPERTY DOES NOT REMAIN QUALIFIED

1 AGRICULTURAL PROPERTY, THE TAXABLE VALUE OF THE PROPERTY SHALL BE  
2 ADJUSTED UNDER SECTION 27A(3).

3       (5) THE REGISTER OF DEEDS OF THE COUNTY WHERE DEEDS OR OTHER  
4 TITLE DOCUMENTS ARE RECORDED SHALL NOTIFY THE ASSESSOR NOT LESS  
5 THAN ONCE EACH MONTH OF ANY RECORDED TRANSACTION INVOLVING THE  
6 OWNERSHIP OF QUALIFIED AGRICULTURAL PROPERTY AND SHALL MAKE ANY  
7 RECORDED DEEDS OR OTHER TITLE DOCUMENTS AVAILABLE TO THE  
8 ASSESSOR. THE BUYER, GRANTEE, OR OTHER TRANSFEREE OF THE QUALI-  
9 FIED AGRICULTURAL PROPERTY SHALL NOTIFY THE ASSESSOR OF THE LOCAL  
10 TAX COLLECTING UNIT IN WHICH THE QUALIFIED AGRICULTURAL PROPERTY  
11 IS LOCATED OF THE TRANSFER OF OWNERSHIP OF THE QUALIFIED AGRICUL-  
12 TURAL PROPERTY WITHIN 45 DAYS OF THE TRANSFER OF OWNERSHIP, ON A  
13 FORM PRESCRIBED BY THE STATE TAX COMMISSION THAT STATES THE PAR-  
14 TIES TO THE TRANSFER, THE DATE OF THE TRANSFER, THE ACTUAL CON-  
15 SIDERATION FOR THE TRANSFER, AND THE QUALIFIED AGRICULTURAL  
16 PROPERTY'S PARCEL IDENTIFICATION NUMBER OR LEGAL DESCRIPTION.  
17 FORMS FILED IN THE ASSESSING OFFICE OF A LOCAL TAX COLLECTING  
18 UNIT UNDER THIS SUBSECTION SHALL BE MADE AVAILABLE TO THE COUNTY  
19 TAX OR EQUALIZATION DEPARTMENT FOR THAT COUNTY. THIS SUBSECTION  
20 DOES NOT APPLY TO PERSONAL PROPERTY EXCEPT BUILDINGS DESCRIBED IN  
21 SECTION 14(6) AND PERSONAL PROPERTY DESCRIBED IN SECTION 8(H),  
22 (I), AND (J).

23       (6) THE OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL  
24 RESCIND THE EXEMPTION PURSUANT TO SECTION 7EE(5) IF PROPERTY  
25 EXEMPT AS QUALIFIED AGRICULTURAL PROPERTY IS NO LONGER QUALIFIED  
26 AGRICULTURAL PROPERTY.

1 (7) AS USED IN THIS SECTION:

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

3 (B) "AGRICULTURAL USE VALUE" MEANS THAT VALUE CALCULATED  
4 USING THE METHOD DETERMINED BY THE STATE TAX COMMISSION AFTER  
5 CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE. THE METHOD  
6 SHALL INCLUDE, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING  
7 CONSIDERATIONS:

8 (i) EVIDENCE OF THE PRODUCTIVE CAPABILITY OF THE QUALIFIED  
9 AGRICULTURAL PROPERTY FOR AGRICULTURAL USE, INCLUDING SOIL  
10 CHARACTERISTICS.

11 (ii) THE AVERAGE ANNUAL NET RETURN IN THE IMMEDIATELY PRE-  
12 CEDING 5-YEAR PERIOD FOR TYPICAL AGRICULTURAL PROPERTY LOCATED IN  
13 THE COUNTY IN WHICH THE QUALIFIED AGRICULTURAL PROPERTY IS  
14 LOCATED, DISCOUNTED BY AN APPROPRIATE INTEREST RATE.

15 (iii) THE AVERAGE RENTAL INCOME FOR TYPICAL AGRICULTURAL  
16 PROPERTY LOCATED IN THE COUNTY IN WHICH THE QUALIFIED AGRICUL-  
17 TURAL PROPERTY IS LOCATED.

18 (C) "BENEFICIAL USE" MEANS THE RIGHT TO POSSESSION, USE, AND  
19 ENJOYMENT OF PROPERTY, LIMITED ONLY BY ENCUMBRANCES, EASEMENTS,  
20 AND RESTRICTIONS OF RECORD.

21 (D) "INFLATION RATE" MEANS THAT TERM AS DEFINED IN SECTION  
22 34D.

23 (E) "LOSSES" MEANS THAT TERM AS DEFINED IN SECTION 34D.

24 (F) "QUALIFIED AGRICULTURAL PROPERTY" MEANS PROPERTY EXEMPT  
25 FROM THE TAX LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERAT-  
26 ING PURPOSES UNDER SECTION 7EE.



1 (G) "TRANSFER OF OWNERSHIP" MEANS THAT TERM AS DEFINED IN  
2 SECTION 27A.

3 Sec. 31. Upon ~~the completion of said~~ COMPLETING AND CER-  
4 TIFYING THE REVIEW OF AN ASSESSMENT roll ~~and its endorsement in~~  
5 ~~manner aforesaid, the same shall be~~ AS PROVIDED UNDER THIS ACT,  
6 THAT ASSESSMENT ROLL IS conclusively presumed by all courts and  
7 tribunals to be valid, and shall not be set aside except ~~for~~  
8 ~~causes hereinafter mentioned~~ AS OTHERWISE PROVIDED IN THIS ACT.  
9 The omission of ~~such indorsement~~ THE CERTIFICATION shall not  
10 affect the validity of ~~such~~ AN ASSESSMENT roll.

11 Sec. 34. (1) The county board of commissioners in each  
12 county shall meet in April each year to determine THE county  
13 equalized value, which ~~equalization~~ shall be completed and sub-  
14 mitted along with the tabular statement required by section 5 of  
15 ~~Act No. 44 of the Public Acts of 1911, being section 209.5 of~~  
16 ~~the Michigan Compiled Laws 1911 PA 44, MCL 209.5, to the state~~  
17 tax commission before the first Monday in May. The business  
18 ~~which~~ THAT the COUNTY board OF COMMISSIONERS may perform shall  
19 be conducted at a public meeting of the COUNTY board OF  
20 COMMISSIONERS held in compliance with the open meetings act, ~~Act~~  
21 ~~No. 267 of the Public Acts of 1976, as amended, being sections~~  
22 ~~15.261 to 15.275 of the Michigan Compiled Laws 1976 PA 267, MCL~~  
23 ~~15.261 TO 15.275.~~ Public notice of the time, date, and place of  
24 the meeting shall be given in the manner required by ~~Act No. 267~~  
25 ~~of the Public Acts of 1976, as amended~~ THE OPEN MEETINGS ACT,  
26 1976 PA 267, MCL 15.261 TO 15.275. Each year the county board of  
27 commissioners shall advise the local taxing units ~~when~~ IF the

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

23 (2) The county board of commissioners shall examine the  
24 assessment rolls of the townships or cities and ascertain whether  
25 the real and personal property in the respective townships or  
26 cities has been equally and uniformly assessed ~~at true cash~~  
27 ~~value~~ AS REQUIRED UNDER THIS ACT. If, on the examination, the

1 county board of commissioners considers the assessments to be  
2 relatively unequal, it shall equalize the assessments by adding  
3 to or deducting from the valuation of the taxable property ~~in a~~  
4 ~~township or city~~ an amount ~~which~~ THAT in the judgment of the  
5 county board of commissioners will produce a sum ~~which~~ THAT  
6 represents the true cash value of that property AND, FOR QUALI-  
7 FIED AGRICULTURAL PROPERTY, THE AGRICULTURAL USE VALUE, and the  
8 amount added to or deducted from the valuations ~~in a township or~~  
9 ~~city~~ shall be entered upon the records. The county board of  
10 commissioners and the state tax commission shall equalize real  
11 and personal property separately by adding to or deducting from  
12 the valuation of taxable real property, and by adding to or  
13 deducting from the valuation of taxable personal property in a  
14 township, city, or county, an amount ~~which~~ THAT will produce a  
15 sum ~~which~~ THAT represents the proportion of true cash value  
16 established by the legislature AND, FOR QUALIFIED AGRICULTURAL  
17 PROPERTY, THE AGRICULTURAL USE VALUE. Beginning December 31,  
18 1980, the county board of commissioners and the state tax commis-  
19 sion shall equalize separately the following classes of real  
20 property by adding to or deducting from the valuation of agricul-  
21 tural, ~~developmental~~, residential, commercial, industrial, and  
22 timber cutover taxable real property, and by adding to or deduct-  
23 ing from the valuation of taxable personal property in a town-  
24 ship, city, or county, an amount ~~as~~ THAT will produce a sum  
25 ~~which~~ THAT represents the proportion of true cash value estab-  
26 lished by the legislature AND, FOR QUALIFIED AGRICULTURAL  
27 PROPERTY, THE AGRICULTURAL USE VALUE. The tax roll and the tax

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

26       (3) The county board of commissioners of a county shall  
27 establish and maintain a department to survey assessments and

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

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

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

1 ~~considered proper~~ NECESSARY, ~~and in so doing the tribunal shall~~  
2 ~~have~~ WITH the same powers ~~as~~ THAT the county board of commis-  
3 sioners had in the first instance. The deductions or additions  
4 shall decrease or increase the state equalized valuation of the  
5 local unit affected but shall not increase or decrease the total  
6 state equalized valuation of the county in the case of an appeal  
7 under this section to the ~~state~~ tax tribunal. If the tax tri-  
8 bunal finds that the valuations of a class of property in a  
9 county were improperly equalized by that county and determines  
10 that the total value of that class of property in the county may  
11 not be at the level required by law, prior to entry of a final  
12 order ~~—~~, the tax tribunal shall forward its findings and deter-  
13 mination 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 unifor-  
18 mity among the counties and shall enter an order consistent with  
19 the state tax commission's findings. The tax tribunal shall  
20 enter a final order based upon the revised state equalized valua-  
21 tion, if any, ~~which~~ THAT is adopted by the state tax  
22 commission. The ~~state~~ tax tribunal immediately after complet-  
23 ing its revision of the equalization of the valuation of the sev-  
24 eral assessment districts shall report its action to the county  
25 board of commissioners and board of education if the board has  
26 instituted the appeal by filing its report with the clerk of the  
27 county board of commissioners. The action of the ~~state~~ tax

1 tribunal ~~in the premises~~ shall constitute the equalization of  
2 the county for the tax year.

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

9 Sec. 34c. (1) Not later than the first Monday in March in  
10 each year, the assessor shall classify every item of assessable  
11 property according to the definitions contained in this section.  
12 Following the March board of review, the assessor shall tabulate  
13 the total number of items and the valuations as approved by the  
14 board of review for each classification and for the totals of  
15 real and personal property in the local tax collecting unit. The  
16 assessor shall transmit to the county equalization department and  
17 to the state tax commission the tabulation of assessed valuations  
18 and other statistical information the state tax commission con-  
19 siders necessary to meet the requirements of this act and ~~Act~~  
20 ~~No. 44 of the Public Acts of 1911, being sections 209.1 to 209.8~~  
21 ~~of the Michigan Compiled Laws 1911 PA 44, MCL 209.1 TO 209.8.~~

22 (2) The classifications of assessable real property are  
23 described as follows:

24 (a) Agricultural real property includes parcels used par-  
25 tially or wholly for agricultural ~~operations~~ USE, with or with-  
26 out buildings, and parcels assessed to the department of natural  
27 resources and valued by the state tax commission. As used in



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

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

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

7       ~~(iii) Dairying.~~

8       ~~(iv) Raising livestock, bees, fish, fur-bearing animals, or~~  
 9 ~~poultry.~~

10       ~~(v) Turf and tree farming.~~

11       ~~(vi) Performing any practices on a farm incident to, or in~~  
 12 ~~conjunction with, farming operations. A "AGRICULTURAL USE"~~

13 MEANS SUBSTANTIALLY UNDEVELOPED LAND DEVOTED TO THE PRODUCTION OF  
 14 PLANTS AND ANIMALS USEFUL TO HUMANS, INCLUDING FORAGES AND SOD  
 15 CROPS; GRAINS, FEED CROPS, AND FIELD CROPS; DAIRY AND DAIRY PRO-  
 16 DUCTS; POULTRY AND POULTRY PRODUCTS; LIVESTOCK, INCLUDING BREED-  
 17 ING AND GRAZING OF CATTLE, SWINE, CAPTIVE CERVIDAE, AND SIMILAR  
 18 ANIMALS; BERRIES; HERBS; FLOWERS; SEEDS; GRASSES; NURSERY STOCK;  
 19 FRUITS; VEGETABLES; CHRISTMAS TREES; AND OTHER SIMILAR USES AND  
 20 ACTIVITIES. AGRICULTURAL USE INCLUDES PROPERTY ENROLLED IN A  
 21 FEDERAL ACREAGE SET-ASIDE PROGRAM OR A FEDERAL CONSERVATION  
 22 PROGRAM. AGRICULTURAL USE DOES NOT INCLUDE SUBSTANTIALLY UNDE-  
 23 VELOPED LAND THE PRIMARY PURPOSE FOR WHICH IS THE MANAGEMENT AND  
 24 HARVESTING OF A WOODLOT, OR A commercial storage, processing,  
 25 distribution, marketing, or shipping operation. ~~is not part of~~  
 26 ~~agricultural operations.~~

(b) Commercial real property includes the following:

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

(ii) Parcels used by fraternal societies.

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

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

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

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

(ii) Parcels used for utilities sites for generating plants, pumping stations, switches, substations, compressing stations, warehouses, rights-of-way, flowage land, and storage areas.

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

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

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

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

4       (E) ~~—(f)—~~ Timber-cutover real property includes parcels that  
5 are stocked with forest products of merchantable type and size,  
6 cutover forest land with little or no merchantable products, and  
7 marsh lands or other barren land. However, when a typical pur-  
8 chase of this type of land is for residential or recreational  
9 uses, the classification shall be changed to residential.

10       (3) The classifications of assessable personal property are  
11 described as follows:

12       (a) Agricultural personal property includes farm buildings  
13 on leased land and any agricultural equipment and produce not  
14 exempt by law.

15       (b) Commercial personal property includes the following:

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

18       (ii) Outdoor advertising signs and billboards.

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

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

24       (v) Commercial buildings on leased land.

25       (c) Industrial personal property includes the following:

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

1       (ii) Industrial buildings on leased land.

2       (iii) Personal property of mining companies valued by the  
3 state geologist.

4       (d) Residential personal property includes a home, cottage,  
5 or cabin on leased land, and a mobile home that would be asses-  
6 sable as real property under section 2a except that the land on  
7 which it is located is not assessable because the land is  
8 exempt.

9       (e) Utility personal property includes the following:

10      (i) Electric transmission and distribution systems, substa-  
11 tion equipment, spare parts, gas distribution systems, and water  
12 transmission and distribution systems.

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

15      (iii) Inventories not exempt by law.

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

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

19      (vi) Gas storage equipment.

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

22      (viii) Utility buildings on leased land.

23      (4) Buildings on leased land of any classification are  
24 improvements where the owner of the improvement is not the owner  
25 of the land or fee and has not bound himself or herself to pay  
26 taxes levied against the land or fee and the improvement has been  
27 assessed as personal property pursuant to section 14(6).

1       (5) If the total usage of a parcel includes more than 1  
2 classification, the assessor shall determine the classification  
3 that most significantly influences the total valuation of the  
4 parcel.

5       (6) An owner of any assessable property who disputes the  
6 classification of that parcel shall notify the assessor and may  
7 protest the assigned classification to the March board of  
8 review. An owner or assessor may appeal the decision of the  
9 March board of review by filing a petition with the state tax  
10 commission not later than June 30 in that tax year. The state  
11 tax commission shall arbitrate the petition based on the written  
12 petition and the written recommendations of the assessor and the  
13 state tax commission staff. An appeal may not be taken from the  
14 decision of the state tax commission regarding classification  
15 complaint petitions and the state tax commission's determination  
16 is final and binding for the year of the petition.

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

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

24       (9) AN OWNER OF PROPERTY FOR WHICH THE CLASSIFICATION IS  
25 CHANGED FROM AGRICULTURAL REAL PROPERTY TO A DIFFERENT CLASSIFI-  
26 CATION MAY FILE AN AFFIDAVIT UNDER SECTION 7EE NOT LATER THAN MAY

1 1 IN THAT TAX YEAR, CLAIMING AN EXEMPTION OF THAT PROPERTY AS  
2 QUALIFIED AGRICULTURAL PROPERTY.

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

5 (a) For taxes levied before 1995, "additions" means all  
6 increases in value caused by new construction or a physical addi-  
7 tion of equipment or furnishings, and the value of property that  
8 was exempt from taxes or not included on the assessment unit's  
9 immediately preceding year's assessment roll.

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

12 (i) Omitted real property. As used in this subparagraph,  
13 "omitted real property" means previously existing tangible real  
14 property not included in the assessment. Omitted real property  
15 shall not increase taxable value as an addition unless the  
16 assessing jurisdiction has a property record card or other docu-  
17 mentation showing that the omitted real property was not previ-  
18 ously included in the assessment. The assessing jurisdiction has  
19 the burden of proof in establishing whether the omitted real  
20 property is included in the assessment. Omitted real property  
21 for the current and the 2 immediately preceding years, discovered  
22 after the assessment roll has been completed, shall be added to  
23 the tax roll pursuant to the procedures established in section  
24 154. For purposes of determining the taxable value of real prop-  
25 erty under section 27a, the value of omitted real property is  
26 based on the value and the ratio of taxable value to true cash

1 value the omitted real property would have had if the property  
2 had not been omitted.

3       (ii) Omitted personal property. As used in this subpara-  
4 graph, "omitted personal property" means previously existing tan-  
5 gible personal property not included in the assessment. Omitted  
6 personal property shall be added to the tax roll pursuant to sec-  
7 tion 154.

8       (iii) New construction. As used in this subparagraph, "new  
9 construction" means property not in existence on the immediately  
10 preceding tax day and not replacement construction. New con-  
11 struction includes the physical addition of equipment or furnish-  
12 ings, subject to the provisions set forth in section 27(2)(a) to  
13 (o). For purposes of determining the taxable value of property  
14 under section 27a, the value of new construction is the true cash  
15 value of the new construction multiplied by 0.50.

16       (iv) Previously exempt property. As used in this subpara-  
17 graph, "previously exempt property" means property that was  
18 exempt from ad valorem taxation under this act on the immediately  
19 preceding tax day but is subject to ad valorem taxation on the  
20 current tax day under this act. For purposes of determining the  
21 taxable value of real property under section 27a:

22       (A) The value of property previously exempt under section 7u  
23 is the taxable value the entire parcel of property would have had  
24 if that property had not been exempt, minus the product of the  
25 entire parcel's taxable value in the immediately preceding year  
26 and the lesser of 1.05 or the inflation rate.

1 (B) The taxable value of property that is a facility as that  
2 term is defined in section 2 of ~~Act No. 198 of the Public Acts~~  
3 ~~of 1974, being section 207.552 of the Michigan Compiled Laws~~  
4 1974 PA 198, MCL 207.552, that was previously exempt under  
5 section 7k is the taxable value that property would have had  
6 under this act if it had not been exempt.

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

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

26 (vi) An increase in taxable value attributable to the  
27 complete or partial remediation of environmental contamination



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

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

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

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

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

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

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

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

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

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

1 (g) For taxes levied before 1995, "losses" means a decrease  
2 in value caused by the removal or destruction of real or personal  
3 property and the value of property taxed in the immediately pre-  
4 ceding year that has been exempted or removed from the assessment  
5 unit's assessment roll.

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

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

16 (ii) Property that was subject to ad valorem taxation under  
17 this act in the immediately preceding year that is now exempt  
18 from ad valorem taxation under this act. For purposes of deter-  
19 mining the taxable value of property under section 27a, the value  
20 of property exempted from ad valorem taxation under this act is  
21 the amount exempted.

22 (iii) An adjustment in value, if any, because of a decrease  
23 in the property's occupancy rate, to the extent provided by law.  
24 For purposes of determining the taxable value of real property  
25 under section 27a, the value of a loss for a decrease in the  
26 property's occupancy rate is the product of the decrease in the  
27 true cash value of the property attributable to the decreased

1 occupancy rate multiplied by a fraction the numerator of which is  
2 the taxable value of the property in the immediately preceding  
3 year and the denominator of which is the true cash value of the  
4 property in the immediately preceding year.

5       (iv) A decrease in taxable value attributable to environmen-  
6 tal contamination existing on the immediately preceding tax day.  
7 The department of environmental quality shall determine the  
8 degree to which environmental contamination limits the use of  
9 property based on information available in existing department of  
10 environmental quality records or information made available to  
11 the department of environmental quality if the ~~appropriate~~  
12 ~~assessing officer~~ ASSESSOR for a local tax collecting unit  
13 requests that determination. The department of environmental  
14 quality's determination of the degree to which environmental con-  
15 tamination limits the use of property shall be based on the cri-  
16 teria established for the ~~classifications~~ CATEGORIES set forth  
17 in section 20120a(1) of part 201 ~~(environmental remediation)~~ of  
18 the natural resources and environmental protection act, ~~Act~~  
19 ~~No. 451 of the Public Acts of 1994, being section 324.20120a of~~  
20 ~~the Michigan Compiled Laws~~ 1994 PA 451, MCL 324.20120A. The  
21 decrease in taxable value attributable to the contamination is  
22 the decrease in true cash value attributable to the contamination  
23 multiplied by a fraction the numerator of which is the taxable  
24 value of the property had it not been contaminated and the denom-  
25 inator of which is the true cash value of the property had it not  
26 been contaminated.

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

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

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

5 (j) "New construction and improvements" means additions less  
6 losses.

7 (k) "Current year" means the year for which the millage lim-  
8 itation is being calculated.

9 (l) "Inflation rate" means the ratio of the general price  
10 level for the state fiscal year ending in the calendar year imme-  
11 diately preceding the current year divided by the general price  
12 level for the state fiscal year ending in the calendar year  
13 before the year immediately preceding the current year.

14 (2) On or before the first Monday in May of each year, the  
15 ~~assessing officer~~ ASSESSOR of each township or city shall tabu-  
16 late the tentative taxable value as approved by the local board  
17 of review and as modified by county equalization for each classi-  
18 fication of property that is separately equalized for each unit  
19 of local government and provide the tabulated tentative taxable  
20 values to the county equalization director. The tabulation by  
21 the ~~assessing officer~~ ASSESSOR shall contain additions and  
22 losses for each classification of property that is separately  
23 equalized for each unit of local government or part of a unit of  
24 local government in the township or city. If as a result of  
25 state equalization the taxable value of property changes, the  
26 ~~assessing officer~~ ASSESSOR of each township or city shall  
27 revise the calculations required by this subsection on or before

1 the Friday following the fourth Monday in May. The county  
2 equalization director shall compute these amounts and the current  
3 and immediately preceding year's taxable values for each classi-  
4 fication of property that is separately equalized for each unit  
5 of local government that levies taxes under this act within the  
6 boundary of the county. The county equalization director shall  
7 cooperate with equalization directors of neighboring counties, as  
8 necessary, to make the computation for units of local government  
9 located in more than 1 county. The county equalization director  
10 shall calculate the millage reduction fraction for each unit of  
11 local government in the county for the current year. The finan-  
12 cial officer for each taxing jurisdiction shall calculate the  
13 compounded millage reduction fractions beginning in 1980 result-  
14 ing from the multiplication of successive millage reduction frac-  
15 tions and shall recognize a local voter action to increase the  
16 compounded millage reduction fraction to a maximum of 1 as a new  
17 beginning fraction. Upon request of the superintendent of the  
18 intermediate school district, the county equalization director  
19 shall transmit the complete computations of the taxable values to  
20 the superintendent of the intermediate school district within  
21 that county. At the request of the presidents of community col-  
22 leges, the county equalization director shall transmit the com-  
23 plete computations of the taxable values to the presidents of  
24 community colleges within the county.

25 (3) On or before the first Monday in June of each year, the  
26 county equalization director shall deliver the statement of the

1 computations signed by the county equalization director to the  
2 county treasurer.

3       (4) On or before the second Monday in June of each year, the  
4 treasurer of each county shall certify the immediately preceding  
5 year's taxable values, the current year's taxable values, the  
6 amount of additions and losses for the current year, and the cur-  
7 rent year's millage reduction fraction for each unit of local  
8 government that levies a property tax in the county.

9       (5) The financial officer of each unit of local government  
10 shall make the computation of the tax rate using the data certi-  
11 fied by the county treasurer and the state tax commission. At  
12 the annual session in October, the county board of commissioners  
13 shall not authorize the levy of a tax unless the governing body  
14 of the taxing jurisdiction has certified that the requested mill-  
15 age has been reduced, if necessary, in compliance with section 31  
16 of article IX of the state constitution of 1963.

17       (6) The number of mills permitted to be levied in a tax year  
18 is limited as provided in this section pursuant to section 31 of  
19 article IX of the state constitution of 1963. A unit of local  
20 government shall not levy a tax rate greater than the rate deter-  
21 mined by reducing its maximum rate or rates authorized by law or  
22 charter by a millage reduction fraction as provided in this sec-  
23 tion without voter approval.

24       (7) A millage reduction fraction shall be determined for  
25 each year for each local unit of government. For ad valorem  
26 property taxes that became a lien before January 1, 1983, the  
27 numerator of the fraction shall be the total state equalized

1 valuation for the immediately preceding year multiplied by the  
2 inflation rate and the denominator of the fraction shall be the  
3 total state equalized valuation for the current year minus new  
4 construction and improvements. For ad valorem property taxes  
5 that become a lien after December 31, 1982 and through  
6 December 31, 1994, the numerator of the fraction shall be the  
7 product of the difference between the total state equalized valu-  
8 ation for the immediately preceding year minus losses multiplied  
9 by the inflation rate and the denominator of the fraction shall  
10 be the total state equalized valuation for the current year minus  
11 additions. For ad valorem property taxes that are levied after  
12 December 31, 1994, the numerator of the fraction shall be the  
13 product of the difference between the total taxable value for the  
14 immediately preceding year minus losses multiplied by the infla-  
15 tion rate and the denominator of the fraction shall be the total  
16 taxable value for the current year minus additions. For each  
17 year after 1993, a millage reduction fraction shall not exceed  
18 1.

19 (8) The compounded millage reduction fraction for each year  
20 after 1980 shall be calculated by multiplying the local unit's  
21 previous year's compounded millage reduction fraction by the cur-  
22 rent year's millage reduction fraction. Beginning with 1980 tax  
23 levies, the compounded millage reduction fraction for the year  
24 shall be multiplied by the maximum millage rate authorized by law  
25 or charter for the unit of local government for the year, except  
26 as provided by subsection (9). A compounded millage reduction  
27 fraction shall not exceed 1.



1       (9) The millage reduction shall be determined separately for  
2 authorized millage approved by the voters. The limitation on  
3 millage authorized by the voters on or before May 31 of a year  
4 shall be calculated beginning with the millage reduction fraction  
5 for that year. Millage authorized by the voters after May 31  
6 shall not be subject to a millage reduction until the year fol-  
7 lowing the voter authorization which shall be calculated begin-  
8 ning with the millage reduction fraction for the year following  
9 the authorization. The first millage reduction fraction used in  
10 calculating the limitation on millage approved by the voters  
11 after January 1, 1979 shall not exceed 1.

12       (10) A millage reduction fraction shall be applied sepa-  
13 rately to the aggregate maximum millage rate authorized by a  
14 charter and to each maximum millage rate authorized by state law  
15 for a specific purpose.

16       (11) A unit of local government may submit to the voters for  
17 their approval the levy in that year of a tax rate in excess of  
18 the limit set by this section. The ballot question shall ask the  
19 voters to approve the levy of a specific number of mills in  
20 excess of the limit. The provisions of this section do not allow  
21 the levy of a millage rate in excess of the maximum rate autho-  
22 rized by law or charter. If the authorization to levy millage  
23 expires after 1993 and a local governmental unit is asking voters  
24 to renew the authorization to levy the millage, the ballot ques-  
25 tion shall ask for renewed authorization for the number of expir-  
26 ing mills as reduced by the millage reduction required by this  
27 section. If the election occurs before June 1 of a year, the

1 millage reduction is based on the immediately preceding year's  
2 millage reduction applicable to that millage. If the election  
3 occurs after May 31 of a year, the millage reduction shall be  
4 based on that year's millage reduction applicable to that millage  
5 had it not expired.

6 (12) A reduction or limitation under this section shall not  
7 be applied to taxes imposed for the payment of principal and  
8 interest on bonds or other evidence of indebtedness or for the  
9 payment of assessments or contract obligations in anticipation of  
10 which bonds are issued that were authorized before December 23,  
11 1978, as provided by former section 4 of chapter I of the munici-  
12 pal finance act, ~~Act No. 202 of the Public Acts of 1943~~ 1943 PA  
13 202, or to taxes imposed for the payment of principal and inter-  
14 est on bonds or other evidence of indebtedness or for the payment  
15 of assessments or contract obligations in anticipation of which  
16 bonds are issued that are approved by the voters after December  
17 22, 1978.

18 (13) If it is determined subsequent to the levy of a tax  
19 that an incorrect millage reduction fraction has been applied,  
20 the amount of additional tax revenue or the shortage of tax reve-  
21 nue shall be deducted from or added to the next regular tax levy  
22 for that unit of local government after the determination of the  
23 authorized rate pursuant to this section.

24 (14) If as a result of an appeal of county equalization or  
25 state equalization the taxable value of a unit of local govern-  
26 ment changes, the millage reduction fraction for the year shall  
27 be recalculated. The financial officer shall effectuate an

1 addition or reduction of tax revenue in the same manner as  
2 prescribed in subsection (13).

3       (15) The fractions calculated pursuant to this section shall  
4 be rounded to 4 decimal places, except that the inflation rate  
5 shall be computed by the state tax commission and shall be  
6 rounded to 3 decimal places. The state tax commission shall pub-  
7 lish the inflation rate before March 1 of each year.

8       (16) Beginning with taxes levied in 1994, the millage reduc-  
9 tion required by section 31 of article IX of the state constitu-  
10 tion of 1963 shall permanently reduce the maximum rate or rates  
11 authorized by law or charter. The reduced maximum authorized  
12 rate or rates for 1994 shall equal the product of the maximum  
13 rate or rates authorized by law or charter before application of  
14 this section multiplied by the ~~compound~~ COMPOUNDED millage  
15 reduction applicable to that millage in 1994 pursuant to subsec-  
16 tions (8) to (12). The reduced maximum authorized rate or rates  
17 for 1995 and each year after 1995 shall equal the product of the  
18 immediately preceding year's reduced maximum authorized rate or  
19 rates multiplied by the current year's millage reduction fraction  
20 and shall be adjusted for millage for which authorization has  
21 expired and new authorized millage approved by the voters pursu-  
22 ant to subsections (8) to (12).

23       Sec. 44. (1) Upon receipt of the tax roll, the township  
24 treasurer or other collector shall proceed to collect the taxes.  
25 The township treasurer or other collector shall mail to each tax-  
26 payer at the taxpayer's last known address on the tax roll or to  
27 the taxpayer's designated agent a statement showing the

1 description of the property against which the tax is levied, the  
2 taxable value of the property, and the amount of the tax on the  
3 property. If a tax statement is mailed to the taxpayer, a tax  
4 statement sent to a taxpayer's designated agent may be in a sum-  
5 mary form or may be in an electronic data processing format. If  
6 the tax statement information is provided to both a taxpayer and  
7 the taxpayer's designated agent, the tax statement mailed to the  
8 taxpayer may be identified as an informational copy. FOR QUALI-  
9 FIED AGRICULTURAL PROPERTY ONLY, THE TAX STATEMENT MAILED TO THE  
10 TAXPAYER OR TO THE TAXPAYER'S DESIGNATED AGENT SHALL INCLUDE THE  
11 RECAPTURE TAX THAT WOULD BE IMPOSED UNDER THE AGRICULTURAL PROP-  
12 ERTY RECAPTURE ACT IF THE QUALIFIED AGRICULTURAL PROPERTY WERE  
13 CONVERTED BY A CHANGE IN USE, AS THAT TERM IS DEFINED IN THE  
14 AGRICULTURAL PROPERTY RECAPTURE ACT. A township treasurer or  
15 other collector electing to send a tax statement to a taxpayer's  
16 designated agent or electing not to include an itemization in the  
17 manner described in subsection (9)(c) in a tax statement mailed  
18 to the taxpayer shall, upon request, mail a detailed copy of the  
19 tax statement, including an itemization of the amount of tax in  
20 the manner described by subsection (9)(c), to the taxpayer with-  
21 out charge, as previously required by this section.

22       (2) The expense of preparing and mailing the statement shall  
23 be paid from the county, township, city, or village funds.  
24 Failure to send or receive the notice does not prejudice the  
25 right to collect or enforce the payment of the tax. The township  
26 treasurer shall remain in the office of the township treasurer at  
27 some convenient place in the township on each Friday in the month

1 of December, from 9 a.m. to 5 p.m. to receive taxes, but shall  
2 receive taxes upon a weekday when they are offered. However, if  
3 a Friday in the month of December is Christmas eve, Christmas  
4 day, New Year's eve, or a day designated by the township as a  
5 holiday for township employees, the township treasurer shall not  
6 be required to remain in the office of the township treasurer on  
7 that Friday, but shall remain in the office of the township trea-  
8 surer at some convenient place in the township from 9 a.m. to 5  
9 p.m. on the day most immediately preceding that Friday that is  
10 not Christmas eve, Christmas day, New Year's eve, or a day desig-  
11 nated by the township as a holiday for township employees, to  
12 receive taxes.

13       (3) Except as provided by subsection (7), on a sum volun-  
14 tarily paid before February 15 of the succeeding year, the local  
15 property tax collecting unit shall add 1% for a property tax  
16 administration fee. However, unless otherwise provided for by an  
17 agreement between the assessing unit and the collecting unit, if  
18 a local property tax collecting unit other than a village does  
19 not also serve as the local assessing unit, the excess of the  
20 amount of property tax administration fees over the expense to  
21 the local property tax collecting unit in collecting the taxes,  
22 but not less than 80% of the fee imposed, shall be returned to  
23 the local assessing unit. A property tax administration fee is  
24 defined as a fee to offset costs incurred by a collecting unit in  
25 assessing property values, collecting the property tax levies,  
26 and in the review and appeal processes. The costs of any  
27 appeals, in excess of funds available from the property tax

1 administration fee, may be shared by any taxing unit only if  
2 approved by the governing body of the taxing unit. Except as  
3 provided by subsection (7), on all taxes paid after February 14  
4 and before March 1 the governing body of a city or township may  
5 authorize the treasurer to add to the tax a property tax adminis-  
6 tration fee to the extent imposed on taxes paid before February  
7 15 and a late penalty charge equal to 3% of the tax. ~~Interest~~  
8 THE GOVERNING BODY OF A CITY OR TOWNSHIP MAY WAIVE INTEREST from  
9 February 15 to the last day of February on a summer property tax  
10 that has been deferred under section 51 or any late penalty  
11 charge ~~may be waived by the governing body of a city or~~  
12 ~~township~~ for the homestead property of a senior citizen, para-  
13 plegic, quadriplegic, hemiplegic, eligible serviceperson, eligi-  
14 ble veteran, eligible widow or widower, totally and permanently  
15 disabled person, or blind person, as those persons are defined in  
16 chapter 9 of the income tax act of 1967, ~~Act No. 281 of the~~  
17 ~~Public Acts of 1967, being sections 206.501 to 206.532 of the~~  
18 ~~Michigan Compiled Laws~~ 1967 PA 281, MCL 206.501 TO 206.532, if  
19 the person makes a claim before February 15 for a credit for that  
20 property provided by chapter 9 of ~~Act No. 281 of the Public Acts~~  
21 ~~of 1967~~ THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.501 TO  
22 206.532, if the person presents a copy of the form filed for that  
23 credit to the local treasurer, and if the person has not received  
24 the credit before February 15. ~~Interest~~ THE GOVERNING BODY OF  
25 A CITY OR TOWNSHIP MAY WAIVE INTEREST from February 15 to the  
26 last day of February on a summer property tax deferred under  
27 section 51 or any late penalty charge ~~may be waived by the~~

1 ~~governing body of a city or township~~ for a person's property  
2 that is subject to a farmland development rights agreement  
3 recorded with the register of deeds of the county in which the  
4 property is situated as provided in section 36104 of part 361  
5 ~~(farmland and open space preservation)~~ of the natural resources  
6 and environmental protection act, ~~Act No. 451 of the Public Acts~~  
7 ~~of 1994, being section 324.36104 of the Michigan Compiled Laws~~  
8 1994 PA 451, MCL 324.36104, if the person presents a copy of the  
9 development rights agreement or verification that the property is  
10 subject to a development rights agreement before February 15. A  
11 4% county property tax administration fee, a property tax admin-  
12 istration fee to the extent imposed on and if authorized under  
13 subsection (7) for taxes paid before March 1, and interest on the  
14 tax at the rate of 1% per month shall be added to taxes collected  
15 by the township or city treasurer after the last day of February  
16 and before settlement with the county treasurer, and the payment  
17 shall be treated as though collected by the county treasurer. If  
18 the statements required to be mailed by this section are not  
19 mailed before December 31, the treasurer shall not impose a late  
20 penalty charge ~~with respect to~~ ON taxes collected after  
21 February 14.

22 (4) The governing body of a local property tax collecting  
23 unit may waive all or part of the property tax administration fee  
24 or the late penalty charge, or both. A property tax administra-  
25 tion fee collected by the township treasurer shall be used only  
26 for the purposes for which it may collected as specified by  
27 subsection (3) and this subsection. If the bond of the

1 treasurer, as provided in section 43, is furnished by a surety  
2 company, the cost of the bond may be paid by the township from  
3 the property tax administration fee.

4       (5) If apprehensive of the loss of personal tax assessed  
5 upon the roll, the township treasurer may enforce collection of  
6 the tax at any time, and if compelled to seize property or bring  
7 an action in December may add, if authorized under  
8 subsection (7), 1% for a property tax administration fee and 3%  
9 for a late penalty charge.

10       (6) Along with taxes returned delinquent to a county trea-  
11 surer under section 55, the amount of the 1% property tax admin-  
12 istration fee prescribed by subsection (3) that is imposed and  
13 not paid shall be included in the return of delinquent taxes and,  
14 when delinquent taxes are distributed by the county treasurer  
15 under this act, the delinquent 1% property tax administration fee  
16 shall be distributed to the treasurer of the local unit who  
17 transmitted the statement of taxes returned as delinquent.  
18 Interest imposed upon delinquent property taxes under this act  
19 shall also be imposed upon the 1% property tax administration fee  
20 and, for purposes of this act other than to which local unit the  
21 county treasurer shall distribute a delinquent 1% property tax  
22 administration fee, any reference to delinquent taxes shall be  
23 considered to include the 1% property tax administration fee  
24 returned as delinquent for the same property.

25       (7) The local property tax collecting treasurer shall not  
26 impose a property tax administration fee, collection fee, or any  
27 type of late penalty charge authorized by law or charter unless



1 the governing body of the local property tax collecting unit  
2 approves, by resolution or ordinance adopted after  
3 December 31, 1982, an authorization for the imposition of a prop-  
4 erty tax administration fee, collection fee, or any type of late  
5 penalty charge provided for by this section or by charter, which  
6 authorization shall be valid for all levies that become a lien  
7 after the resolution or ordinance is adopted. However, unless  
8 otherwise provided for by an agreement between the assessing unit  
9 and the collecting unit, a local property tax collecting unit  
10 that does not also serve as the assessing unit shall impose a  
11 property tax administration fee on each parcel at a rate equal to  
12 the rate of the fee imposed for city or township taxes on that  
13 parcel.

14 (8) The annual statement required by ~~Act No. 125 of the~~  
15 ~~Public Acts of 1966, being sections 565.161 to 565.164 of the~~  
16 ~~Michigan Compiled Laws~~ 1966 PA 125, MCL 565.161 TO 565.164, or a  
17 monthly billing form or mortgagor passbook provided instead of  
18 that annual statement shall include a statement to the effect  
19 that a taxpayer who ~~has~~ WAS not ~~been~~ mailed the tax statement  
20 or a copy of the tax statement by the township treasurer or other  
21 collector shall receive, upon request and without charge, a copy  
22 of the tax statement from the township treasurer or other collec-  
23 tor or, if the tax statement has been mailed to the taxpayer's  
24 designated agent, from either the taxpayer's designated agent or  
25 the township treasurer or other collector. A designated agent  
26 who is subject to ~~Act No. 125 of the Public Acts of 1966~~ 1966  
27 PA 125, MCL 565.161 TO 565.164, and who has been mailed the tax

1 statement for taxes that became a lien in the calendar year  
2 immediately preceding the year in which the annual statement may  
3 be required to be furnished shall mail, upon ~~the~~ request ~~of~~  
4 and without charge to a taxpayer who ~~has~~ WAS not ~~been~~ mailed  
5 that tax statement or a copy of that tax statement, a copy of  
6 that tax statement. ~~to that taxpayer.~~

7 (9) As used in this section:

8 (a) "Designated agent" means an individual, partnership,  
9 association, corporation, receiver, estate, trust, or other legal  
10 entity that has entered into an escrow account agreement or other  
11 agreement with the taxpayer that obligates that individual or  
12 legal entity to pay the property taxes for the taxpayer or, if an  
13 agreement has not been entered into, that ~~has been~~ WAS desig-  
14 nated by the taxpayer on a form made available to the taxpayer by  
15 the township treasurer and filed with that treasurer. The desig-  
16 nation by the taxpayer shall remain in effect until revoked by  
17 the taxpayer in a writing filed with the township treasurer. The  
18 form made available by the township treasurer shall include a  
19 statement that submission of the form allows the treasurer to  
20 mail the tax statement to the designated agent instead of to the  
21 taxpayer and a statement notifying the taxpayer of his or her  
22 right to revoke the designation by a writing filed with the town-  
23 ship treasurer.

24 (b) "Taxpayer" means the owner of the property ~~upon~~ ON  
25 which the tax is imposed.

26 (c) When describing in subsection (1) that the amount of tax  
27 on the property must be shown in the tax statement, "amount of

1 tax" means an itemization by dollar amount of each of the several  
2 ad valorem property taxes and special assessments that a person  
3 may pay under section 53 and an itemization by millage rate, on  
4 either the tax statement or a separate form accompanying the tax  
5 statement, of each of the several ad valorem property taxes that  
6 a person may pay under section 53. The township treasurer or  
7 other collector may replace the itemization described in this  
8 subdivision with a statement informing the taxpayer that the  
9 itemization of the dollar amount and millage rate of the taxes is  
10 available without charge from the local property tax collecting  
11 unit.

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

14 Enacting section 2. This amendatory act does not take  
15 effect unless all of the following occur:

16 (a) House Bill No. 5780 (request no. H05514'99 \*\*\*\*) of the  
17 90th Legislature is enacted into law.

18 (b) Senate Bill No. 1246 or House Bill No. \_\_\_\_\_ (request  
19 no. 05515'99 \*) of the 90th Legislature is enacted into law.

20 (c) House Joint Resolution R (request no. 06602'00 \*) of  
21 the 90th Legislature becomes a part of the state constitution of  
22 1963 as provided in section 1 of article XII of the state consti-  
23 tution of 1963.