

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 6007**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending sections 24, 25, 27, 34c, and 53 (MCL 211.24, 211.25,  
211.27, 211.34c, and 211.53), section 24 as amended by 2002 PA 620,  
section 27 as amended by 2010 PA 340, section 34c as amended by  
2011 PA 320, and section 53 as amended by 1983 PA 24, and by adding  
sections 7oo, 7pp, and 7qq; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           **SEC. 7oo. LOW GRADE IRON ORE AND LOW GRADE IRON ORE MINING**  
2   **PROPERTY SUBJECT TO TAXATION UNDER 1951 PA 77, MCL 211.621 TO**  
3   **211.626, OR IRON ORE OR ORE PROPERTY SUBJECT TO TAXATION UNDER 1963**  
4   **PA 68, 207.271 TO 207.279, ARE EXEMPT FROM THE COLLECTION OF TAXES**  
5   **UNDER THIS ACT.**

1           SEC. 7PP. BEGINNING DECEMBER 31, 2012, ANY MINERAL AND ANY  
2 RIGHT, CLAIM, LEASE, OR OPTION IN OR OF A MINERAL IS EXEMPT FROM  
3 THE COLLECTION OF TAXES UNDER THIS ACT. BEGINNING DECEMBER 31,  
4 2012, ANY SHAFT, INCLINE, ADIT, OR VALUE OF OVERBURDEN STRIPPING  
5 LOCATED AT AN OPEN MINE IS EXEMPT FROM THE COLLECTION OF TAXES  
6 UNDER THIS ACT. THE EXEMPTION UNDER THIS SECTION DOES NOT APPLY TO  
7 THE SURFACE PROPERTY, RIGHTS IN THE SURFACE PROPERTY, SURFACE  
8 IMPROVEMENTS, OR PERSONAL PROPERTY AT AN OPEN MINE. AS USED IN THIS  
9 SECTION, "MINERAL" AND "OPEN MINE" MEAN THOSE TERMS AS DEFINED IN  
10 THE NONFERROUS METALLIC MINERALS EXTRACTION SEVERANCE TAX ACT.

11           SEC. 7QQ. ANY MINERAL-PRODUCING PROPERTY SUBJECT TO THE  
12 MINERAL SEVERANCE TAX UNDER THE NONFERROUS METALLIC MINERALS  
13 EXTRACTION SEVERANCE TAX ACT IS EXEMPT FROM THE COLLECTION OF TAXES  
14 UNDER THIS ACT. AS USED IN THIS SECTION, "MINERAL-PRODUCING  
15 PROPERTY" AND "MINERAL SEVERANCE TAX" MEAN THOSE TERMS AS DEFINED  
16 IN THE NONFERROUS METALLIC MINERALS EXTRACTION SEVERANCE TAX ACT.

17           Sec. 24. ~~(1)~~—On or before the first Monday in March in each  
18 year, the assessor shall make and complete an assessment roll, upon  
19 which he or she shall set down all of the following:

20           (a) The name and address of every person liable to be taxed in  
21 the local tax collecting unit with a full description of all the  
22 real property liable to be taxed. If the name of the owner or  
23 occupant of any tract or parcel of real property is known, the  
24 assessor shall enter the name and address of the owner or occupant  
25 opposite to the description of the property. If unknown, the real  
26 property described upon the roll shall be assessed as "owner  
27 unknown". All contiguous subdivisions of any section that are owned

1 by 1 person, firm, corporation, or other legal entity and all  
2 unimproved lots in any block that are contiguous and owned by 1  
3 person, firm, corporation, or other legal entity shall be assessed  
4 as 1 parcel, unless demand in writing is made by the owner or  
5 occupant to have each subdivision of the section or each lot  
6 assessed separately. However, failure to assess contiguous parcels  
7 as entireties does not invalidate the assessment as made. Each  
8 description shall show as near as possible the number of acres  
9 contained in it, as determined by the assessor. It is not necessary  
10 for the assessment roll to specify the quantity of land comprised  
11 in any town, city, or village lot.

12 (b) The assessor shall estimate, according to his or her best  
13 information and judgment, the true cash value and assessed value of  
14 every parcel of real property and set the assessed value down  
15 opposite the parcel.

16 (c) The assessor shall calculate the tentative taxable value  
17 of every parcel of real property and set that value down opposite  
18 the parcel.

19 (d) The assessor shall determine the percentage of value of  
20 every parcel of real property that is exempt from the tax levied by  
21 a local school district for school operating purposes to the extent  
22 provided under section 1211 of the revised school code, 1976 PA  
23 451, MCL 380.1211, and set that percentage of value down opposite  
24 the parcel.

25 (e) The assessor shall determine the date of the last transfer  
26 of ownership of every parcel of real property occurring after  
27 December 31, 1994 and set that date down opposite the parcel.

1 (f) The assessor shall estimate the true cash value of all the  
2 personal property of each person, and set the assessed value and  
3 tentative taxable value down opposite the name of the person. In  
4 determining the property to be assessed and in estimating the value  
5 of that property, the assessor is not bound to follow the  
6 statements of any person, but shall exercise his or her best  
7 judgment. For taxes levied after December 31, 2003, the assessor  
8 shall separately state the assessed value and tentative taxable  
9 value of any leasehold improvements.

10 (g) Property assessed to a person other than the owner shall  
11 be assessed separately from the owner's property and shall show in  
12 what capacity it is assessed to that person, whether as agent,  
13 guardian, or otherwise. Two or more persons not being copartners,  
14 owning personal property in common, may each be assessed severally  
15 for each person's portion. Undivided interests in lands owned by  
16 tenants in common, or joint tenants not being copartners, may be  
17 assessed to the owners.

18 ~~—— (2) The state geologist, or his or her duly authorized deputy,~~  
19 ~~shall determine, according to his or her best information and~~  
20 ~~judgment, the true cash value of the metallic mining properties and~~  
21 ~~mineral rights consisting of metallic resources that are either~~  
22 ~~producing, developed, or have a known commercial mineral value,~~  
23 ~~including surface rights and personal property that may be used in~~  
24 ~~the operation or development of the property assessed, or any~~  
25 ~~stockpile of ore or mineral stored on the surface. For the purpose~~  
26 ~~of encouraging the exploration and development of metallic mineral~~  
27 ~~resources, metallic mineral ore newly discovered or proven in the~~

1 ~~ground and not part of the property of an operating mine shall be~~  
2 ~~exempt from the taxes collected under this act for a maximum period~~  
3 ~~of 10 years or until the time it becomes part of the property of an~~  
4 ~~operating mine or it in itself becomes an operating mine. Metallic~~  
5 ~~mineral ore newly discovered or proven in the ground and part of~~  
6 ~~the property of an operating mine shall be exempt from taxes~~  
7 ~~collected under this act until it, in combination with previously~~  
8 ~~discovered metallic mineral ore of the operating mine, comes into a~~  
9 ~~10 year recovery period of the mine as determined by the average~~  
10 ~~normal annual rate of extraction of the mine.~~

11 ~~—— (3) An operating mine shall be defined to be an operating mine~~  
12 ~~as of the date of starting of a shaft, stripping of overburden, or~~  
13 ~~rehabilitation, or an abandoned or idle mine closed for not less~~  
14 ~~than 2 years. Ore shall not enjoy more than 10 years' exemption~~  
15 ~~from taxation. This section does not exempt from the taxes~~  
16 ~~collected under this act ore reserves proven as of April 1, 1947.~~  
17 ~~It is the intent of this act that mineral properties shall be~~  
18 ~~valued and assessed in the future for ad valorem taxes according to~~  
19 ~~the formula used in the valuation of mineral properties before the~~  
20 ~~effective date of this act. It is the intent of this act that no~~  
21 ~~metallic mineral ore shall be exempt more than 10 years because of~~  
22 ~~the application of this act and if at any time it becomes evident~~  
23 ~~that such is the case, the state tax commission shall determine the~~  
24 ~~value of this untaxed ore and place this valuation on the proper~~  
25 ~~tax roll. The state geologist shall report his or her determination~~  
26 ~~of the true cash value of the mineral properties to the state tax~~  
27 ~~commission on or before February 10 of each year. The state tax~~

~~1 commission shall assess the mineral properties containing 20% or  
2 more of natural iron per ton of ore in conformity and uniformity  
3 with all other property within the assessing district. The state  
4 tax commission shall assess all other metallic mineral properties  
5 at the value certified by the state geologist. The state tax  
6 commission, as early as is practicable before February 20, shall  
7 certify the assessment of the property to the assessor of the  
8 township or city in which the property is situated, who shall for  
9 the mineral properties and mineral rights that are owned separate  
10 from the surface rights on the property assess each to the owner at  
11 the valuation certified to him or her. However, an adjustment to  
12 the value certified by the state tax commission may be made by the  
13 assessor of the township or city to reflect any general adjustment  
14 of assessed valuation from the immediately preceding year not  
15 included in the state tax commission computation. The assessor  
16 shall determine the true cash value of the surface rights and  
17 assess the value of the surface rights to the owner. The assessment  
18 upon the metallic mining properties and mineral rights may be  
19 altered from year to year regardless of whether any previous  
20 assessment has been reviewed by the state tax commission. The  
21 assessor or the owner of any interest in the property assessed may  
22 appeal the assessment and valuation of the property as determined  
23 by the board of review to the state tax commission which shall  
24 review the assessment and valuation as provided in section 152.~~

25       Sec. 25. (1) The description of real property may be as  
26 follows:

27       (a) If the land to be assessed is an entire section, it may be

1 described by the number of the section, township, and range.

2 (b) If the tract is a subdivision of a section authorized by  
3 the United States for the sale of public lands, it may be described  
4 by the designation of the subdivision, with the number of the  
5 section, township, and range.

6 (c) If the tract is less than the subdivision, it may be  
7 described as a distinct part of the subdivision, or in a manner as  
8 will definitely describe it.

9 (d) In case of land platted or laid out as a town, city, or  
10 village, or as an addition to a town, city, or village, it shall be  
11 described by reference to the plat and by the number of the lots  
12 and blocks ~~thereof~~ **OF THAT TOWN, CITY, OR VILLAGE**.

13 (e) When 2 or more parcels of land adjoin and belong to the  
14 same owner or owners, they may be assessed by 1 valuation if  
15 permission is obtained from the owner or owners. The assessing  
16 authority shall send a notice of intent to assess the parcels by 1  
17 valuation to the owner or owners. Permission shall be considered  
18 obtained if there is no negative response within 30 days following  
19 the notice of intent.

20 (f) It ~~shall be~~ **IS** sufficient to describe the real property  
21 assessed upon a roll and in other proceedings under this act in the  
22 manner ~~heretofore~~ in use by initials, letters, abbreviations, and  
23 figures.

24 (g) In the case of the separate assessment of mineral rights  
25 **NOT OTHERWISE EXEMPT UNDER THIS ACT**, it shall be sufficient to  
26 describe ~~the same~~ **THOSE MINERAL RIGHTS** as provided in this section  
27 followed by the term "mineral rights only", and it shall be

1 sufficient ~~description of the~~ **TO DESCRIBE THOSE** surface rights,  
2 which shall include all other rights in the property except mineral  
3 rights, ~~as defined in sections 6a and 6b,~~ to describe the property  
4 as provided in this section followed by the term "surface rights  
5 only".

6 (2) The descriptions of real property of townships shall be  
7 arranged in the following manner:

8 (a) Acreage descriptions in numerical order of section  
9 beginning with section 1 of each township; a surveyed township  
10 being listed fully before a description of a second surveyed  
11 township, if any, is entered.

12 Lands included in an unincorporated village may be arranged  
13 without separation as to sections within a township.

14 (b) Government lots in a section shall be listed numerically.

15 (c) Descriptions listed in a private claim, if more than 1  
16 private claim is located in the same township, the description of  
17 each claim shall be listed numerically.

18 (3) The descriptions of real property of islands shall be  
19 arranged and listed either by number or name of island.

20 Sec. 27. (1) As used in this act, "true cash value" means the  
21 usual selling price at the place where the property to which the  
22 term is applied is at the time of assessment, being the price that  
23 could be obtained for the property at private sale, and not at  
24 auction sale except as otherwise provided in this section, or at  
25 forced sale. The usual selling price may include sales at public  
26 auction held by a nongovernmental agency or person if those sales  
27 have become a common method of acquisition in the jurisdiction for



1 the class of property being valued. The usual selling price does  
2 not include sales at public auction if the sale is part of a  
3 liquidation of the seller's assets in a bankruptcy proceeding or if  
4 the seller is unable to use common marketing techniques to obtain  
5 the usual selling price for the property. A sale or other  
6 disposition by this state or an agency or political subdivision of  
7 this state of land acquired for delinquent taxes or an appraisal  
8 made in connection with the sale or other disposition or the value  
9 attributed to the property of regulated public utilities by a  
10 governmental regulatory agency for rate-making purposes is not  
11 controlling evidence of true cash value for assessment purposes. In  
12 determining the true cash value, the assessor shall also consider  
13 the advantages and disadvantages of location; quality of soil;  
14 zoning; existing use; present economic income of structures,  
15 including farm structures; present economic income of land if the  
16 land is being farmed or otherwise put to income producing use;  
17 quantity and value of standing timber; water power and privileges;  
18 ~~and mines, minerals, quarries, or other valuable deposits~~ **NOT**  
19 **OTHERWISE EXEMPT UNDER THIS ACT** known to be available in the land  
20 and their value. In determining the true cash value of personal  
21 property owned by an electric utility cooperative, the assessor  
22 shall consider the number of kilowatt hours of electricity sold per  
23 mile of distribution line compared to the average number of  
24 kilowatt hours of electricity sold per mile of distribution line  
25 for all electric utilities.

26 (2) The assessor shall not consider the increase in true cash  
27 value that is a result of expenditures for normal repairs,

1 replacement, and maintenance in determining the true cash value of  
2 property for assessment purposes until the property is sold. For  
3 the purpose of implementing this subsection, the assessor shall not  
4 increase the construction quality classification or reduce the  
5 effective age for depreciation purposes, except if the appraisal of  
6 the property was erroneous before nonconsideration of the normal  
7 repair, replacement, or maintenance, and shall not assign an  
8 economic condition factor to the property that differs from the  
9 economic condition factor assigned to similar properties as defined  
10 by appraisal procedures applied in the jurisdiction. The increase  
11 in value attributable to the items included in subdivisions (a) to  
12 (o) that is known to the assessor and excluded from true cash value  
13 shall be indicated on the assessment roll. This subsection applies  
14 only to residential property. The following repairs are considered  
15 normal maintenance if they are not part of a structural addition or  
16 completion:

17 (a) Outside painting.

18 (b) Repairing or replacing siding, roof, porches, steps,  
19 sidewalks, or drives.

20 (c) Repainting, repairing, or replacing existing masonry.

21 (d) Replacing awnings.

22 (e) Adding or replacing gutters and downspouts.

23 (f) Replacing storm windows or doors.

24 (g) Insulating or weatherstripping.

25 (h) Complete rewiring.

26 (i) Replacing plumbing and light fixtures.

27 (j) Replacing a furnace with a new furnace of the same type or

1 replacing an oil or gas burner.

2 (k) Repairing plaster, inside painting, or other redecorating.

3 (l) New ceiling, wall, or floor surfacing.

4 (m) Removing partitions to enlarge rooms.

5 (n) Replacing an automatic hot water heater.

6 (o) Replacing dated interior woodwork.

7 (3) A city or township assessor, a county equalization  
8 department, or the state tax commission before utilizing real  
9 estate sales data on real property purchases, including purchases  
10 by land contract, to determine assessments or in making sales ratio  
11 studies to assess property or equalize assessments shall exclude  
12 from the sales data the following amounts allowed by subdivisions  
13 (a), (b), and (c) to the extent that the amounts are included in  
14 the real property purchase price and are so identified in the real  
15 estate sales data or certified to the assessor as provided in  
16 subdivision (d):

17 (a) Amounts paid for obtaining financing of the purchase price  
18 of the property or the last conveyance of the property.

19 (b) Amounts attributable to personal property that were  
20 included in the purchase price of the property in the last  
21 conveyance of the property.

22 (c) Amounts paid for surveying the property pursuant to the  
23 last conveyance of the property. The legislature may require local  
24 units of government, including school districts, to submit reports  
25 of revenue lost under subdivisions (a) and (b) and this subdivision  
26 so that the state may reimburse those units for that lost revenue.

27 (d) The purchaser of real property, including a purchaser by

1 land contract, may file with the assessor of the city or township  
2 in which the property is located 2 copies of the purchase agreement  
3 or of an affidavit that identifies the amount, if any, for each  
4 item listed in subdivisions (a) to (c). One copy shall be forwarded  
5 by the assessor to the county equalization department. The  
6 affidavit shall be prescribed by the state tax commission.

7 (4) As used in subsection (1), "present economic income" means  
8 for leased or rented property the ordinary, general, and usual  
9 economic return realized from the lease or rental of property  
10 negotiated under current, contemporary conditions between parties  
11 equally knowledgeable and familiar with real estate values. The  
12 actual income generated by the lease or rental of property is not  
13 the controlling indicator of its true cash value in all cases. This  
14 subsection does not apply to property subject to a lease entered  
15 into before January 1, 1984 for which the terms of the lease  
16 governing the rental rate or tax liability have not been  
17 renegotiated after December 31, 1983. This subsection does not  
18 apply to a nonprofit housing cooperative subject to regulatory  
19 agreements between the state or federal government entered into  
20 before January 1, 1984. As used in this subsection, "nonprofit  
21 cooperative housing corporation" means a nonprofit cooperative  
22 housing corporation that is engaged in providing housing services  
23 to its stockholders and members and that does not pay dividends or  
24 interest upon stock or membership investment but that does  
25 distribute all earnings to its stockholders or members.

26 (5) Except as otherwise provided in subsection (6), the  
27 purchase price paid in a transfer of property is not the

1 presumptive true cash value of the property transferred. In  
2 determining the true cash value of transferred property, an  
3 assessing officer shall assess that property using the same  
4 valuation method used to value all other property of that same  
5 classification in the assessing jurisdiction. As used in this  
6 subsection and subsection (6), "purchase price" means the total  
7 consideration agreed to in an arms-length transaction and not at a  
8 forced sale paid by the purchaser of the property, stated in  
9 dollars, whether or not paid in dollars.

10 (6) The purchase price paid in a transfer of eligible  
11 nonprofit housing property from a charitable nonprofit housing  
12 organization to a low-income person that occurs after December 31,  
13 2010 is the presumptive true cash value of the eligible nonprofit  
14 housing property transferred. In the year immediately succeeding  
15 the year in which the transfer of eligible nonprofit housing  
16 property occurs and each year thereafter, the taxable value of the  
17 eligible nonprofit housing property shall be adjusted as provided  
18 under section 27a. As used in this subsection:

19 (a) "Charitable nonprofit housing organization" means a  
20 charitable nonprofit organization the primary purpose of which is  
21 the construction or renovation of residential housing for  
22 conveyance to a low-income person.

23 (b) "Eligible nonprofit housing property" means property owned  
24 by a charitable nonprofit housing organization, the ownership of  
25 which the charitable nonprofit housing organization intends to  
26 transfer to a low-income person after construction or renovation of  
27 the property is completed.

1 (c) "Family income" and "statewide median gross income" mean  
2 those terms as defined in section 11 of the state housing  
3 development authority act of 1966, 1966 PA 346, MCL 125.1411.

4 (d) "Low-income person" means a person with a family income of  
5 not more than 60% of the statewide median gross income who is  
6 eligible to participate in the charitable nonprofit housing  
7 organization's program based on criteria established by the  
8 charitable nonprofit housing organization.

9 (7) For purposes of a statement submitted under section 19,  
10 the true cash value of a standard tool is the net book value of  
11 that standard tool as of December 31 in each tax year as determined  
12 using generally accepted accounting principles in a manner  
13 consistent with the established depreciation method used by the  
14 person submitting that statement. The net book value of a standard  
15 tool for federal income tax purposes is not the presumptive true  
16 cash value of that standard tool. As used in this subsection,  
17 "standard tool" means that term as defined in section 9b.

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

1 necessary to meet the requirements of this act and 1911 PA 44, MCL  
2 209.1 to 209.8.

3 (2) The classifications of assessable real property are  
4 described as follows:

5 (a) Agricultural real property includes parcels used partially  
6 or wholly for agricultural operations, with or without buildings.  
7 For taxes levied after December 31, 2002, agricultural real  
8 property includes buildings on leased land used for agricultural  
9 operations. **IF A PARCEL OF REAL PROPERTY IS CLASSIFIED AS**  
10 **AGRICULTURAL REAL PROPERTY AND IS ENGAGED IN AGRICULTURAL**  
11 **OPERATIONS, ANY CONTIGUOUS PARCEL OWNED BY THE SAME TAXPAYER, THAT**  
12 **IS A VACANT PARCEL, A WOODED PARCEL, OR A PARCEL ON WHICH IS**  
13 **LOCATED 1 OR MORE AGRICULTURAL OUTBUILDINGS THAT COMPRISE MORE THAN**  
14 **50% OF THE TAXABLE VALUE OF ALL BUILDINGS ON THAT PARCEL AS**  
15 **INDICATED BY THE ASSESSMENT RECORDS FOR THE LOCAL TAX COLLECTING**  
16 **UNIT IN WHICH THAT PARCEL IS LOCATED, SHALL BE CLASSIFIED AS**  
17 **AGRICULTURAL REAL PROPERTY. CONTIGUITY IS NOT BROKEN BY A BOUNDARY**  
18 **BETWEEN LOCAL TAX COLLECTING UNITS, A SECTION BOUNDARY, A ROAD, A**  
19 **RIGHT-OF-WAY, OR PROPERTY PURCHASED OR TAKEN UNDER CONDEMNATION**  
20 **PROCEEDINGS BY A PUBLIC UTILITY FOR POWER TRANSMISSION LINES IF THE**  
21 **2 PARCELS SEPARATED BY THE PURCHASED OR CONDEMNED PROPERTY WERE A**  
22 **SINGLE PARCEL PRIOR TO THE SALE OR CONDEMNATION. FOR PURPOSES OF**  
23 **THIS SUBSECTION, CONTIGUITY REQUIRES THAT THE PARCEL CLASSIFIED AS**  
24 **AGRICULTURAL REAL PROPERTY BY REASON OF ITS AGRICULTURE USE AND THE**  
25 **VACANT PARCEL, WOODED PARCEL, OR PARCEL ON WHICH IS LOCATED 1 OR**  
26 **MORE AGRICULTURAL OUTBUILDINGS MUST BE IMMEDIATELY ADJACENT TO EACH**  
27 **OTHER, WITHOUT INTERVENING PARCELS THAT DO NOT QUALIFY FOR**

1 CLASSIFICATION AS AGRICULTURAL REAL PROPERTY BASED ON THEIR ACTUAL  
2 AGRICULTURAL USE. IT IS THE INTENT OF THE LEGISLATURE THAT IF A  
3 PARCEL OF REAL PROPERTY IS CLASSIFIED AS AGRICULTURAL REAL PROPERTY  
4 AND IS ENGAGED IN AGRICULTURAL OPERATIONS, ANY CONTIGUOUS PARCEL  
5 OWNED BY THE SAME TAXPAYER, THAT IS A VACANT PARCEL, A WOODED  
6 PARCEL, OR A PARCEL ON WHICH IS LOCATED 1 OR MORE AGRICULTURAL  
7 OUTBUILDINGS THAT COMPRISE MORE THAN 50% OF THE TAXABLE VALUE OF  
8 ALL BUILDINGS ON THAT PARCEL AS INDICATED BY THE ASSESSMENT RECORDS  
9 FOR THE LOCAL TAX COLLECTING UNIT IN WHICH THAT PARCEL IS LOCATED,  
10 SHALL BE CLASSIFIED AS AGRICULTURAL REAL PROPERTY EVEN IF THE  
11 CONTIGUOUS PARCELS ARE LOCATED IN DIFFERENT LOCAL TAX COLLECTING  
12 UNITS. Property shall not lose its classification as agricultural  
13 real property as a result of an owner or lessee of that property  
14 implementing a wildlife risk mitigation action plan. As used in  
15 this subdivision:

16 (i) "AGRICULTURAL OUTBUILDING" MEANS A BUILDING OR OTHER  
17 STRUCTURE PRIMARILY USED FOR AGRICULTURAL OPERATIONS.

18 (ii) ~~(i)~~—"Agricultural operations" means the following:

19 (A) Farming in all its branches, including cultivating soil.

20 (B) Growing and harvesting any agricultural, horticultural, or  
21 floricultural commodity.

22 (C) Dairying.

23 (D) Raising livestock, bees, fish, fur-bearing animals, or  
24 poultry, including operating a game bird hunting preserve licensed  
25 under part 417 of the natural resources and environmental  
26 protection act, 1994 PA 451, MCL 324.41701 to 324.41712, and also  
27 including farming operations that harvest cervidae on site where



1 not less than 60% of the cervidae were born as part of the farming  
2 operation. As used in this subparagraph, "livestock" includes, but  
3 is not limited to, cattle, sheep, new world camelids, goats, bison,  
4 privately owned cervids, ratites, swine, equine, poultry,  
5 aquaculture, and rabbits. Livestock does not include dogs and cats.

6 (E) Raising, breeding, training, leasing, or boarding horses.

7 (F) Turf and tree farming.

8 (G) Performing any practices on a farm incident to, or in  
9 conjunction with, farming operations. A commercial storage,  
10 processing, distribution, marketing, or shipping operation is not  
11 part of agricultural operations.

12 (iii) ~~(ii)~~—"Project" means certain risk mitigating measures,  
13 which may include, but are not limited to, the following:

14 (A) Making it difficult for wildlife to access feed by storing  
15 livestock feed securely, restricting wildlife access to feeding and  
16 watering areas, and deterring or reducing wildlife presence around  
17 livestock feed by storing feed in an enclosed barn, wrapping bales  
18 or covering stacks with tarps, closing ends of bags, storing grains  
19 in animal-proof containers or bins, maintaining fences, practicing  
20 small mammal and rodent control, or feeding away from wildlife  
21 cover.

22 (B) Minimizing wildlife access to livestock feed and water by  
23 feeding livestock in an enclosed area, feeding in open areas near  
24 buildings and human activity, removing extra or waste feed when  
25 livestock are moved, using hay feeders to reduce waste, using  
26 artificial water systems to help keep livestock from sharing water  
27 sources with wildlife, fencing off stagnant ponds, wetlands, or

1 areas of wildlife habitats that pose a disease risk, and keeping  
2 mineral feeders near buildings and human activity or using devices  
3 that restrict wildlife usage.

4 (iv) ~~(iii)~~—"Wildlife risk mitigation action plan" means a written  
5 plan consisting of 1 or more projects to help reduce the risks of a  
6 communicable disease spreading between wildlife and livestock that  
7 is approved by the department of agriculture and rural development  
8 under the animal industry act, 1988 PA 466, MCL 287.701 to  
9 ~~287.745~~·287.746.

10 (b) Commercial real property includes the following:

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

13 (ii) Parcels used by fraternal societies.

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

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

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

24 (d) Industrial real property includes the following:

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

27 (ii) Parcels used for utilities sites for generating plants,

1 pumping stations, switches, substations, compressing stations,  
2 warehouses, rights-of-way, flowage land, and storage areas.

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

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

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

10 (e) Residential real property includes the following:

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

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

18 (iii) For taxes levied after December 31, 2002, a home, cottage,  
19 or cabin on leased land, and a mobile home that would be assessable  
20 as real property under section 2a except that the land on which it  
21 is located is not assessable because the land is exempt.

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

1           (3) The classifications of assessable personal property are  
2 described as follows:

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

5           (b) Commercial personal property includes the following:

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

8           (ii) All outdoor advertising signs and billboards.

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

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

14           (c) Industrial personal property includes the following:

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

17           (ii) Personal property of mining companies. ~~valued by the state~~  
18 ~~geologist.~~

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

24           (e) Utility personal property includes the following:

25           (i) Electric transmission and distribution systems, substation  
26 equipment, spare parts, gas distribution systems, and water  
27 transmission and distribution systems.

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

3           (iii) Inventories not exempt by law.

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

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

7           (vi) Gas storage equipment.

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

9           (4) For taxes levied before January 1, 2003, buildings on  
10 leased land of any classification are improvements where the owner  
11 of the improvement is not the owner of the land or fee, the value  
12 of the land is not assessed to the owner of the building, and the  
13 improvement has been assessed as personal property pursuant to  
14 section 14(6).

15           (5) If the total usage of a parcel includes more than 1  
16 classification, the assessor shall determine the classification  
17 that most significantly influences the total valuation of the  
18 parcel.

19           (6) An owner of any assessable property who disputes the  
20 classification of that parcel shall notify the assessor and may  
21 protest the assigned classification to the March board of review.  
22 An owner or assessor may appeal the decision of the March board of  
23 review by filing a petition with the state tax commission not later  
24 than June 30 in that tax year. The state tax commission shall  
25 arbitrate the petition based on the written petition and the  
26 written recommendations of the assessor and the state tax  
27 commission staff. An appeal may not be taken from the decision of

1 the state tax commission regarding classification complaint  
2 petitions and the state tax commission's determination is final and  
3 binding for the year of the petition.

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

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

11 (9) The assessor of each city or township in which is located  
12 property that is subject to payment in lieu of taxes under subpart  
13 14 of part 21 of the natural resources and environmental protection  
14 act, 1994 PA 451, MCL 324.2152 to 324.2154, shall place that  
15 property on an assessment roll that is separate from the assessment  
16 roll prepared under section 24. For purposes of calculating the  
17 debt limitation imposed by section 11 of article VII of the state  
18 constitution of 1963, the separate assessment roll for property  
19 that is subject to payment in lieu of taxes under subpart 14 of  
20 part 21 of the natural resources and environmental protection act,  
21 1994 PA 451, MCL 324.2152 to 324.2154, required by this subsection  
22 shall be combined with the assessment roll prepared under section  
23 24.

24 Sec. 53. (1) A person may pay the taxes or special  
25 assessments, any 1 of the several taxes or special assessments, a  
26 portion of the taxes or special assessments that is specified by  
27 the charter of a local collecting unit or by an ordinance or

1 resolution adopted by the governing body of the local collecting  
2 unit, or if a specification is not made by an ordinance,  
3 resolution, or the charter of a local collecting unit a portion of  
4 the taxes or special assessments that is approved by the treasurer  
5 of the local collecting unit, on any parcel or description of land,  
6 or on any undivided share thereof, and the treasurer shall cause to  
7 be noted across the face of the receipt in an indelible manner any  
8 portion of the taxes or special assessments remaining unpaid. When  
9 payment of the taxes or special assessments on any parcel or  
10 description of land, or on any undivided share thereof, is made to  
11 any local collecting treasurer, the treasurer shall place or cause  
12 to be placed upon the face of the receipt the following  
13 certificate: "I hereby certify that application was made to pay all  
14 taxes and special assessments due and payable at this office on the  
15 description shown in this receipt  
16 except.....  
17 .....

18 (Signed)..... Treas."

19 (2) Except as provided in subsection (3), a person owning an  
20 undivided share or other part or parcel of real property assessed  
21 in 1 description may pay on the part thus owned, by paying in any  
22 manner provided by subsection (1) an amount having the same  
23 relation to the whole tax or special assessment as the value of the  
24 part on which payment is made has to the value of the whole parcel.  
25 The application to pay the taxes or special assessments on any part  
26 of any parcel or description of land shall be accompanied by a  
27 statement from the assessing officer of the township or city in

1 which the lands are situated showing the valuation of the part and  
2 of the several parts of the parcel or description of land, and the  
3 assessing officer shall make the valuations and furnish a statement  
4 at the request of any person who presents to the assessing officer  
5 a correct description and division of the parcel or description of  
6 land to be divided. The person making the payment shall accurately  
7 describe the part or share on which he or she makes payment, and  
8 the receipt given, and the record of the receiving officer shall  
9 show the description, and by whom paid; and in case of the sale of  
10 the remaining part or share for nonpayment of taxes or special  
11 assessments, he or she may purchase the same in like manner as any  
12 disinterested person could.

13 (3) If an assessing officer has reason to believe that a  
14 violation of the ~~subdivision control act of 1967, Act No. 288 of~~  
15 ~~the Public Acts of 1967, being sections 560.101 to 560.293 of the~~  
16 ~~Michigan Compiled Laws, LAND DIVISION ACT, 1967 PA 288, MCL 560.101~~  
17 **TO 560.293**, has occurred with respect to property for which a  
18 division is being requested pursuant to subsection (2) or section  
19 24, or that such a division does not conform with the requirements  
20 of the ~~subdivision control act of 1967, Act No. 288 of the Public~~  
21 ~~Acts of 1967, LAND DIVISION ACT, 1967 PA 288, MCL 560.101 TO~~  
22 **560.293**, the assessing officer shall not recognize a division of  
23 that property requested pursuant to subsection (2) or section 24 on  
24 the tax roll or assessment roll until he or she refers the  
25 suspected violation or potential nonconformity to the county  
26 prosecuting attorney and gives written notice to the plat section  
27 of the department of commerce, the person requesting the division,



1 and the person suspected of the violation or potential  
2 nonconformity, of such referral to the prosecuting attorney.

3 (4) A person having a lien on property may, after 30 days from  
4 the time the tax is payable, pay the taxes thereon, and the same  
5 may be added to his or her lien and recovered with the rate of  
6 interest borne by the lien. A tenant of real estate may pay the  
7 taxes thereon and deduct the taxes from his or her rent, unless  
8 there is an agreement to the contrary. Such payment may be made to  
9 the local collecting treasurer while the tax roll is in his or her  
10 hands, or afterwards to the county treasurer. The receipt given  
11 shall be evidence of payment. Every such receipt shall be  
12 considered to include the certificate prescribed by subsection (1),  
13 and unless otherwise noted thereon, shall be construed as an  
14 application to pay all taxes and special assessments assessed  
15 against the property described therein and then due and payable at  
16 the office of the treasurer issuing the receipt.

17 (5) A person owning either ~~the~~ mineral rights **NOT OTHERWISE**  
18 **EXEMPT UNDER THIS ACT** or surface rights in property, but not both,  
19 which rights are authorized under this act to be separately  
20 assessed, may pay on the rights ~~so~~ owned as authorized in this  
21 section for the payment upon an undivided share in the property.  ~~,~~  
22 ~~except that the state geologist or his or her authorized deputy,~~  
23 ~~instead of the local assessing officer, shall furnish a statement~~  
24 ~~showing the valuation upon the mineral rights.~~

25 (6) If a part of any parcel of real property is acquired for  
26 highway purposes, it shall be separately assessed and the assessing  
27 officer shall make the allocation of the taxes or special

1 assessments between the part so acquired and the remainder as may  
2 be considered by the assessing officer to be in conformity with  
3 standard assessment practices. Upon the payment of the taxes or  
4 assessments attributable thereto, the part or parcel of real  
5 property so acquired shall be removed from the tax rolls. The  
6 acceptance by the city, village, township, or county treasurer of  
7 the payment shall not affect, prejudice, or destroy any tax lien on  
8 the remainder of the parcel of real property from which the part is  
9 taken.

10 (7) For purposes of determining the taxes which are required  
11 to be paid, payment made by means of a property tax credit which is  
12 authorized to be transferred under the income tax act of 1967, ~~Act~~  
13 ~~No. 281 of the Public Acts of 1967, as amended, being sections~~  
14 ~~206.1 to 206.532 of the Michigan Compiled Laws, 1967 PA 281, MCL~~  
15 **206.1 TO 206.713**, shall be excluded.

16 (8) The acceptance of payment of less than the total of the  
17 taxes or special assessments due shall not serve to waive interest  
18 imposed pursuant to law or charter on taxes or special assessments  
19 that are not paid by dates set, pursuant to subsection (1), by law  
20 or charter.

21 Enacting section 1. Sections 6a and 6b of the general property  
22 tax act, 1893 PA 206, MCL 211.6a and 211.6b, are repealed.

23 Enacting section 2. This amendatory act does not take effect  
24 unless House Bill No. 6008 of the 96th Legislature is enacted into  
25 law.