

HOUSE BILL No. 4647

May 6, 2003, Introduced by Reps. Tabor, Middaugh, LaSata, Pastor and Julian and referred to the Committee on Commerce.

A bill to amend 1893 PA 206, entitled
 "The general property tax act,"
 by amending sections 2a and 34c (MCL 211.2a and 211.34c), section
 2a as amended by 1982 PA 539 and section 34c as amended by 2000
 PA 415.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2a. (1) ~~For~~ **Before January 1, 2004, for** purposes of
 2 section 2, a mobile home ~~which~~ **that** is not ~~covered by~~ **subject**
 3 **to the specific tax levied under** section 41 of ~~Act No. 243 of~~
 4 ~~the Public Acts of 1959, being section 125.1041 of the Michigan~~
 5 ~~Compiled Laws, and while~~ **1959 PA 243, MCL 125.1041**, located on
 6 ~~land otherwise assessable as~~ real property ~~under this act,~~
 7 ~~and~~ **not exempt from the collection of taxes under this act,**
 8 whether or not permanently affixed to ~~the soil, shall be~~ **that**
 9 **real property, is** considered real property and shall be assessed

1 as part of the real property ~~upon~~ on which the mobile home is
2 located.

3 (2) After December 31, 2003, for purposes of section 2, a
4 mobile home that is not subject to the specific tax levied under
5 section 41 of 1959 PA 243, MCL 125.1041, located on real property
6 not exempt from the collection of taxes under this act, whether
7 or not permanently affixed to that real property, is considered
8 real property and is subject to assessment and the collection of
9 taxes under this act. A mobile home shall be assessed as part of
10 the real property on which the mobile home is located if the
11 owner of the mobile home is the owner of the fee title to the
12 real property on which the mobile home is located. A mobile home
13 shall be assessed to the owner of the mobile home separately from
14 the real property on which the mobile home is located if the
15 owner of the mobile home is not the owner of the fee title to the
16 real property on which the mobile home is located. For taxes
17 levied after December 31, 2003 and before January 1, 2005, a
18 mobile home's taxable value is 50% of that mobile home's true
19 cash value. For taxes levied after December 31, 2004, a mobile
20 home's taxable value is that value determined under section 27a.
21 For taxes levied after December 31, 2003, an owner of a mobile
22 home, whether or not permanently affixed to real property, may
23 claim a homestead exemption as provided in section 7cc.

24 (3) ~~(2)~~ As used in this section, "mobile home" does not
25 include a travel trailer or camping trailer ~~which~~ that is
26 either parked in a campground licensed by this state for not more
27 than 180 days in any calendar year, or parked ~~upon~~ on private

1 property, including a designated storage area of a licensed
2 campground, for the sole purpose of storage.

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

9 (5) ~~(4)~~ ~~For purposes of~~ **As used in** this section: ~~—~~ ~~the~~
10 ~~following definitions shall apply:~~

11 (a) ~~A travel trailer is~~ **"Travel trailer" means** a vehicular
12 portable structure mounted on wheels ~~and of~~ **that is** a size and
13 weight ~~as~~ **that does** not ~~to~~ require special highway movement
14 permits ~~when~~ **if** drawn by a stock passenger automobile or ~~when~~
15 **if** drawn with a fifth wheel hitch mounted on a motor vehicle, and
16 **that** is primarily designed, constructed, and used to provide
17 temporary living quarters for recreational camping or travel.

18 (b) ~~A camping trailer is~~ **"Camping trailer" means** a
19 vehicular portable temporary living quarters used for
20 recreational camping or travel ~~and of~~ **that is** a size and weight
21 ~~as~~ **that does** not ~~to~~ require special highway movement permits
22 ~~when~~ **if** drawn by a motor vehicle.

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

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

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

10 (a) Agricultural real property includes parcels used
11 partially or wholly for agricultural operations, with or without
12 buildings, and parcels assessed to the department of natural
13 resources and valued by the state tax commission. As used in
14 this subdivision, "agricultural operations" means the following:

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

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

18 (iii) Dairying.

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

21 (v) Turf and tree farming.

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

26 (b) Commercial real property includes the following:

27 (i) Platted or unplatted parcels used for commercial

1 purposes, whether wholesale, retail, or service, with or without
2 buildings.

3 (ii) Parcels used by fraternal societies.

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

6 (c) Developmental real property includes parcels containing
7 more than 5 acres without buildings, or more than 15 acres with a
8 market value in excess of its value in use. Developmental real
9 property may include farm land or open space land adjacent to a
10 population center, or farm land subject to several competing
11 valuation influences.

12 (d) Industrial real property includes the following:

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

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

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

21 (e) Residential real property includes the following:

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

26 (ii) **A mobile home not subject to the specific tax levied**
27 **under section 41 of 1959 PA 243, MCL 125.1041, on a platted or**

1 unplatted parcel, which is used for, or probably will be used
2 for, residential purposes.

3 (iii) For taxes levied after December 31, 2003, a mobile home
4 located in a mobile home park for which an initial license to
5 operate was issued under section 16 of the mobile home commission
6 act, 1987 PA 96, MCL 125.2316, after December 31, 2003. As used
7 in this subparagraph, "mobile home park" means that term as
8 defined in section 2 of the mobile home commission act, 1987 PA
9 96, MCL 125.2302.

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

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

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

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

25 (b) Commercial personal property includes the following:

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

1 (ii) Outdoor advertising signs and billboards.

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

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

7 (v) Commercial buildings on leased land.

8 (c) Industrial personal property includes the following:

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

11 (ii) Industrial buildings on leased land.

12 (iii) Personal property of mining companies valued by the
13 state geologist.

14 (d) Residential personal property includes ~~a home, cottage,~~
15 ~~or cabin on leased land, and~~ a mobile home that would be
16 assessable as real property under section 2a except that the
17 ~~land~~ **real property** on which it is located is ~~not assessable~~
18 ~~because the land is~~ exempt **from the collection of taxes under**
19 **this act.**

20 (e) Utility personal property includes the following:

21 (i) Electric transmission and distribution systems,
22 substation equipment, spare parts, gas distribution systems, and
23 water transmission and distribution systems.

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

26 (iii) Inventories not exempt by law.

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

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

3 (vi) Gas storage equipment.

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

6 (viii) Utility buildings on leased land.

7 (4) For taxes levied before January 1, 2003, buildings on
8 leased land of any classification are improvements where the
9 owner of the improvement is not the owner of the land or fee, the
10 value of the land is not assessed to the owner of the building,
11 and the improvement has been assessed as personal property
12 pursuant to section 14(6). For taxes levied after December 31,
13 2002, buildings located upon leased land, except buildings exempt
14 under section 9f, shall be assessed as real property under
15 section 2 and shall bear the same classification as the parcel
16 upon which the building is located. For taxes levied after
17 December 31, 2001, buildings exempt under section 9f shall be
18 assessed as personal property.

19 (5) If the total usage of a parcel includes more than 1
20 classification, the assessor shall determine the classification
21 that most significantly influences the total valuation of the
22 parcel.

23 (6) An owner of any assessable property who disputes the
24 classification of that parcel shall notify the assessor and may
25 protest the assigned classification to the March board of
26 review. An owner or assessor may appeal the decision of the
27 March board of review by filing a petition with the state tax

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

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

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

15 Enacting section 1. This amendatory act does not take
16 effect unless Senate Bill No. _____ or House Bill No. 4648
17 (request no. 00075'03 a) of the 92nd Legislature is enacted into
18 law.