

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.