

SENATE BILL No. 1294

May 30, 2000, Introduced by Senator STILLE and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
(MCL 211.1 to 211.157 by adding section 7gg.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 7GG. (1) QUALIFIED FARMLAND IS EXEMPT FROM THE COL-
2 LECTION OF TAXES UNDER THIS ACT FOR THE PERIOD SPECIFIED IN SUB-
3 SECTION (2) IF THE OWNER OF THE QUALIFIED FARMLAND SUBMITS AN
4 APPLICATION TO THE LOCAL TAX COLLECTING UNIT FOR AN EXEMPTION
5 UNDER THIS SECTION. THE APPLICATION FOR EXEMPTION UNDER THIS
6 SECTION SHALL CONTAIN A STATEMENT THAT THE APPLICANT AGREES THAT
7 THE PROPERTY SUBJECT TO THE EXEMPTION SHALL REMAIN QUALIFIED
8 FARMLAND FOR THE DURATION OF THE EXEMPTION UNDER THIS SECTION AND
9 THAT, IF THE PROPERTY DOES NOT REMAIN QUALIFIED FARMLAND WHILE
10 EXEMPT UNDER THIS SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE
11 ADJUSTED AS PROVIDED IN SUBSECTION (3). THE APPLICATION FOR

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1 EXEMPTION UNDER THIS SECTION SHALL BE IN A FORM PRESCRIBED BY THE
2 STATE TAX COMMISSION.

3 (2) AN EXEMPTION UNDER THIS SECTION SHALL COMMENCE ON
4 DECEMBER 31 IN THE YEAR IN WHICH THE APPLICATION FOR THE EXEMP-
5 TION IS SUBMITTED UNDER SUBSECTION (1) AND SHALL REMAIN IN EFFECT
6 FOR 10 YEARS OR UNTIL THE PROPERTY CEASES TO BE QUALIFIED FARM-
7 LAND, WHICHEVER OCCURS FIRST. AN EXEMPTION UNDER THIS SECTION
8 MAY BE RENEWED FOR 1 OR MORE ADDITIONAL 10-YEAR PERIODS IF THE
9 PROPERTY REMAINS QUALIFIED FARMLAND.

10 (3) IF PROPERTY EXEMPT UNDER THIS SECTION CEASES TO BE QUAL-
11 IFIED FARMLAND, ALL OF THE FOLLOWING SHALL OCCUR:

12 (A) THE TAXABLE VALUE OF THE PROPERTY SHALL BE ADJUSTED TO
13 THE TAXABLE VALUE THE PROPERTY WOULD HAVE HAD IF THE PROPERTY HAD
14 NOT BEEN EXEMPT UNDER THIS SECTION. THE DATE OF THE ADJUSTMENT
15 SHALL BE DETERMINED AS FOLLOWS:

16 (i) IF THE PROPERTY CEASES TO BE QUALIFIED FARMLAND 7 YEARS
17 OR LESS AFTER THE DATE THE EXEMPTION UNDER THIS SECTION IS EFFEC-
18 TIVE, AS OF THE DECEMBER 31 THAT THE EXEMPTION WAS EFFECTIVE.

19 (ii) IF THE PROPERTY CEASES TO BE QUALIFIED FARMLAND MORE
20 THAN 7 YEARS AFTER THE DATE THE EXEMPTION UNDER THIS SECTION IS
21 EFFECTIVE, AS OF THE DECEMBER 31 IN THE YEAR 7 YEARS IMMEDIATELY
22 PRECEDING THE DATE THE PROPERTY CEASES TO BE QUALIFIED FARMLAND.

23 (B) IF A TAX ROLL AFFECTED BY THE ADJUSTMENT UNDER SUBDIVI-
24 SION (A) IS IN THE LOCAL TAX COLLECTING UNIT'S POSSESSION, THE
25 TAX ROLL SHALL BE AMENDED TO REFLECT THE ADJUSTMENT AND THE LOCAL
26 TREASURER SHALL ISSUE A CORRECTED TAX BILL FOR PREVIOUSLY UNPAID
27 TAXES, TOGETHER WITH INTEREST, PENALTIES, AND FEES CALCULATED

1 FROM THE DATE THAT THE TAXES WOULD HAVE ORIGINALLY BEEN LEVIED.
2 IF A TAX ROLL AFFECTED BY THE ADJUSTMENT UNDER SUBDIVISION (A) IS
3 IN THE COUNTY TREASURER'S POSSESSION, THE TAX ROLL SHALL BE
4 AMENDED TO REFLECT THE ADJUSTMENT AND THE COUNTY TREASURER SHALL
5 PREPARE AND SUBMIT A SUPPLEMENTAL TAX BILL FOR ANY ADDITIONAL
6 UNPAID TAXES, TOGETHER WITH INTEREST, PENALTIES, AND FEES CALCU-
7 LATED FROM THE DATE THAT THE TAXES WOULD HAVE ORIGINALLY BEEN
8 LEVIED. ANY ADDITIONAL TAXES COLLECTED UNDER THIS SUBDIVISION
9 SHALL BE DISTRIBUTED IN THE SAME MANNER AS OTHER TAXES ARE DIS-
10 TRIBUTED UNDER THIS ACT. ANY ADDITIONAL TAXES DUE UNDER THIS
11 SUBSECTION THAT REMAIN UNPAID 60 DAYS AFTER A SUPPLEMENTAL TAX
12 BILL IS RECEIVED SHALL BE CONSIDERED DELINQUENT AND THE PROPERTY
13 ON WHICH THE ADDITIONAL TAXES ARE LEVIED IS SUBJECT TO FORFEI-
14 TURE, FORECLOSURE, AND SALE AS PROVIDED UNDER THIS ACT.

15 (4) AN OWNER OF QUALIFIED FARMLAND EXEMPT UNDER THIS SECTION
16 SHALL INFORM A PROSPECTIVE BUYER THAT IF THE PROPERTY CEASES TO
17 BE QUALIFIED FARMLAND WHILE EXEMPT UNDER THIS SECTION, THE
18 PROPERTY'S TAXABLE VALUE IS SUBJECT TO ADJUSTMENT UNDER SUBSEC-
19 TION (3).

20 (5) AS USED IN THIS SECTION:

21 (A) "AGRICULTURAL USE" MEANS THAT TERM AS DEFINED IN SECTION
22 36101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT,
23 1994 PA 451, MCL 324.36101.

24 (B) "QUALIFIED FARMLAND" MEANS REAL PROPERTY, BUT NOT
25 IMPROVEMENTS ON THE REAL PROPERTY, THAT MEETS ALL OF THE FOLLO-
26 WING CONDITIONS:

1 (i) IS CLASSIFIED AS AGRICULTURAL REAL PROPERTY UNDER
2 SECTION 34C.

3 (ii) IS ZONED AGRICULTURAL.

4 (iii) IS IN AGRICULTURAL USE.