

SENATE BILL No. 478

May 14, 2003, Introduced by Senators BASHAM and PATTERSON 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 2002
PA 620; and to repeal acts and parts of acts.

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 located on real property, whether or not permanently
5 affixed to that real property, is real property and shall be
6 assessed as real property to the owner of the mobile home. For
7 taxes levied after December 31, 2003 and before January 1, 2005,
8 a mobile home's taxable value is 50% of that mobile home's true
9 cash value. For taxes levied after December 31, 2004, a mobile
10 home's taxable value is that value determined under section 27a.

11 **(3)** ~~-(2)-~~ As used in this section, "mobile home" does not
12 include a travel trailer or camping trailer ~~which~~ that is
13 either parked in a campground licensed by this state for not more
14 than 180 days in any calendar year, or parked ~~upon~~ on private
15 property, including a designated storage area of a licensed
16 campground, for the sole purpose of storage.

17 **(4)** ~~-(3)-~~ As used in this section, "mobile home" does not
18 include a truck camper ~~which is~~ parked in a campground licensed
19 by this state ~~which~~ that is a portable structure, designed and
20 constructed to be loaded onto ~~—~~ or affixed to ~~—~~ the bed or
21 chassis of a truck, and ~~which~~ that is used to provide temporary
22 living quarters for recreational camping or travel.

23 **(5)** ~~-(4)- For purposes of~~ As used in this section: ~~— the~~
24 ~~following definitions shall apply:~~

25 (a) ~~A travel trailer is~~ "Travel trailer" means a vehicular
26 portable structure mounted on wheels ~~and of~~ that is a size and
27 weight ~~as~~ that does not ~~to~~ require special highway movement

1 permits ~~when~~ if drawn by a stock passenger automobile or ~~when~~
2 if drawn with a fifth wheel hitch mounted on a motor vehicle, and
3 that is primarily designed, constructed, and used to provide
4 temporary living quarters for recreational camping or travel.

5 (b) ~~A camping trailer is~~ "Camping trailer" means a
6 vehicular portable temporary living quarters used for
7 recreational camping or travel ~~and of~~ that is a size and weight
8 ~~as~~ that does not ~~to~~ require special highway movement permits
9 ~~when~~ if drawn by a motor vehicle.

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

22 (2) The classifications of assessable real property are
23 described as follows:

24 (a) Agricultural real property includes parcels used
25 partially or wholly for agricultural operations, with or without
26 buildings, and parcels assessed to the department of natural
27 resources and valued by the state tax commission. For taxes

1 levied after December 31, 2002, agricultural real property
2 includes buildings on leased land used for agricultural
3 operations. As used in this subdivision, "agricultural
4 operations" means the following:

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

6 (ii) Growing and harvesting any agricultural, horticultural,
7 or floricultural commodity.

8 (iii) Dairying.

9 (iv) Raising livestock, bees, fish, fur-bearing animals, or
10 poultry.

11 (v) Turf and tree farming.

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

16 (b) Commercial real property includes the following:

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

20 (ii) Parcels used by fraternal societies.

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

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

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

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

17 (e) Residential real property includes the following:

18 (i) Platted or unplatted parcels, with or without buildings,
19 and condominium apartments located within or outside a village or
20 city, which are used for, or probably will be used for,
21 residential purposes.

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

25 (iii) For taxes levied after December 31, 2002, a home,
26 cottage, or cabin on leased land, and a mobile home that would be
27 assessable as real property under section 2a except that the land

1 on which it is located is not assessable because the land is
2 exempt. lands, located in an area used predominantly for
3 recreational purposes.

4 (iv) For taxes levied after December 31, 2003, a mobile home
5 on a platted or unplatted parcel or on leased land, which is used
6 for, or probably will be used for, residential purposes.

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

13 (3) The classifications of assessable personal property are
14 described as follows:

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

17 (b) Commercial personal property includes the following:

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

20 (ii) All outdoor advertising signs and billboards.

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

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

26 (c) Industrial personal property includes the following:

27 (i) All machinery and equipment, furniture and fixtures, and

1 dies on industrial parcels, and inventories not exempt by law.

2 (ii) Personal property of mining companies valued by the
3 state geologist.

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

9 (e) Utility personal property includes the following:

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

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

15 (iii) Inventories not exempt by law.

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

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

19 (vi) Gas storage equipment.

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

22 (4) For taxes levied before January 1, 2003, buildings on
23 leased land of any classification are improvements where the
24 owner of the improvement is not the owner of the land or fee, the
25 value of the land is not assessed to the owner of the building,
26 and the improvement has been assessed as personal property
27 pursuant to section 14(6).

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 125.1035 to 125.1043,
25 is repealed effective January 1, 2004.