

HOUSE BILL No. 5083

August 10, 2005, Introduced by Rep. Jones and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 2a and 34c (MCL 211.2a and 211.34c), section
2a as amended by 1982 PA 539 and section 34c as amended by 2002 PA
620.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2a. (1) ~~For~~ **BEFORE JANUARY 1, 2006, FOR** purposes of
2 section 2, a mobile home ~~which~~ **THAT** is not ~~covered by~~ **SUBJECT**
3 **TO THE SPECIFIC TAX LEVIED UNDER** section 41 of ~~Act No. 243 of the~~
4 ~~Public Acts of 1959, being section 125.1041 of the Michigan~~
5 ~~Compiled Laws, and while~~ **1959 PA 243, MCL 125.1041**, located on
6 ~~land otherwise assessable as~~ real property ~~under this act, and~~
7 **NOT EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT**, whether or
8 not permanently affixed to ~~the soil, shall be~~ **THAT REAL PROPERTY,**

1 IS considered real property and shall be assessed as part of the
2 real property ~~upon~~ ON which the mobile home is located.

3 (2) AFTER DECEMBER 31, 2005, FOR PURPOSES OF SECTION 2, A NEW
4 MOBILE HOME LOCATED ON REAL PROPERTY, WHETHER OR NOT PERMANENTLY
5 AFFIXED TO THAT REAL PROPERTY, IS REAL PROPERTY AND SHALL BE
6 ASSESSED AS REAL PROPERTY TO THE OWNER OF THE NEW MOBILE HOME. FOR
7 TAXES LEVIED AFTER DECEMBER 31, 2004 AND BEFORE JANUARY 1, 2006, A
8 NEW MOBILE HOME'S TAXABLE VALUE IS 50% OF THAT NEW MOBILE HOME'S
9 TRUE CASH VALUE. FOR TAXES LEVIED AFTER DECEMBER 31, 2005, A NEW
10 MOBILE HOME'S TAXABLE VALUE IS THAT VALUE DETERMINED UNDER SECTION
11 27A. AS USED IN THIS ACT, "NEW MOBILE HOME" MEANS A MOBILE HOME FOR
12 WHICH A CERTIFICATE OF TITLE WAS INITIALLY ISSUED UNDER THE MOBILE
13 HOME COMMISSION ACT, 1987 PA 96, MCL 125.2301 TO 125.2349, ON OR
14 AFTER JANUARY 1, 2006.

15 (3) ~~(2)~~ As used in this section, "mobile home" does not
16 include a travel trailer or camping trailer ~~which~~ THAT is either
17 parked in a campground licensed by this state for not more than 180
18 days in any calendar year, or parked ~~upon~~ ON private property,
19 including a designated storage area of a licensed campground, for
20 the sole purpose of storage.

21 (4) ~~(3)~~ As used in this section, "mobile home" does not
22 include a truck camper ~~which is~~ parked in a campground licensed
23 by this state ~~which~~ THAT is a portable structure, designed and
24 constructed to be loaded onto ~~—~~ or affixed to ~~—~~ the bed or
25 chassis of a truck, and ~~which~~ THAT is used to provide temporary
26 living quarters for recreational camping or travel.

27 (5) ~~(4)~~ For purposes of AS USED IN this section: ~~—~~ the

1 ~~following definitions shall apply:~~

2 (a) ~~A travel trailer is~~ **"TRAVEL TRAILER" MEANS** a vehicular
3 portable structure mounted on wheels ~~and of~~ **THAT IS** a size and
4 weight ~~as~~ **THAT DOES** not ~~to~~ require special highway movement
5 permits ~~when~~ **IF** drawn by a stock passenger automobile or ~~when~~
6 **IF** drawn with a fifth wheel hitch mounted on a motor vehicle, and
7 **THAT** is primarily designed, constructed, and used to provide
8 temporary living quarters for recreational camping or travel.

9 (b) ~~A camping trailer is~~ **"CAMPING TRAILER" MEANS** a vehicular
10 portable temporary living quarters used for recreational camping or
11 travel ~~and of~~ **THAT IS** a size and weight ~~as~~ **THAT DOES** not ~~to~~
12 require special highway movement permits ~~when~~ **IF** drawn by a motor
13 vehicle.

14 Sec. 34c. (1) Not later than the first Monday in March in each
15 year, the assessor shall classify every item of assessable property
16 according to the definitions contained in this section. Following
17 the March board of review, the assessor shall tabulate the total
18 number of items and the valuations as approved by the board of
19 review for each classification and for the totals of real and
20 personal property in the local tax collecting unit. The assessor
21 shall transmit to the county equalization department and to the
22 state tax commission the tabulation of assessed valuations and
23 other statistical information the state tax commission considers
24 necessary to meet the requirements of this act and 1911 PA 44, MCL
25 209.1 to 209.8.

26 (2) The classifications of assessable real property are
27 described as follows:

1 (a) Agricultural real property includes parcels used partially
2 or wholly for agricultural operations, with or without buildings,
3 and parcels assessed to the department of natural resources and
4 valued by the state tax commission. For taxes levied after December
5 31, 2002, agricultural real property includes buildings on leased
6 land used for agricultural operations. As used in this subdivision,
7 "agricultural operations" means the following:

8 (i) Farming in all its branches, including cultivating soil.

9 (ii) Growing and harvesting any agricultural, horticultural, or
10 floricultural commodity.

11 (iii) Dairying.

12 (iv) Raising livestock, bees, fish, fur-bearing animals, or
13 poultry.

14 (v) Turf and tree farming.

15 (vi) Performing any practices on a farm incident to, or in
16 conjunction with, farming operations. A commercial storage,
17 processing, distribution, marketing, or shipping operation is not
18 part of agricultural operations.

19 (b) Commercial real property includes the following:

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

22 (ii) Parcels used by fraternal societies.

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

25 (iv) For taxes levied after December 31, 2002, buildings on
26 leased land used for commercial purposes.

27 (c) Developmental real property includes parcels containing

1 more than 5 acres without buildings, or more than 15 acres with a
2 market value in excess of its value in use. Developmental real
3 property may include farm land or open space land adjacent to a
4 population center, or farm land subject to several competing
5 valuation influences.

6 (d) Industrial real property includes the following:

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

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

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

15 (iv) For taxes levied after December 31, 2002, buildings on
16 leased land used for industrial purposes.

17 (v) For taxes levied after December 31, 2002, buildings on
18 leased land for utility purposes.

19 (e) Residential real property includes the following:

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

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

27 (iii) For taxes levied after December 31, 2002, a home, cottage,

1 or cabin on leased land, and a mobile home that would be assessable
2 as real property under section 2a except that the land on which it
3 is located is not assessable because the land is exempt. lands,
4 located in an area used predominantly for recreational purposes.

5 **(iv) FOR TAXES LEVIED AFTER DECEMBER 31, 2005, A NEW MOBILE**
6 **HOME ON A PLATTED OR UNPLATTED PARCEL OR ON LEASED LAND, WHICH IS**
7 **USED FOR, OR PROBABLY WILL BE USED FOR, RESIDENTIAL PURPOSES.**

8 (f) Timber-cutover real property includes parcels that are
9 stocked with forest products of merchantable type and size, cutover
10 forest land with little or no merchantable products, and marsh
11 lands or other barren land. However, when a typical purchase of
12 this type of land is for residential or recreational uses, the
13 classification shall be changed to residential.

14 (3) The classifications of assessable personal property are
15 described as follows:

16 (a) Agricultural personal property includes any agricultural
17 equipment and produce not exempt by law.

18 (b) Commercial personal property includes the following:

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

21 (ii) All outdoor advertising signs and billboards.

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

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

27 (c) Industrial personal property includes the following:

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

3 (ii) Personal property of mining companies valued by the state
4 geologist.

5 (d) For taxes levied before January 1, 2003, residential
6 personal property includes a home, cottage, or cabin on leased
7 land, and a mobile home that would be assessable as real property
8 under section 2a except that the land on which it is located is not
9 assessable because the land is exempt.

10 (e) Utility personal property includes the following:

11 (i) Electric transmission and distribution systems, substation
12 equipment, spare parts, gas distribution systems, and water
13 transmission and distribution systems.

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

16 (iii) Inventories not exempt by law.

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

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

20 (vi) Gas storage equipment.

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

22 (4) For taxes levied before January 1, 2003, buildings on
23 leased land of any classification are improvements where the owner
24 of the improvement is not the owner of the land or fee, the value
25 of the land is not assessed to the owner of the building, and the
26 improvement has been assessed as personal property pursuant to
27 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 review.
8 An owner or assessor may appeal the decision of the March board of
9 review by filing a petition with the state tax commission not later
10 than June 30 in that tax year. The state tax commission shall
11 arbitrate the petition based on the written petition and the
12 written recommendations of the assessor and the state tax
13 commission staff. An appeal may not be taken from the decision of
14 the state tax commission regarding classification complaint
15 petitions and the state tax commission's determination is final and
16 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 in
20 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 true
23 cash value prescribed by this act.

24 Enacting section 1. This amendatory act does not take effect
25 unless Senate Bill No.____ or House Bill No.____ (request no.
26 01817'05 a) of the 93rd Legislature is enacted into law.