

SENATE BILL No. 740

October 17, 2001, Introduced by Senators GARCIA and STILLE and referred to the Committee on Finance.

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; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2a. (1) ~~For~~ BEFORE DECEMBER 31, 2005, FOR purposes
2 of section 2, a mobile home ~~which~~ THAT is not ~~covered by~~
3 SUBJECT TO THE SPECIFIC TAX LEVIED UNDER section 41 of ~~Act No.~~
4 ~~243 of the Public Acts of 1959, being section 125.1041 of the~~
5 ~~Michigan Compiled Laws, and while~~ 1959 PA 243, MCL 125.1041,
6 located on ~~land otherwise assessable as~~ real property ~~under~~
7 ~~this act, and~~ NOT EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS
8 ACT, whether or not permanently affixed to ~~the soil, shall be~~
9 THAT REAL PROPERTY, IS considered real property and shall be

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

3 (2) AFTER DECEMBER 31, 2005, FOR PURPOSES OF SECTION 2, A
4 MOBILE HOME LOCATED ON REAL PROPERTY, WHETHER OR NOT PERMANENTLY
5 AFFIXED TO THAT REAL PROPERTY, IS SUBJECT TO ASSESSMENT AND THE
6 COLLECTION OF TAXES UNDER THIS ACT. A MOBILE HOME SHALL BE
7 ASSESSED AS REAL PROPERTY TO THE OWNER OF THE MOBILE HOME, EXCEPT
8 AS OTHERWISE PROVIDED IN SECTION 34C. FOR TAXES LEVIED AFTER
9 DECEMBER 31, 2005 AND BEFORE JANUARY 1, 2007, A MOBILE HOME'S
10 TAXABLE VALUE IS 50% OF THAT MOBILE HOME'S TRUE CASH VALUE. FOR
11 TAXES LEVIED AFTER DECEMBER 31, 2006, A MOBILE HOME'S TAXABLE
12 VALUE IS THAT VALUE DETERMINED UNDER SECTION 27A.

13 (3) ~~(2)~~ As used in this section, "mobile home" does not
14 include a travel trailer or camping trailer ~~which~~ THAT is
15 either parked in a campground licensed by this state for not more
16 than 180 days in any calendar year, or parked ~~upon~~ ON private
17 property, including a designated storage area of a licensed camp-
18 ground, for the sole purpose of storage.

19 (4) ~~(3)~~ As used in this section, "mobile home" does not
20 include a truck camper ~~which is~~ parked in a campground licensed
21 by this state ~~which~~ THAT is a portable structure, designed and
22 constructed to be loaded onto ~~,~~ or affixed to ~~,~~ the bed or
23 chassis of a truck, and ~~which~~ THAT is used to provide temporary
24 living quarters for recreational camping or travel.

25 (5) ~~(4) For purposes of~~ AS USED IN this section: ~~, the~~
26 following definitions shall apply:

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

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

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

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

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

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

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

10 (iii) Dairying.

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

13 (v) Turf and tree farming.

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

18 (b) Commercial real property includes the following:

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

22 (ii) Parcels used by fraternal societies.

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

25 (c) Developmental real property includes parcels containing
26 more than 5 acres without buildings, or more than 15 acres with a
27 market value in excess of its value in use. Developmental real

1 property may include farm land or open space land adjacent to a
2 population center, or farm land subject to several competing val-
3 uation influences.

4 (d) Industrial real property includes the following:

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

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

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

13 (e) Residential real property includes the following:

14 (i) Platted or unplatted parcels — with or without build-
15 ings, ~~and~~ condominium apartments located within or outside a
16 village or city, AND, FOR TAXES LEVIED AFTER DECEMBER 31, 2005, A
17 MOBILE HOME ON A PLATTED OR UNPLATTED PARCEL, which are used for,
18 or probably will be used for, residential purposes.

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

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

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

3 (a) Agricultural personal property includes farm buildings
4 on leased land and any agricultural equipment and produce not
5 exempt by law.

6 (b) Commercial personal property includes the following:

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

9 (ii) Outdoor advertising signs and billboards.

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

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

15 (v) Commercial buildings on leased land.

16 (c) Industrial personal property includes the following:

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

19 (ii) Industrial buildings on leased land.

20 (iii) Personal property of mining companies valued by the
21 state geologist.

22 (d) Residential personal property includes a home, cottage,
23 or cabin on leased land, and, FOR TAXES LEVIED BEFORE JANUARY 1,
24 2006, a mobile home that would be assessable as real property
25 under section 2a except that the ~~land~~ REAL PROPERTY on which it
26 is located is ~~not assessable because the land is~~ exempt FROM
27 THE COLLECTION OF TAXES UNDER THIS ACT.

(e) Utility personal property includes the following:

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

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

(iii) Inventories not exempt by law.

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

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

(vi) Gas storage equipment.

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

(viii) Utility buildings on leased land.

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

1 (5) If the total usage of a parcel includes more than 1
2 classification, the assessor shall determine the classification
3 that most significantly influences the total valuation of the
4 parcel.

5 (6) An owner of any assessable property who disputes the
6 classification of that parcel shall notify the assessor and may
7 protest the assigned classification to the March board of
8 review. An owner or assessor may appeal the decision of the
9 March board of review by filing a petition with the state tax
10 commission not later than June 30 in that tax year. The state
11 tax commission shall arbitrate the petition based on the written
12 petition and the written recommendations of the assessor and the
13 state tax commission staff. An appeal may not be taken from the
14 decision of the state tax commission regarding classification
15 complaint petitions and the state tax commission's determination
16 is final and binding for the year of the petition.

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

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

24 Enacting section 1. 1959 PA 243, MCL 125.1001 to 125.1043,
25 is repealed effective December 30, 2005.