

HOUSE BILL No. 4146

February 7, 2001, Introduced by Reps. Newell, Howell, Middaugh, Kooiman, Garcia, Allen, Van Woerkom, Bishop, Shackleton, DeRossett, Vander Veen and Voorhees and referred to the Committee on Land Use and Environment.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 7dd, 7ee, 10, 24, 24c, 27a, 27b, 27c, 31, 34, 34c, 34d, and 44 (MCL 211.7dd, 211.7ee, 211.10, 211.24, 211.24c, 211.27a, 211.27b, 211.27c, 211.31, 211.34, 211.34c, 211.34d, and 211.44), sections 7dd, 7ee, 24c, 27b, and 34d as amended and section 27c as added by 1996 PA 476, sections 10 and 24 as amended by 1994 PA 415, section 27a as amended by 2000 PA 260, section 34 as amended by 1986 PA 105, section 34c as amended by 2000 PA 415, and section 44 as amended by 2000 PA 364, and by adding sections 7gg, 7hh, and 27e; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7dd. As used in sections 7cc and 7ee:

1 (a) "Homestead" means that portion of a dwelling or unit in
2 a multiple-unit dwelling that is subject to ad valorem taxes and
3 is owned and occupied as a principal residence by an owner of the
4 dwelling or unit. Homestead also includes all of an owner's
5 unoccupied property classified as residential that is adjoining
6 or contiguous to the dwelling subject to ad valorem taxes and
7 that is owned and occupied as a principal residence by the
8 owner. Contiguity is not broken by a road, a right-of-way, or
9 property purchased or taken under condemnation proceedings by a
10 public utility for power transmission lines if the 2 parcels sep-
11 arated by the purchased or condemned property were a single
12 parcel prior to the sale or condemnation. Homestead also
13 includes any portion of a principal residence of an owner that is
14 rented or leased to another person as a residence as long as that
15 portion of the principal residence that is rented or leased is
16 less than 50% of the total square footage of living space in that
17 principal residence. Homestead also includes a life care facil-
18 ity registered under the living care disclosure act, ~~Act No. 440~~
19 ~~of the Public Acts of 1976, being sections 554.801 to 554.844 of~~
20 ~~the Michigan Compiled Laws~~ 1976 PA 440, MCL 554.801 TO 554.844.
21 Homestead also includes property owned by a cooperative housing
22 corporation and occupied as a principal residence by tenant
23 stockholders.

24 (b) "Owner" means any of the following:

25 (i) A person who owns property or who is purchasing property
26 under a land contract.

1 (ii) A person who is a partial owner of property.

2 (iii) A person who owns property as a result of being a
3 beneficiary of a will or trust or as a result of intestate
4 succession.

5 (iv) A person who owns or is purchasing a dwelling on leased
6 land.

7 (v) A person holding a life lease in property previously
8 sold or transferred to another.

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

11 (vii) A cooperative housing corporation.

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

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

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

25 (e) "Qualified agricultural property" means unoccupied prop-
26 erty and related buildings classified as agricultural REAL
27 PROPERTY, or other unoccupied property and related buildings

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

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

25 (2) Qualified agricultural property that is classified as
26 agricultural REAL PROPERTY under section 34c is exempt under
27 subsection (1) and the owner is not required to file an affidavit

1 claiming an exemption with the local tax collecting unit unless
2 requested by the assessor to determine whether the property
3 includes structures that are not exempt under this section. To
4 claim an exemption under subsection (1) for qualified agricul-
5 tural property that is not classified as agricultural REAL
6 PROPERTY under section 34c, the owner shall file an affidavit
7 claiming the exemption with the local tax collecting unit by
8 May 1 FOR TAXES LEVIED BEFORE JANUARY 1, 2002 AND BY TAX DAY AS
9 PROVIDED IN SECTION 2 FOR TAXES LEVIED AFTER DECEMBER 31, 2001.
10 However, if an affidavit claiming a homestead exemption on quali-
11 fied agricultural property not classified as agricultural REAL
12 PROPERTY was not filed by May 1 in 1994, the owner shall file an
13 affidavit under this section by June 1, 1994.

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

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

26 (5) Not more than 90 days after all or a portion of the
27 exempted property is no longer qualified agricultural property,

1 the owner shall rescind the exemption for the applicable portion
2 of the property by filing with the local tax collecting unit a
3 rescission form prescribed by the department of treasury.
4 Beginning October 1, 1994, an owner who fails to file a rescis-
5 sion as required by this subsection is subject to a penalty of
6 \$5.00 per day for each separate failure beginning after the
7 90 days have elapsed, up to a maximum of \$200.00. This penalty
8 shall be collected under ~~Act No. 122 of the Public Acts of 1941,~~
9 ~~being sections 205.1 to 205.31 of the Michigan Compiled Laws~~
10 1941 PA 122, MCL 205.1 TO 205.31, and shall be deposited in the
11 state school aid fund established in section 11 of article IX of
12 the state constitution of 1963. This penalty may be waived by
13 the department of treasury.

14 (6) An owner of property that is qualified agricultural
15 property on ~~May 1~~ DECEMBER 31 for which an exemption was not on
16 the tax roll may file an appeal with the July or December board
17 of review in the year the exemption was claimed or the immedi-
18 ately succeeding year. An owner of property that is qualified
19 agricultural property ~~on May 1~~ for which an exemption was
20 denied by the assessor in the year the affidavit was filed, may
21 file an appeal with the July board of review for summer taxes or,
22 if there is not a summer levy of school operating taxes, with the
23 December board of review.

24 (7) If the assessor of the local tax collecting unit
25 believes that the property for which an exemption has been
26 granted is not qualified agricultural property, effective for
27 taxes levied after 1994, the assessor may deny or modify an

1 existing exemption by notifying the owner in writing at the time
2 required for providing a notice under section 24c. A taxpayer
3 may appeal the assessor's determination to the board of review
4 meeting under section 30. A decision of the board of review may
5 be appealed to the residential and small claims division of the
6 Michigan tax tribunal.

7 (8) If an exemption under this section is erroneously grant-
8 ed, an owner may request in writing that the local tax collecting
9 unit withdraw the exemption. If an owner requests that an exemp-
10 tion be withdrawn, the local assessor shall notify the owner that
11 the exemption issued under this section has been denied based on
12 that owner's request. If an exemption is withdrawn, the property
13 that had been subject to that exemption shall be immediately
14 placed on the tax roll by the local tax collecting unit if the
15 local tax collecting unit has possession of the tax roll or by
16 the county treasurer if the county has possession of the tax roll
17 as though the exemption had not been granted. A corrected tax
18 bill shall be issued for the tax year being adjusted by the local
19 tax collecting unit if the local tax collecting unit has posses-
20 sion of the tax roll or by the county treasurer if the county has
21 possession of the tax roll. If an owner requests that an exemp-
22 tion under this section be withdrawn before that owner is con-
23 tacted in writing by the local assessor regarding that owner's
24 eligibility for the exemption and that owner pays the corrected
25 tax bill issued under this subsection within 30 days after the
26 corrected tax bill is issued, that owner is not liable for any
27 penalty or interest on the additional tax. An owner who pays a

1 corrected tax bill issued under this subsection more than 30 days
2 after the corrected tax bill is issued is liable for the penal-
3 ties and interest that would have accrued if the exemption had
4 not been granted from the date the taxes were originally levied.

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

11 (a) The qualified agricultural property was qualified agri-
12 cultural property in 1994 and has been qualified agricultural
13 property since 1994.

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

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

18 (d) The owner has owned that qualified agricultural property
19 since 1994.

20 (10) If the July or December board of review in 1997 grants
21 a claim of exemption for 1994 under subsection (9), the county
22 treasurer with possession of the tax roll being adjusted shall
23 amend the 1994 tax roll to reflect the exemption and shall issue
24 a corrected tax bill exempting that qualified agricultural prop-
25 erty from the tax levied in 1994 for school operating purposes to
26 the extent provided under section 1211 of ~~Act No. 451 of the~~

1 ~~Public Acts of 1976~~ THE REVISED SCHOOL CODE, 1976 PA 451,
2 MCL 380.1211, pursuant to subsection (1).

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

7 (12) AN OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL
8 INFORM A PROSPECTIVE BUYER OF THAT QUALIFIED AGRICULTURAL PROP-
9 ERTY THAT IF THE QUALIFIED AGRICULTURAL PROPERTY IS CONVERTED BY
10 A CHANGE IN USE THE QUALIFIED AGRICULTURAL PROPERTY IS SUBJECT TO
11 THE RECAPTURE TAX PROVIDED IN THE AGRICULTURAL PROPERTY RECAPTURE
12 ACT, 2000 PA 261, MCL 211.1001 TO 211.1007. AS USED IN THIS SUB-
13 SECTION, "CONVERTED BY A CHANGE IN USE" MEANS THAT TERM AS
14 DEFINED IN THE AGRICULTURAL PROPERTY RECAPTURE ACT, 2000 PA 261,
15 MCL 211.1001 TO 211.1007.

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

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

26 SEC. 7HH. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2001,
27 RESIDENTIAL DEVELOPMENT PROPERTY IS EXEMPT FROM THE COLLECTION OF

1 TAXES LEVIED BY A LOCAL SCHOOL DISTRICT FOR SCHOOL OPERATING
2 PURPOSES UNDER SECTION 1211 OF THE REVISED SCHOOL CODE, 1976
3 PA 451, MCL 380.1211, TO THE SAME EXTENT THAT A HOMESTEAD IS
4 EXEMPT UNDER SECTION 7CC FROM TAXES LEVIED BY A LOCAL SCHOOL DIS-
5 TRICT FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211 OF THE
6 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1211.

7 (2) AS USED IN THIS SECTION:

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

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

11 (i) IS CLASSIFIED AS RESIDENTIAL REAL PROPERTY UNDER
12 SECTION 34C.

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

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

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

23 (iii) A FULLY COMPLETED RESIDENTIAL DWELLING OR CONDOMINIUM
24 UNIT THAT IS OCCUPIED OR THAT HAS EVER BEEN OCCUPIED IS NOT
25 LOCATED ON THE REAL PROPERTY. RESIDENTIAL DEVELOPMENT PROPERTY
26 SHALL INCLUDE PROPERTY ON WHICH IS LOCATED A FULLY COMPLETED
27 RESIDENTIAL DWELLING OR CONDOMINIUM UNIT THAT IS NOT OCCUPIED AND

1 HAS NEVER BEEN OCCUPIED. RESIDENTIAL DEVELOPMENT PROPERTY DOES
2 NOT INCLUDE PROPERTY ON WHICH IS LOCATED A FULLY COMPLETED RESI-
3 DENTIAL DWELLING OR CONDOMINIUM UNIT USED FOR COMMERCIAL PURPOSES
4 OR AS AN OFFICE, SHOWROOM, OR MODEL. AS USED IN THIS SUBPARA-
5 GRAPH, "FULLY COMPLETED RESIDENTIAL DWELLING OR CONDOMINIUM UNIT"
6 MEANS A RESIDENTIAL DWELLING OR CONDOMINIUM UNIT FOR WHICH A CER-
7 TIFICATE OF OCCUPANCY WAS ISSUED.

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

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

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

26 Sec. 24. (1) On or before the first Monday in March in each
27 year, the ~~supervisor or~~ assessor shall make and complete an

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

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

1 and judgment, the true cash value of the metallic mining
2 properties and mineral rights consisting of metallic resources
3 that are either producing, developed, or have a known commercial
4 mineral value, including surface rights and personal property
5 that may be used in the operation or development of the property
6 assessed, or any stockpile of ore or mineral stored on the
7 surface. For the purpose of encouraging the exploration and
8 development of metallic mineral resources, metallic mineral ore
9 newly discovered or proven in the ground and not part of the
10 property of an operating mine shall be exempt from the taxes col-
11 lected under this act for a maximum period of 10 years or until
12 the time it becomes part of the property of an operating mine or
13 it in itself becomes an operating mine. Metallic mineral ore
14 newly discovered or proven in the ground and part of the property
15 of an operating mine shall be exempt from taxes collected under
16 this act until it, in combination with previously discovered
17 metallic mineral ore of the operating mine, comes into a 10-year
18 recovery period of the mine as determined by the average normal
19 annual rate of extraction of the mine.

20 (3) An operating mine shall be defined to be an operating
21 mine as of the date of starting of a shaft, stripping of overbur-
22 den, or rehabilitation, or an abandoned or idle mine closed for
23 not less than 2 years. Ore shall not enjoy more than 10 years'
24 exemption from taxation. This section does not exempt from the
25 taxes collected under this act ore reserves proven as of April 1,
26 1947. It is the intent of this act that mineral properties shall
27 be valued and assessed in the future for ad valorem taxes

1 according to the formula used in the valuation of mineral
2 properties before the effective date of this act. It is the
3 intent of this act that no metallic mineral ore shall be exempt
4 more than 10 years because of the application of this act and if
5 at any time it becomes evident that such is the case, the state
6 tax commission shall determine the value of this untaxed ore and
7 place this valuation on the proper tax roll. The state geologist
8 shall report his or her determination of the true cash value of
9 the mineral properties to the state tax commission on or before
10 February 10 of each year. The state tax commission shall assess
11 the mineral properties containing 20% or more of natural iron per
12 ton of ore in conformity and uniformity with all other property
13 within the assessing district. The state tax commission shall
14 assess all other metallic mineral properties at the value certi-
15 fied by the state geologist. The state tax commission, as early
16 as is practicable before February 20, shall certify the assess-
17 ment of the property to the ~~supervisor or assessing officer~~
18 ASSESSOR of the township or city in which the property is situat-
19 ed, who shall for the mineral properties and mineral rights that
20 are owned separate from the surface rights on the property assess
21 each to the owner at the valuation certified to him or her.
22 However, an adjustment to the value certified by the state tax
23 commission may be made by the ~~supervisor or assessing officer~~
24 ASSESSOR of the township or city to reflect any general adjust-
25 ment of assessed valuation from the immediately preceding year
26 not included in the state tax commission computation. The
27 ~~supervisor or assessing officer~~ ASSESSOR shall determine the

1 true cash value of the surface rights and assess the value of the
2 surface rights to the owner. The assessment upon the metallic
3 mining properties and mineral rights may be altered from year to
4 year regardless of whether any previous assessment has been
5 reviewed by the state tax commission. The ~~supervisor or other~~
6 ~~local assessing officer~~ ASSESSOR or the owner of any interest in
7 the property assessed may appeal the assessment and valuation of
8 the property as determined by the board of review to the state
9 tax commission which shall review the assessment and valuation as
10 provided in section 152.

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

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

25 (a) The state equalized valuation for the immediately pre-
26 ceding year.

1 (b) The tentative state equalized valuation for the current
2 year.

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

6 (D) FOR QUALIFIED AGRICULTURAL PROPERTY, ALL OF THE
7 FOLLOWING:

8 (i) BEGINNING IN 2003, THE AGRICULTURAL USE VALUE FOR THE
9 IMMEDIATELY PRECEDING YEAR.

10 (ii) THE TENTATIVE AGRICULTURAL USE VALUE FOR THE CURRENT
11 YEAR.

12 (iii) BEGINNING IN 2003, THE NET CHANGE BETWEEN THE TENTA-
13 TIVE AGRICULTURAL USE VALUE FOR THE CURRENT YEAR AND THE AGRICUL-
14 TURAL USE VALUE FOR THE IMMEDIATELY PRECEDING YEAR.

15 (iv) THE RECAPTURE TAX THAT WOULD BE IMPOSED UNDER THE AGRI-
16 CULTURAL PROPERTY RECAPTURE ACT IF THE QUALIFIED AGRICULTURAL
17 PROPERTY WERE CONVERTED BY A CHANGE IN USE. AS USED IN THIS SUB-
18 PARAGRAPH, "CONVERTED BY A CHANGE IN USE" MEANS THAT TERM AS
19 DEFINED IN THE AGRICULTURAL PROPERTY RECAPTURE ACT, 2000 PA 261,
20 MCL 211.1001 TO 211.1007.

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

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

1 (G) ~~(f)~~ A statement provided by the state tax commission
2 explaining the relationship between state equalized valuation and
3 taxable value OR, FOR QUALIFIED AGRICULTURAL PROPERTY, THE RELA-
4 TIONSHIP BETWEEN THE AGRICULTURAL USE VALUE AND TAXABLE VALUE.
5 Beginning in 1996, if the assessor believes that a transfer of
6 ownership has occurred in the immediately preceding year, the
7 statement shall state that the ownership was transferred and that
8 the taxable value of that property is the same as the state
9 equalized valuation of that property OR, FOR QUALIFIED AGRICUL-
10 TURAL PROPERTY, THE SAME AS THE PROPERTY'S TAXABLE VALUE IN THE
11 IMMEDIATELY PRECEDING YEAR ADJUSTED AS PROVIDED IN
12 SECTION 27E(2).

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

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

25 (5) The tentative state equalized valuation shall be calcu-
26 lated by multiplying the assessment by the tentative equalized
27 valuation multiplier. If the assessor has made assessment

1 adjustments that would have changed the tentative multiplier, the
2 assessor may recalculate the multiplier for use in the notice.

3 (6) The state tax commission shall prepare a model assess-
4 ment notice form that shall be made available to local units of
5 government.

6 (7) Beginning in 1995, the assessment notice under
7 subsection (1) shall include the following statement:

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

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

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

19 (a) The property's taxable value in the immediately preced-
20 ing year minus any losses, multiplied by the lesser of 1.05 or
21 the inflation rate, plus all additions. For taxes levied in
22 1995, the property's taxable value in the immediately preceding
23 year is the property's state equalized valuation in 1994.

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

25 (3) ~~Upon~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION 27E(3),
26 UPON a transfer of ownership of property after 1994, the
27 property's taxable value for the calendar year following the year

1 of the transfer is the property's state equalized valuation for
2 the calendar year following the transfer.

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

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

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

26 (a) A conveyance by deed.

1 (b) A conveyance by land contract. The taxable value of
2 property conveyed by a land contract executed after December 31,
3 1994 shall be adjusted under subsection (3) for the calendar year
4 following the year in which the contract is entered into and
5 shall not be subsequently adjusted under subsection (3) when the
6 deed conveying title to the property is recorded in the office of
7 the register of deeds in the county in which the property is
8 located.

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

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

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

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

22 (g) A conveyance by lease if the total duration of the
23 lease, including the initial term and all options for renewal, is
24 more than 35 years or the lease grants the lessee a bargain pur-
25 chase option. As used in this subdivision, "bargain purchase
26 option" means the right to purchase the property at the
27 termination of the lease for not more than 80% of the property's

1 projected true cash value at the termination of the lease. After
2 December 31, 1994, the taxable value of property conveyed by a
3 lease with a total duration of more than 35 years or with a bar-
4 gain purchase option shall be adjusted under subsection (3) for
5 the calendar year following the year in which the lease is
6 entered into. This subdivision does not apply to personal prop-
7 erty except buildings described in section 14(6) and personal
8 property described in section 8(h), (i), and (j). This subdivi-
9 sion does not apply to that portion of the property not subject
10 to the leasehold interest conveyed.

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

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

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

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

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

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

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

15 (d) A transfer through foreclosure or forfeiture of a
16 recorded instrument under chapter 31, 32, or 57 of the revised
17 judicature act of 1961, 1961 PA 236, MCL 600.3101 to 600.3280 and
18 MCL 600.5701 to 600.5785, or through deed or conveyance in lieu
19 of a foreclosure or forfeiture, until the mortgagee or land con-
20 tract vendor subsequently transfers the property. If a mortgagee
21 does not transfer the property within 1 year of the expiration of
22 any applicable redemption period, the property shall be adjusted
23 under subsection (3).

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

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

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

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

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

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

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

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

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

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

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

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

3 (n) A transfer of qualified agricultural property, if the
4 person to whom the qualified agricultural property is transferred
5 files an affidavit with the assessor of the local tax collecting
6 unit in which the qualified agricultural property is located and
7 with the register of deeds for the county in which the qualified
8 agricultural property is located attesting that the qualified
9 agricultural property shall remain qualified agricultural
10 property. The affidavit under this subdivision shall be in a
11 form prescribed by the department of treasury. An owner of qual-
12 ified agricultural property shall inform a prospective buyer of
13 that qualified agricultural property that the qualified agricul-
14 tural property is subject to the recapture tax provided in the
15 agricultural property recapture act, 2000 PA 261, MCL 211.1001 TO
16 211.1007, if the qualified agricultural property is converted by
17 a change in use. If property ceases to be qualified agricultural
18 property at any time after being transferred, all of the follow-
19 ing shall occur:

20 (i) The taxable value of that property shall be adjusted
21 under subsection (3) as of the December 31 in the year that the
22 property ceases to be qualified agricultural property.

23 (ii) The property is subject to the recapture tax provided
24 for under the agricultural property recapture act, 2000 PA 261,
25 MCL 211.1001 TO 211.1007.

26 (8) If all of the following conditions are satisfied, the
27 local tax collecting unit shall revise the taxable value of

1 qualified agricultural property taxable on the tax roll in the
2 possession of that local tax collecting unit to the taxable value
3 that qualified agricultural property would have had if there had
4 been no transfer of ownership of that qualified agricultural
5 property since December 31, 1999 and there had been no adjustment
6 of that qualified agricultural property's taxable value under
7 subsection (3) since December 31, 1999:

8 (a) The qualified agricultural property was qualified agri-
9 cultural property for taxes levied in 1999 and each year after
10 1999.

11 (b) The owner of the qualified agricultural property files
12 an affidavit with the assessor of the local tax collecting unit
13 under subsection (7)(n).

14 (9) If the taxable value of qualified agricultural property
15 is adjusted under subsection (8), the owner of that qualified
16 agricultural property shall not be entitled to a refund for any
17 property taxes collected under this act on that qualified agri-
18 cultural property before the adjustment under subsection (8).

19 (10) The register of deeds of the county where deeds or
20 other title documents are recorded shall notify the ~~assessing~~
21 ~~officer~~ ASSESSOR of the appropriate local taxing unit not less
22 than once each month of any recorded transaction involving the
23 ownership of property and shall make any recorded deeds or other
24 title documents available to that county's tax or equalization
25 department. Unless notification is provided under
26 subsection (6), the buyer, grantee, or other transferee of the
27 property shall notify the appropriate assessing office in the

1 local unit of government in which the property is located of the
2 transfer of ownership of the property within 45 days of the
3 transfer of ownership, on a form prescribed by the state tax com-
4 mission that states the parties to the transfer, the date of the
5 transfer, the actual consideration for the transfer, and the
6 property's parcel identification number or legal description.
7 Forms filed in the assessing office of a local unit of government
8 under this subsection shall be made available to the county tax
9 or equalization department for the county in which that local
10 unit of government is located. This subsection does not apply to
11 personal property except buildings described in section 14(6) and
12 personal property described in section 8(h), (i), and (j).

13 (11) As used in this section:

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

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

18 (c) "Converted by a change in use" means that term as
19 defined in the agricultural property recapture act, 2000 PA 261,
20 MCL 211.1001 TO 211.1007.

21 (d) "Inflation rate" means that term as defined in
22 section 34d.

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

24 (f) "Qualified agricultural property" means that term as
25 defined in section 7dd.

26 Sec. 27b. (1) If the buyer, grantee, or other transferee in
27 the immediately preceding transfer of ownership of property does

1 not notify the ~~appropriate assessing office~~ ASSESSOR as
2 required ~~by~~ UNDER section ~~27a(8)~~ 27A(10) OR, FOR QUALIFIED
3 AGRICULTURAL PROPERTY, UNDER SECTION 27E, the property's taxable
4 value shall be adjusted under section 27a(3) OR, FOR QUALIFIED
5 AGRICULTURAL PROPERTY, UNDER SECTION 27E(3) and all of the fol-
6 lowing shall be levied:

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

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

12 (c) A penalty of \$5.00 per day for each separate failure
13 beginning after the 45 days have elapsed, up to a maximum of
14 \$200.00.

15 (2) The ~~appropriate assessing officer~~ ASSESSOR shall cer-
16 tify for collection to the treasurer of the local tax collecting
17 unit if the local tax collecting unit has possession of the tax
18 roll or the county treasurer if the county has possession of the
19 tax roll any additional taxes due under subsection (1)(a) and any
20 penalty due under subsection (1)(c).

21 (3) The treasurer of the local tax collecting unit if the
22 local tax collecting unit has possession of the tax roll or the
23 county treasurer if the county has possession of the tax roll
24 shall collect any taxes, interest, and penalty due pursuant to
25 this section, and shall immediately prepare and submit a cor-
26 rected tax bill for any additional taxes due under
27 subsection (1)(a) and any interest and penalty due under

1 subsection (1)(b). A penalty due under subsection (1)(c) may be
2 collected with the immediately succeeding regular tax bill.

3 (4) Any taxes, interest, and penalty collected pursuant to
4 subsection (1)(a) and (b) shall be distributed in the same manner
5 as other delinquent taxes, interest, and penalties are distrib-
6 uted under this act. Any penalty collected under
7 subsection (1)(c) shall be distributed to the local tax collect-
8 ing unit.

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

12 (6) If the taxable value of property is increased under this
13 section, the ~~appropriate assessing officer~~ ASSESSOR shall imme-
14 diately notify by first-class mail the owner of that property of
15 that increase in taxable value. A buyer, grantee, or other
16 transferee may appeal any increase in taxable value or the levy
17 of any additional taxes, interest, and penalties under
18 subsection (1) to the Michigan tax tribunal within 35 days of
19 receiving the notice of the increase in the property's taxable
20 value. An appeal under this subsection is limited to the issues
21 of whether a transfer of ownership has occurred and correcting
22 arithmetic errors. A dispute regarding the valuation of the
23 property is not a basis for appeal under this subsection.

24 (7) If the taxable value of property is adjusted under
25 subsection (1), the ~~assessing officer~~ ASSESSOR making the
26 adjustment shall file an affidavit with all officials responsible
27 for determining assessment figures, rate of taxation, or

1 mathematical calculations for that property within 30 days of the
2 date the adjustment is made. The affidavit shall state the
3 amount of the adjustment and the amount of additional taxes
4 levied. The officials with whom the affidavit is filed shall
5 correct all official records for which they are responsible to
6 reflect the adjustment and levy.

7 Sec. 27c. If the buyer, grantee, or other transferee in any
8 preceding transfer of ownership of property does not notify the
9 ~~appropriate assessing office~~ ASSESSOR as required by section
10 ~~27a(8)~~ 27A(10) OR, FOR QUALIFIED AGRICULTURAL PROPERTY, UNDER
11 SECTION 27E(5), a taxing unit may sue that buyer, grantee, or
12 other transferee as provided in section 47 for all of the
13 following:

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

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

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

22 SEC. 27E. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
23 BEGINNING DECEMBER 31, 2001, PROPERTY THAT IS QUALIFIED AGRICUL-
24 TURAL PROPERTY SHALL BE ASSESSED AT 50% OF ITS AGRICULTURAL USE
25 VALUE UNDER SECTION 3 OF ARTICLE IX OF THE STATE CONSTITUTION OF
26 1963.

1 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), FOR
2 TAXES LEVIED IN 2002 AND FOR EACH YEAR AFTER 2002, THE TAXABLE
3 VALUE OF EACH PARCEL OF QUALIFIED AGRICULTURAL PROPERTY IS THE
4 LESSER OF THE FOLLOWING:

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

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

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

12 (3) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL
13 PROPERTY AND IF THE PROPERTY REMAINS QUALIFIED AGRICULTURAL PROP-
14 ERTY, THE QUALIFIED AGRICULTURAL PROPERTY'S TAXABLE VALUE FOR THE
15 CALENDAR YEAR FOLLOWING THE YEAR OF THE TRANSFER IS THE
16 PROPERTY'S TAXABLE VALUE FOR THE CALENDAR YEAR IMMEDIATELY PRE-
17 CEDING THE TRANSFER ADJUSTED AS FOLLOWS:

18 (A) FOR TAXES LEVIED AFTER DECEMBER 31, 2000 AND BEFORE
19 JANUARY 1, 2002, AS PROVIDED IN SECTION 27A(2).

20 (B) FOR TAXES LEVIED AFTER DECEMBER 31, 2001, AS PROVIDED IN
21 SUBSECTION (2).

22 (4) UPON A TRANSFER OF OWNERSHIP OF QUALIFIED AGRICULTURAL
23 PROPERTY AND IF THE PROPERTY DOES NOT REMAIN QUALIFIED AGRICUL-
24 TURAL PROPERTY, THE TAXABLE VALUE OF THE PROPERTY SHALL BE
25 ADJUSTED UNDER SECTION 27A(3).

26 (5) THE REGISTER OF DEEDS OF THE COUNTY WHERE DEEDS OR OTHER
27 TITLE DOCUMENTS ARE RECORDED SHALL NOTIFY THE ASSESSOR NOT LESS

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

19 (6) THE OWNER OF QUALIFIED AGRICULTURAL PROPERTY SHALL
20 RESCIND THE EXEMPTION PURSUANT TO SECTION 7EE(5) IF PROPERTY
21 EXEMPT AS QUALIFIED AGRICULTURAL PROPERTY IS NO LONGER QUALIFIED
22 AGRICULTURAL PROPERTY. IF AN EXEMPTION FOR PROPERTY EXEMPT AS
23 QUALIFIED AGRICULTURAL PROPERTY IS RESCINDED AND THAT PROPERTY
24 HAD BEEN ASSESSED BASED ON ITS AGRICULTURAL USE VALUE UNDER THIS
25 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED AS OF
26 DECEMBER 31 IN THE YEAR IN WHICH THE QUALIFIED AGRICULTURAL
27 PROPERTY'S EXEMPTION IS RESCINDED AS FOLLOWS:

1 (A) IF THERE WAS NOT A TRANSFER OF OWNERSHIP OF THE PROPERTY
2 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
3 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED TO THE
4 TAXABLE VALUE THE PROPERTY WOULD HAVE HAD AS DETERMINED UNDER
5 SECTION 27A(2) IF THE PROPERTY HAD NOT BEEN SUBJECT TO ASSESSMENT
6 UNDER THIS SECTION.

7 (B) IF THERE WAS A TRANSFER OF OWNERSHIP OF THE PROPERTY
8 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
9 SECTION, THE PROPERTY'S TAXABLE VALUE SHALL BE ADJUSTED AS PRO-
10 VIDED IN SECTION 27A(3).

11 (7) AS USED IN THIS SECTION:

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

13 (B) "AGRICULTURAL USE VALUE" MEANS THAT VALUE CALCULATED
14 USING THE METHOD DETERMINED BY THE STATE TAX COMMISSION AFTER
15 CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE. THE METHOD
16 SHALL NOT INCLUDE SALES OF COMPARABLE QUALIFIED AGRICULTURAL
17 PROPERTY. THE METHOD SHALL INCLUDE, BUT IS NOT LIMITED TO, ALL
18 OF THE FOLLOWING CONSIDERATIONS:

19 (i) EVIDENCE OF THE PRODUCTIVE CAPABILITY OF THE QUALIFIED
20 AGRICULTURAL PROPERTY FOR AGRICULTURAL USE, INCLUDING SOIL
21 CHARACTERISTICS.

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

1 (iii) THE AVERAGE RENTAL INCOME FOR TYPICAL AGRICULTURAL
2 PROPERTY LOCATED IN THE COUNTY IN WHICH THE QUALIFIED
3 AGRICULTURAL PROPERTY IS LOCATED.

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

7 (D) "INFLATION RATE" MEANS THAT TERM AS DEFINED IN
8 SECTION 34D.

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

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

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

15 Sec. 31. Upon ~~the completion of said~~ COMPLETING AND CER-
16 TIFYING THE REVIEW OF AN ASSESSMENT roll ~~and its endorsement in~~
17 ~~manner aforesaid, the same shall be~~ AS PROVIDED UNDER THIS ACT,
18 THAT ASSESSMENT ROLL IS conclusively presumed by all courts and
19 tribunals to be valid, and shall not be set aside except ~~for~~
20 ~~causes hereinafter mentioned~~ AS OTHERWISE PROVIDED IN THIS ACT.
21 The omission of ~~such indorsement~~ THE CERTIFICATION shall not
22 affect the validity of ~~such~~ AN ASSESSMENT roll.

23 Sec. 34. (1) The county board of commissioners in each
24 county shall meet in April each year to determine THE county
25 equalized value, which ~~equalization~~ shall be completed and sub-
26 mitted along with the tabular statement required by section 5 of
27 ~~Act No. 44 of the Public Acts of 1911, being section 209.5 of~~

1 ~~the Michigan Compiled Laws~~ 1911 PA 44, MCL 209.5, to the state
2 tax commission before the first Monday in May. The business
3 ~~which~~ THAT the COUNTY board OF COMMISSIONERS may perform shall
4 be conducted at a public meeting of the COUNTY board OF
5 COMMISSIONERS held in compliance with the open meetings act, ~~Act~~
6 ~~No. 267 of the Public Acts of 1976, as amended, being sections~~
7 ~~15.261 to 15.275 of the Michigan Compiled Laws~~ 1976 PA 267,
8 MCL 15.261 TO 15.275. Public notice of the time, date, and place
9 of the meeting shall be given in the manner required by ~~Act~~
10 ~~No. 267 of the Public Acts of 1976, as amended~~ THE OPEN MEETINGS
11 ACT, 1976 PA 267, MCL 15.261 TO 15.275. Each year the county
12 board of commissioners shall advise the local taxing units ~~when~~
13 IF the state tax commission increases the equalized value of the
14 county as established by the ~~board of~~ county BOARD OF commis-
15 sioners and each taxing unit other than a city, township, school
16 district, intermediate school district, or community college dis-
17 trict, shall immediately reduce its maximum authorized millage
18 rate, as determined after any reduction ~~caused by~~ PURSUANT TO
19 section 34d, so that ~~subsequent to~~ AFTER the increase ordered
20 by the state tax commission pursuant to ~~Act No. 44 of the Public~~
21 ~~Acts of 1911, as amended, being sections 209.1 to 209.8 of the~~
22 ~~Michigan Compiled Laws~~ 1911 PA 44, MCL 209.1 TO 209.8, total
23 property taxes levied for that unit shall not exceed that which
24 would have been levied for that unit at its maximum authorized
25 millage rate, as determined after any reduction ~~caused by~~
26 PURSUANT TO section 34d, if there had not been an increase in
27 valuation by the state TAX COMMISSION. If its state equalized

1 valuation exceeds its assessed valuation by 5.0% or more in 1982
2 or by any amount in 1983 or any year ~~thereafter~~ AFTER 1983, a
3 city or township shall reduce its maximum authorized millage
4 rate, as determined after any reduction ~~caused by~~ PURSUANT TO
5 section 34d, so that total property taxes levied for that unit do
6 not exceed that which would have been levied based on its
7 assessed valuation.

8 (2) The county board of commissioners shall examine the
9 assessment rolls of the townships or cities and ascertain whether
10 the real and personal property in the respective townships or
11 cities has been equally and uniformly assessed ~~at true cash~~
12 ~~value~~ AS REQUIRED UNDER THIS ACT. If, on the examination, the
13 county board of commissioners considers the assessments to be
14 relatively unequal, it shall equalize the assessments by adding
15 to or deducting from the valuation of the taxable property ~~in a~~
16 ~~township or city~~ an amount ~~which~~ THAT in the judgment of the
17 county board of commissioners will produce a sum ~~which~~ THAT
18 represents the true cash value of that property AND, FOR QUALI-
19 FIED AGRICULTURAL PROPERTY, THE AGRICULTURAL USE VALUE, and the
20 amount added to or deducted from the valuations ~~in a township or~~
21 ~~city~~ shall be entered upon the records. The county board of
22 commissioners and the state tax commission shall equalize real
23 and personal property separately by adding to or deducting from
24 the valuation of taxable real property, and by adding to or
25 deducting from the valuation of taxable personal property in a
26 township, city, or county, an amount ~~which~~ THAT will produce a
27 sum ~~which~~ THAT represents the proportion of true cash value

1 established by the legislature AND, FOR QUALIFIED AGRICULTURAL
2 PROPERTY, THE AGRICULTURAL USE VALUE. Beginning December 31,
3 1980, the county board of commissioners and the state tax commis-
4 sion shall equalize separately the following classes of real
5 property by adding to or deducting from the valuation of agricul-
6 tural, ~~developmental,~~ residential, commercial, industrial, and
7 timber cutover taxable real property, and by adding to or deduct-
8 ing from the valuation of taxable personal property in a town-
9 ship, city, or county, an amount ~~as~~ THAT will produce a sum
10 ~~which~~ THAT represents the proportion of true cash value estab-
11 lished by the legislature AND, FOR QUALIFIED AGRICULTURAL PROPER-
12 TY, THE AGRICULTURAL USE VALUE. The tax roll and the tax state-
13 ment shall clearly set forth the latest state equalized valuation
14 for each item or property, which shall be determined by using a
15 separate factor for personal property and a separate factor for
16 real property as equalized. Beginning December 31, 1980, the tax
17 roll and the tax statement shall clearly set forth the latest
18 state equalized valuation for each item or property, which shall
19 be determined by using a separate factor for personal property
20 and a separate factor for each classification for real property
21 as equalized. Factors used in determining the state equalized
22 valuation for real and personal property on the tax roll shall be
23 rounded up to not less than 4 decimal places. Equalized values
24 for both real and personal property shall be equalized uniformly
25 at the same proportion of true cash value in the county. The
26 county board of commissioners shall also cause to be entered upon
27 its records the aggregate valuation of the taxable real and

1 personal property of each township or city in its county as
2 determined by the county board OF COMMISSIONERS. The county
3 board of commissioners shall also make alterations in the
4 description of any ~~land~~ PROPERTY on the rolls ~~as is~~ necessary
5 to render the descriptions conformable to the requirements of
6 this act. After the rolls are equalized, each shall be certified
7 ~~to~~ by the chairperson and the clerk of the COUNTY board OF
8 COMMISSIONERS and be delivered to the supervisor of the proper
9 township or city, who shall file and keep the roll in his or her
10 office.

11 (3) The county board of commissioners of a county shall
12 establish and maintain a department to survey assessments and
13 assist the board of commissioners in the matter of equalization
14 of assessments, and may employ in that department NECESSARY tech-
15 nical and clerical personnel. ~~which in its judgment are consid-~~
16 ~~ered necessary.~~ The personnel of the department shall be under
17 the direct supervision and control of a director of the tax or
18 equalization department who may designate an employee of the
19 department as his or her deputy. The director of the county tax
20 or equalization department shall be appointed by the county board
21 of commissioners. The county board of commissioners, through the
22 department, may furnish assistance to local assessing officers in
23 the performance of duties imposed upon those officers ~~by~~ UNDER
24 this act, including the development and maintenance of accurate
25 property descriptions, the discovery, listing, and valuation of
26 properties for tax purposes, and the development and use of

1 uniform valuation standards and techniques for the assessment of
2 property.

3 (4) The supervisor of a township or, with the approval of
4 the governing body, the certified assessor of a township or city,
5 or the intermediate district board of education, or the board of
6 education of an incorporated city or village aggrieved by the
7 action of the county board of commissioners ~~—~~ in equalizing the
8 valuations of the townships or cities of the county ~~—~~ may
9 appeal from the determination to the ~~state~~ tax tribunal in the
10 manner provided by law. An appeal from the determination by the
11 county board of commissioners shall be filed with the clerk of
12 the tribunal by a written or printed petition ~~which~~ THAT shall
13 set forth in detail the reasons for taking the appeal. The peti-
14 tion shall be signed and sworn to by the supervisor, the certi-
15 fied assessor, or a majority of the members of the board of edu-
16 cation taking the appeal, shall show that a certain township,
17 city, or school district has been discriminated against in the
18 equalization, and shall ~~pray~~ REQUEST that the ~~state~~ tax tri-
19 bunal proceed at its earliest convenience to review the action
20 from which the appeal is taken. The ~~state~~ tax tribunal shall
21 ~~—, upon hearing,—~~ determine if ~~in its judgment there is a show-~~
22 ~~ing that~~ the equalization complained of is unfair, unjust, ineq-
23 uitable, or discriminatory. The ~~state~~ tax tribunal ~~shall~~
24 ~~have~~ HAS the same authority to consider and pass upon the action
25 and determination of the county board of commissioners in equal-
26 izing valuations as it has to consider complaints relative to the
27 assessment and taxation of property. The ~~state~~ tax tribunal

1 may order the county board of commissioners to reconvene and to
2 cause the assessment rolls of the county to be brought before it,
3 may summon the commissioners of the county to give evidence in
4 relation to the equalization, and may take further action and may
5 make further investigation ~~in the premises~~ as it considers
6 necessary. The ~~state~~ tax tribunal shall fix a valuation on all
7 property of the county. If the ~~state~~ tax tribunal decides that
8 the determination and equalization made by the county board of
9 commissioners is correct, further action shall not be taken. If
10 the ~~state~~ tax tribunal, after the hearing, decides that the
11 valuations of the county were improperly equalized, it shall pro-
12 ceed to make deductions from, or additions to, the valuations of
13 the respective townships, cities, or school districts as ~~may be~~
14 ~~considered proper~~ NECESSARY, ~~and in so doing the tribunal shall~~
15 ~~have~~ WITH the same powers ~~as~~ THAT the county board of commis-
16 sioners had in the first instance. The deductions or additions
17 shall decrease or increase the state equalized valuation of the
18 local unit affected but shall not increase or decrease the total
19 state equalized valuation of the county in the case of an appeal
20 under this section to the ~~state~~ tax tribunal. If the tax tri-
21 bunal finds that the valuations of a class of property in a
22 county were improperly equalized by that county and determines
23 that the total value of that class of property in the county may
24 not be at the level required by law, prior to entry of a final
25 order ~~,~~ the tax tribunal shall forward its findings and deter-
26 mination to the state tax commission. Within 90 days after
27 receiving the findings and determination of the tax tribunal, the

1 state tax commission shall determine whether the state equalized
2 valuation of that class of property in the county was set at the
3 level prescribed by law or should be revised to provide unifor-
4 mity among the counties and shall enter an order consistent with
5 the state tax commission's findings. The tax tribunal shall
6 enter a final order based upon the revised state equalized valua-
7 tion, if any, ~~which~~ THAT is adopted by the state tax
8 commission. The ~~state~~ tax tribunal immediately after complet-
9 ing its revision of the equalization of the valuation of the sev-
10 eral assessment districts shall report its action to the county
11 board of commissioners and board of education if the board has
12 instituted the appeal by filing its report with the clerk of the
13 county board of commissioners. The action of the ~~state~~ tax
14 tribunal ~~in the premises~~ shall constitute the equalization of
15 the county for the tax year.

16 ~~(5) For purposes of appeals pursuant to subsection (4) in~~
17 ~~1981 only, an agent of a supervisor, including an assessor, shall~~
18 ~~be considered to have the authority to file and sign a petition~~
19 ~~for an appeal, and any otherwise timely submitted petition in~~
20 ~~1981 by an agent of a supervisor shall be reviewed by the tribu-~~
21 ~~nal as if submitted by the supervisor.~~

22 Sec. 34c. (1) Not later than the first Monday in March in
23 each year, the assessor shall classify every item of assessable
24 property according to the definitions contained in this section.
25 Following the March board of review, the assessor shall tabulate
26 the total number of items and the valuations as approved by the
27 board of review for each classification and for the totals of

1 real and personal property in the local tax collecting unit. The
 2 assessor shall transmit to the county equalization department and
 3 to the state tax commission the tabulation of assessed valuations
 4 and other statistical information the state tax commission con-
 5 siders necessary to meet the requirements of this act and 1911 PA
 6 44, MCL 209.1 to 209.8.

7 (2) The classifications of assessable real property are
 8 described as follows:

9 (a) Agricultural real property includes parcels used par-
 10 tially or wholly for agricultural ~~operations~~ USE, with or with-
 11 out buildings, and parcels assessed to the department of natural
 12 resources and valued by the state tax commission. As used in
 13 this subdivision, ~~"agricultural operations"~~ means the
 14 following:

15 ~~(i) Farming in all its branches, including cultivating~~
 16 ~~soil.~~

17 ~~(ii) Growing and harvesting any agricultural, horticultural,~~
 18 ~~or floricultural commodity.~~

19 ~~(iii) Dairying.~~

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

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

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

25 MEANS SUBSTANTIALLY UNDEVELOPED LAND DEVOTED TO THE PRODUCTION OF
 26 PLANTS AND ANIMALS USEFUL TO HUMANS, INCLUDING FORAGES AND SOD
 27 CROPS; GRAINS, FEED CROPS, AND FIELD CROPS; DAIRY AND DAIRY

1 PRODUCTS; POULTRY AND POULTRY PRODUCTS; LIVESTOCK, INCLUDING
 2 BREEDING AND GRAZING OF CATTLE, SWINE, CAPTIVE CERVIDAE, AND SIM-
 3 ILAR ANIMALS; BERRIES; HERBS; FLOWERS; SEEDS; GRASSES; NURSERY
 4 STOCK; FRUITS; VEGETABLES; CHRISTMAS TREES; AND OTHER SIMILAR
 5 USES AND ACTIVITIES. AGRICULTURAL USE INCLUDES PROPERTY ENROLLED
 6 IN A FEDERAL ACREAGE SET-ASIDE PROGRAM OR A FEDERAL CONSERVATION
 7 PROGRAM. AGRICULTURAL USE DOES NOT INCLUDE SUBSTANTIALLY UNDE-
 8 VELOPED LAND THE PRIMARY PURPOSE FOR WHICH IS THE MANAGEMENT AND
 9 HARVESTING OF A WOODLOT, OR A commercial storage, processing,
 10 distribution, marketing, or shipping operation. ~~is not part of~~
 11 ~~agricultural operations.~~

12 (b) Commercial real property includes the following:

13 (i) Platted or unplatted parcels used for commercial pur-
 14 poses, whether wholesale, retail, or service, with or without
 15 buildings.

16 (ii) Parcels used by fraternal societies.

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

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

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

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

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

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

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

8 (i) Platted or unplatted parcels, with or without buildings,
9 and condominium apartments located within or outside a village or
10 city, which are used for, or probably will be used for, residen-
11 tial purposes.

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

15 (E) ~~(f)~~ Timber-cutover real property includes parcels that
16 are stocked with forest products of merchantable type and size,
17 cutover forest land with little or no merchantable products, and
18 marsh lands or other barren land. However, when a typical pur-
19 chase of this type of land is for residential or recreational
20 uses, the classification shall be changed to residential.

21 (3) The classifications of assessable personal property are
22 described as follows:

23 (a) Agricultural personal property includes farm buildings
24 on leased land and any agricultural equipment and produce not
25 exempt by law.

26 (b) Commercial personal property includes the following:

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

3 (ii) Outdoor advertising signs and billboards.

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

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

9 (v) Commercial buildings on leased land.

10 (c) Industrial personal property includes the following:

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

13 (ii) Industrial buildings on leased land.

14 (iii) Personal property of mining companies valued by the
15 state geologist.

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

21 (e) Utility personal property includes the following:

22 (i) Electric transmission and distribution systems, substa-
23 tion equipment, spare parts, gas distribution systems, and water
24 transmission and distribution systems.

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

- 1 (iii) Inventories not exempt by law.
- 2 (iv) Gas wells with allied equipment and gathering lines.
- 3 (v) Oil or gas field equipment stored in the open or in
4 warehouses such as drilling rigs, motors, pipes, and parts.
- 5 (vi) Gas storage equipment.
- 6 (vii) Transmission lines of gas or oil transporting
7 companies.
- 8 (viii) Utility buildings on leased land.
- 9 (4) For taxes levied before January 1, 2003, buildings on
10 leased land of any classification are improvements where the
11 owner of the improvement is not the owner of the land or fee, the
12 value of the land is not assessed to the owner of the building,
13 and the improvement has been assessed as personal property pursu-
14 ant to section 14(6). For taxes levied after December 31, 2002,
15 buildings located upon leased land, except buildings exempt under
16 section 9f, shall be assessed as real property under section 2
17 and shall bear the same classification as the parcel upon which
18 the building is located. For taxes levied after December 31,
19 2001, buildings exempt under section 9f shall be assessed as per-
20 sonal property.
- 21 (5) If the total usage of a parcel includes more than 1
22 classification, the assessor shall determine the classification
23 that most significantly influences the total valuation of the
24 parcel.
- 25 (6) An owner of any assessable property who disputes the
26 classification of that parcel shall notify the assessor and may
27 protest the assigned classification to the March board of

1 review. An owner or assessor may appeal the decision of the
2 March board of review by filing a petition with the state tax
3 commission not later than June 30 in that tax year. The state
4 tax commission shall arbitrate the petition based on the written
5 petition and the written recommendations of the assessor and the
6 state tax commission staff. An appeal may not be taken from the
7 decision of the state tax commission regarding classification
8 complaint petitions and the state tax commission's determination
9 is final and binding for the year of the petition.

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

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

17 (9) AN OWNER OF PROPERTY FOR WHICH THE CLASSIFICATION IS
18 CHANGED FROM AGRICULTURAL REAL PROPERTY TO A DIFFERENT CLASSIFI-
19 CATION MAY FILE AN AFFIDAVIT UNDER SECTION 7EE NOT LATER THAN
20 MAY 1 IN THAT TAX YEAR, CLAIMING AN EXEMPTION OF THAT PROPERTY AS
21 QUALIFIED AGRICULTURAL PROPERTY.

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

24 (a) For taxes levied before 1995, "additions" means all
25 increases in value caused by new construction or a physical addi-
26 tion of equipment or furnishings, and the value of property that

1 was exempt from taxes or not included on the assessment unit's
2 immediately preceding year's assessment roll.

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

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

22 (ii) Omitted personal property. As used in this subpara-
23 graph, "omitted personal property" means previously existing tan-
24 gible personal property not included in the assessment. Omitted
25 personal property shall be added to the tax roll pursuant to
26 section 154.

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

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

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

20 (B) The taxable value of property that is a facility as that
21 term is defined in section 2 of ~~Act No. 198 of the Public Acts~~
22 ~~of 1974, being section 207.552 of the Michigan Compiled Laws~~
23 1974 PA 198, MCL 207.552, that was previously exempt under
24 section 7k is the taxable value that property would have had
25 under this act if it had not been exempt.

1 (C) The value of property previously exempt under any other
2 section of law is the true cash value of the previously exempt
3 property multiplied by 0.50.

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

20 (vi) An increase in taxable value attributable to the com-
21 plete or partial remediation of environmental contamination
22 existing on the immediately preceding tax day. The department of
23 environmental quality shall determine the degree of remediation
24 based on information available in existing department of environ-
25 mental quality records or information made available to the
26 department of environmental quality if the ~~appropriate assessing~~
27 ~~officer~~ ASSESSOR for a local tax collecting unit requests that

1 determination. The increase in taxable value attributable to the
2 remediation is the increase in true cash value attributable to
3 the remediation multiplied by a fraction the numerator of which
4 is the taxable value of the property had it not been contaminated
5 and the denominator of which is the true cash value of the prop-
6 erty had it not been contaminated.

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

21 (viii) Public services. As used in this subparagraph,
22 "public services" means water service, sewer service, a primary
23 access road, natural gas service, electrical service, telephone
24 service, sidewalks, or street lighting. For purposes of deter-
25 mining the taxable value of real property under section 27a, the
26 value of public services is the amount of increase in true cash
27 value of the property attributable to the available public

1 services multiplied by 0.50 and shall be added in the calendar
2 year following the calendar year when those public services are
3 initially available.

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

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

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

8 (iii) For the purposes of the calculation of the millage
9 reduction fraction under subsection (7) only, increased taxable
10 value under section 27a(3) OR, FOR QUALIFIED AGRICULTURAL PROPER-
11 TY, UNDER SECTION 27E(3) after a transfer of ownership of
12 property.

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

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

17 (f) "General price level" means the annual average of the
18 12 monthly values for the United States consumer price index for
19 all urban consumers as defined and officially reported by the
20 United States department of labor, bureau of labor statistics.

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

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

1 (i) Property that has been destroyed or removed. For
2 purposes of determining the taxable value of property under
3 section 27a, the value of property destroyed or removed is the
4 product of the true cash value of that property multiplied by a
5 fraction the numerator of which is the taxable value of that
6 property in the immediately preceding year and the denominator of
7 which is the true cash value of that property in the immediately
8 preceding year.

9 (ii) Property that was subject to ad valorem taxation under
10 this act in the immediately preceding year that is now exempt
11 from ad valorem taxation under this act. For purposes of deter-
12 mining the taxable value of property under section 27a, the value
13 of property exempted from ad valorem taxation under this act is
14 the amount exempted.

15 (iii) An adjustment in value, if any, because of a decrease
16 in the property's occupancy rate, to the extent provided by law.
17 For purposes of determining the taxable value of real property
18 under section 27a, the value of a loss for a decrease in the
19 property's occupancy rate is the product of the decrease in the
20 true cash value of the property attributable to the decreased
21 occupancy rate multiplied by a fraction the numerator of which is
22 the taxable value of the property in the immediately preceding
23 year and the denominator of which is the true cash value of the
24 property in the immediately preceding year.

25 (iv) A decrease in taxable value attributable to environmen-
26 tal contamination existing on the immediately preceding tax day.
27 The department of environmental quality shall determine the

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

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

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

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

24 (j) "New construction and improvements" means additions less
25 losses.

26 (k) "Current year" means the year for which the millage
27 limitation is being calculated.

1 (1) "Inflation rate" means the ratio of the general price
2 level for the state fiscal year ending in the calendar year imme-
3 diately preceding the current year divided by the general price
4 level for the state fiscal year ending in the calendar year
5 before the year immediately preceding the current year.

6 (2) On or before the first Monday in May of each year, the
7 ~~assessing officer~~ ASSESSOR of each township or city shall tabu-
8 late the tentative taxable value as approved by the local board
9 of review and as modified by county equalization for each classi-
10 fication of property that is separately equalized for each unit
11 of local government and provide the tabulated tentative taxable
12 values to the county equalization director. The tabulation by
13 the ~~assessing officer~~ ASSESSOR shall contain additions and
14 losses for each classification of property that is separately
15 equalized for each unit of local government or part of a unit of
16 local government in the township or city. If as a result of
17 state equalization the taxable value of property changes, the
18 ~~assessing officer~~ ASSESSOR of each township or city shall
19 revise the calculations required by this subsection on or before
20 the Friday following the fourth Monday in May. The county equal-
21 ization director shall compute these amounts and the current and
22 immediately preceding year's taxable values for each classifica-
23 tion of property that is separately equalized for each unit of
24 local government that levies taxes under this act within the
25 boundary of the county. The county equalization director shall
26 cooperate with equalization directors of neighboring counties, as
27 necessary, to make the computation for units of local government

1 located in more than 1 county. The county equalization director
2 shall calculate the millage reduction fraction for each unit of
3 local government in the county for the current year. The finan-
4 cial officer for each taxing jurisdiction shall calculate the
5 compounded millage reduction fractions beginning in 1980 result-
6 ing from the multiplication of successive millage reduction frac-
7 tions and shall recognize a local voter action to increase the
8 compounded millage reduction fraction to a maximum of 1 as a new
9 beginning fraction. Upon request of the superintendent of the
10 intermediate school district, the county equalization director
11 shall transmit the complete computations of the taxable values to
12 the superintendent of the intermediate school district within
13 that county. At the request of the presidents of community col-
14 leges, the county equalization director shall transmit the com-
15 plete computations of the taxable values to the presidents of
16 community colleges within the county.

17 (3) On or before the first Monday in June of each year, the
18 county equalization director shall deliver the statement of the
19 computations signed by the county equalization director to the
20 county treasurer.

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

1 (5) The financial officer of each unit of local government
2 shall make the computation of the tax rate using the data
3 certified by the county treasurer and the state tax commission.
4 At the annual session in October, the county board of commission-
5 ers shall not authorize the levy of a tax unless the governing
6 body of the taxing jurisdiction has certified that the requested
7 millage has been reduced, if necessary, in compliance with
8 section 31 of article IX of the state constitution of 1963.

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

16 (7) A millage reduction fraction shall be determined for
17 each year for each local unit of government. For ad valorem
18 property taxes that became a lien before January 1, 1983, the
19 numerator of the fraction shall be the total state equalized val-
20 uation for the immediately preceding year multiplied by the
21 inflation rate and the denominator of the fraction shall be the
22 total state equalized valuation for the current year minus new
23 construction and improvements. For ad valorem property taxes
24 that become a lien after December 31, 1982 and through
25 December 31, 1994, the numerator of the fraction shall be the
26 product of the difference between the total state equalized
27 valuation for the immediately preceding year minus losses

1 multiplied by the inflation rate and the denominator of the
2 fraction shall be the total state equalized valuation for the
3 current year minus additions. For ad valorem property taxes that
4 are levied after December 31, 1994, the numerator of the fraction
5 shall be the product of the difference between the total taxable
6 value for the immediately preceding year minus losses multiplied
7 by the inflation rate and the denominator of the fraction shall
8 be the total taxable value for the current year minus additions.
9 For each year after 1993, a millage reduction fraction shall not
10 exceed 1.

11 (8) The compounded millage reduction fraction for each year
12 after 1980 shall be calculated by multiplying the local unit's
13 previous year's compounded millage reduction fraction by the cur-
14 rent year's millage reduction fraction. Beginning with 1980 tax
15 levies, the compounded millage reduction fraction for the year
16 shall be multiplied by the maximum millage rate authorized by law
17 or charter for the unit of local government for the year, except
18 as provided by subsection (9). A compounded millage reduction
19 fraction shall not exceed 1.

20 (9) The millage reduction shall be determined separately for
21 authorized millage approved by the voters. The limitation on
22 millage authorized by the voters on or before May 31 of a year
23 shall be calculated beginning with the millage reduction fraction
24 for that year. Millage authorized by the voters after May 31
25 shall not be subject to a millage reduction until the year fol-
26 lowing the voter authorization which shall be calculated
27 beginning with the millage reduction fraction for the year

1 following the authorization. The first millage reduction
2 fraction used in calculating the limitation on millage approved
3 by the voters after January 1, 1979 shall not exceed 1.

4 (10) A millage reduction fraction shall be applied sepa-
5 rately to the aggregate maximum millage rate authorized by a
6 charter and to each maximum millage rate authorized by state law
7 for a specific purpose.

8 (11) A unit of local government may submit to the voters for
9 their approval the levy in that year of a tax rate in excess of
10 the limit set by this section. The ballot question shall ask the
11 voters to approve the levy of a specific number of mills in
12 excess of the limit. The provisions of this section do not allow
13 the levy of a millage rate in excess of the maximum rate autho-
14 rized by law or charter. If the authorization to levy millage
15 expires after 1993 and a local governmental unit is asking voters
16 to renew the authorization to levy the millage, the ballot ques-
17 tion shall ask for renewed authorization for the number of expir-
18 ing mills as reduced by the millage reduction required by this
19 section. If the election occurs before June 1 of a year, the
20 millage reduction is based on the immediately preceding year's
21 millage reduction applicable to that millage. If the election
22 occurs after May 31 of a year, the millage reduction shall be
23 based on that year's millage reduction applicable to that millage
24 had it not expired.

25 (12) A reduction or limitation under this section shall not
26 be applied to taxes imposed for the payment of principal and
27 interest on bonds or other evidence of indebtedness or for the

1 payment of assessments or contract obligations in anticipation of
2 which bonds are issued that were authorized before December 23,
3 1978, as provided by former section 4 of chapter I of the munic-
4 pal finance act, ~~Act No. 202 of the Public Acts of 1943~~ 1943
5 PA 202, or to taxes imposed for the payment of principal and
6 interest on bonds or other evidence of indebtedness or for the
7 payment of assessments or contract obligations in anticipation of
8 which bonds are issued that are approved by the voters after
9 December 22, 1978.

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

16 (14) If as a result of an appeal of county equalization or
17 state equalization the taxable value of a unit of local govern-
18 ment changes, the millage reduction fraction for the year shall
19 be recalculated. The financial officer shall effectuate an addi-
20 tion or reduction of tax revenue in the same manner as prescribed
21 in subsection (13).

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

1 (16) Beginning with taxes levied in 1994, the millage
2 reduction required by section 31 of article IX of the state
3 constitution of 1963 shall permanently reduce the maximum rate or
4 rates authorized by law or charter. The reduced maximum autho-
5 rized rate or rates for 1994 shall equal the product of the maxi-
6 mum rate or rates authorized by law or charter before application
7 of this section multiplied by the ~~compound~~ COMPOUNDED millage
8 reduction applicable to that millage in 1994 pursuant to subsec-
9 tions (8) to (12). The reduced maximum authorized rate or rates
10 for 1995 and each year after 1995 shall equal the product of the
11 immediately preceding year's reduced maximum authorized rate or
12 rates multiplied by the current year's millage reduction fraction
13 and shall be adjusted for millage for which authorization has
14 expired and new authorized millage approved by the voters pursu-
15 ant to subsections (8) to (12).

16 Sec. 44. (1) Upon receipt of the tax roll, the township
17 treasurer or other collector shall proceed to collect the taxes.
18 The township treasurer or other collector shall mail to each tax-
19 payer at the taxpayer's last known address on the tax roll or to
20 the taxpayer's designated agent a statement showing the descrip-
21 tion of the property against which the tax is levied, the taxable
22 value of the property, and the amount of the tax on the
23 property. If a tax statement is mailed to the taxpayer, a tax
24 statement sent to a taxpayer's designated agent may be in a sum-
25 mary form or may be in an electronic data processing format. If
26 the tax statement information is provided to both a taxpayer and
27 the taxpayer's designated agent, the tax statement mailed to the

1 taxpayer may be identified as an informational copy. FOR
2 QUALIFIED AGRICULTURAL PROPERTY ONLY, THE TAX STATEMENT MAILED TO
3 THE TAXPAYER OR TO THE TAXPAYER'S DESIGNATED AGENT SHALL INCLUDE
4 THE RECAPTURE TAX THAT WOULD BE IMPOSED UNDER THE AGRICULTURAL
5 PROPERTY RECAPTURE ACT, 2000 PA 261, MCL 211.1001 TO 211.1007, IF
6 THE QUALIFIED AGRICULTURAL PROPERTY WERE CONVERTED BY A CHANGE IN
7 USE, AS THAT TERM IS DEFINED IN THE AGRICULTURAL PROPERTY RECAP-
8 TURE ACT. A township treasurer or other collector electing to
9 send a tax statement to a taxpayer's designated agent or electing
10 not to include an itemization in the manner described in subsec-
11 tion (9)(c) in a tax statement mailed to the taxpayer shall, upon
12 request, mail a detailed copy of the tax statement, including an
13 itemization of the amount of tax in the manner described by sub-
14 section (9)(c), to the taxpayer without charge.

15 (2) The expense of preparing and mailing the statement shall
16 be paid from the county, township, city, or village funds.
17 Failure to send or receive the notice does not prejudice the
18 right to collect or enforce the payment of the tax. The township
19 treasurer shall remain in the office of the township treasurer at
20 some convenient place in the township on each Friday in the month
21 of December, from 9 a.m. to 5 p.m. to receive taxes, but shall
22 receive taxes upon a weekday when they are offered. However, if
23 a Friday in the month of December is Christmas eve, Christmas
24 day, New Year's eve, or a day designated by the township as a
25 holiday for township employees, the township treasurer is not
26 required to remain in the office of the township treasurer on
27 that Friday, but shall remain in the office of the township

1 treasurer at some convenient place in the township from 9 a.m. to
2 5 p.m. on the day most immediately preceding that Friday that is
3 not Christmas eve, Christmas day, New Year's eve, or a day desig-
4 nated by the township as a holiday for township employees, to
5 receive taxes.

6 (3) Except as provided by subsection (7), on a sum volun-
7 tarily paid before February 15 of the succeeding year, the local
8 property tax collecting unit shall add a property tax administra-
9 tion fee of not more than 1% of the total tax bill per parcel.
10 However, unless otherwise provided for by an agreement between
11 the assessing unit and the collecting unit, if a local property
12 tax collecting unit other than a village does not also serve as
13 the local assessing unit, the excess of the amount of property
14 tax administration fees over the expense to the local property
15 tax collecting unit in collecting the taxes, but not less than
16 80% of the fee imposed, shall be returned to the local assessing
17 unit. A property tax administration fee is defined as a fee to
18 offset costs incurred by a collecting unit in assessing property
19 values, in collecting the property tax levies, and in the review
20 and appeal processes. The costs of any appeals, in excess of
21 funds available from the property tax administration fee, may be
22 shared by any taxing unit only if approved by the governing body
23 of the taxing unit. Except as provided by subsection (7), on all
24 taxes paid after February 14 and before March 1 the governing
25 body of a city or township may authorize the treasurer to add to
26 the tax a property tax administration fee to the extent imposed
27 on taxes paid before February 15 and a late penalty charge equal

1 to 3% of the tax. The governing body of a city or township may
2 waive interest from February 15 to the last day of February on a
3 summer property tax that has been deferred under section 51 or
4 any late penalty charge for the homestead property of a senior
5 citizen, paraplegic, quadriplegic, hemiplegic, eligible service-
6 person, eligible veteran, eligible widow or widower, totally and
7 permanently disabled person, or blind person, as those persons
8 are defined in chapter 9 of the income tax act of 1967, 1967 PA
9 281, MCL 206.501 to 206.532, if the person makes a claim before
10 February 15 for a credit for that property provided by chapter 9
11 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to
12 206.532, if the person presents a copy of the form filed for that
13 credit to the local treasurer, and if the person has not received
14 the credit before February 15. The governing body of a city or
15 township may waive interest from February 15 to the last day of
16 February on a summer property tax deferred under section 51 or
17 any late penalty charge for a person's property that is subject
18 to a farmland development rights agreement recorded with the reg-
19 ister of deeds of the county in which the property is situated as
20 provided in section 36104 of the natural resources and environ-
21 mental protection act, 1994 PA 451, MCL 324.36104, if the person
22 presents a copy of the development rights agreement or verifica-
23 tion that the property is subject to a development rights agree-
24 ment before February 15. A 4% county property tax administration
25 fee, a property tax administration fee to the extent imposed on
26 and if authorized under subsection (7) for taxes paid before
27 March 1, and interest on the tax at the rate of 1% per month

1 shall be added to taxes collected by the township or city
2 treasurer after the last day of February and before settlement
3 with the county treasurer, and the payment shall be treated as
4 though collected by the county treasurer. If the statements
5 required to be mailed by this section are not mailed before
6 December 31, the treasurer shall not impose a late penalty charge
7 on taxes collected after February 14.

8 (4) The governing body of a local property tax collecting
9 unit may waive all or part of the property tax administration fee
10 or the late penalty charge, or both. A property tax administra-
11 tion fee collected by the township treasurer shall be used only
12 for the purposes for which it may be collected as specified by
13 subsection (3) and this subsection. If the bond of the treasur-
14 er, as provided in section 43, is furnished by a surety company,
15 the cost of the bond may be paid by the township from the prop-
16 erty tax administration fee.

17 (5) If apprehensive of the loss of personal tax assessed
18 upon the roll, the township treasurer may enforce collection of
19 the tax at any time, and if compelled to seize property or bring
20 an action in December may add, if authorized under
21 subsection (7), a property tax administration fee of not more
22 than 1% of the total tax bill per parcel and 3% for a late pen-
23 alty charge.

24 (6) Along with taxes returned delinquent to a county trea-
25 surer under section 55, the amount of the property tax adminis-
26 tration fee prescribed by subsection (3) that is imposed and not
27 paid shall be included in the return of delinquent taxes and,

1 when delinquent taxes are distributed by the county treasurer
2 under this act, the delinquent property tax administration fee
3 shall be distributed to the treasurer of the local unit who
4 transmitted the statement of taxes returned as delinquent.
5 Interest imposed upon delinquent property taxes under this act
6 shall also be imposed upon the property tax administration fee
7 and, for purposes of this act other than for the purpose of
8 determining to which local unit the county treasurer shall dis-
9 tribute a delinquent property tax administration fee, any refer-
10 ence to delinquent taxes shall be considered to include the prop-
11 erty tax administration fee returned as delinquent for the same
12 property.

13 (7) The local property tax collecting treasurer shall not
14 impose a property tax administration fee, collection fee, or any
15 type of late penalty charge authorized by law or charter unless
16 the governing body of the local property tax collecting unit
17 approves, by resolution or ordinance adopted after
18 December 31, 1982, an authorization for the imposition of a prop-
19 erty tax administration fee, collection fee, or any type of late
20 penalty charge provided for by this section or by charter, which
21 authorization shall be valid for all levies that become a lien
22 after the resolution or ordinance is adopted. However, unless
23 otherwise provided for by an agreement between the assessing unit
24 and the collecting unit, a local property tax collecting unit
25 that does not also serve as the assessing unit shall impose a
26 property tax administration fee on each parcel at a rate equal to

1 the rate of the fee imposed for city or township taxes on that
2 parcel.

3 (8) The annual statement required by 1966 PA 125, MCL
4 565.161 to 565.164, or a monthly billing form or mortgagor pass-
5 book provided instead of that annual statement shall include a
6 statement to the effect that a taxpayer who was not mailed the
7 tax statement or a copy of the tax statement by the township
8 treasurer or other collector shall receive, upon request and
9 without charge, a copy of the tax statement from the township
10 treasurer or other collector or, if the tax statement has been
11 mailed to the taxpayer's designated agent, from either the
12 taxpayer's designated agent or the township treasurer or other
13 collector. A designated agent who is subject to 1966 PA 125, MCL
14 565.161 to 565.164, and who has been mailed the tax statement for
15 taxes that became a lien in the calendar year immediately preced-
16 ing the year in which the annual statement may be required to be
17 furnished shall mail, upon request and without charge to a tax-
18 payer who was not mailed that tax statement or a copy of that tax
19 statement, a copy of that tax statement.

20 (9) As used in this section:

21 (a) "Designated agent" means an individual, partnership,
22 association, corporation, receiver, estate, trust, or other legal
23 entity that has entered into an escrow account agreement or other
24 agreement with the taxpayer that obligates that individual or
25 legal entity to pay the property taxes for the taxpayer or, if an
26 agreement has not been entered into, that was designated by the
27 taxpayer on a form made available to the taxpayer by the township

1 treasurer and filed with that treasurer. The designation by the
2 taxpayer shall remain in effect until revoked by the taxpayer in
3 a writing filed with the township treasurer. The form made
4 available by the township treasurer shall include a statement
5 that submission of the form allows the treasurer to mail the tax
6 statement to the designated agent instead of to the taxpayer and
7 a statement notifying the taxpayer of his or her right to revoke
8 the designation by a writing filed with the township treasurer.

9 (b) "Taxpayer" means the owner of the property on which the
10 tax is imposed.

11 (c) When describing in subsection (1) that the amount of tax
12 on the property must be shown in the tax statement, "amount of
13 tax" means an itemization by dollar amount of each of the several
14 ad valorem property taxes and special assessments that a person
15 may pay under section 53 and an itemization by millage rate, on
16 either the tax statement or a separate form accompanying the tax
17 statement, of each of the several ad valorem property taxes that
18 a person may pay under section 53. The township treasurer or
19 other collector may replace the itemization described in this
20 subdivision with a statement informing the taxpayer that the
21 itemization of the dollar amount and millage rate of the taxes is
22 available without charge from the local property tax collecting
23 unit.

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

26 Enacting section 2. This amendatory act does not take
27 effect unless Senate Joint Resolution _____ or House Joint

1 Resolution G (request no. 00434'01) of the 91st Legislature
2 becomes a part of the state constitution of 1963 as provided in
3 section 1 of article XII of the state constitution of 1963.