

# HOUSE BILL No. 5455

November 13, 2007, Introduced by Reps. Farrah, Pastor, Virgil Smith, Polidori, Clemente, LeBlanc, LaJoy, Hopgood, Kathleen Law and Tobocman and referred to the Committee on Tax Policy.

A bill to amend 1953 PA 189, entitled

"An act to provide for the taxation of lessees and users of tax-exempt property,"

by amending section 1 (MCL 211.181), as amended by 1998 PA 244.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. (1) Except as provided in this section, if real  
2       property exempt for any reason from ad valorem property taxation is  
3       leased, loaned, or otherwise made available to and used by a  
4       private individual, association, or corporation in connection with  
5       a business conducted for profit, the lessee or user of the real  
6       property is subject to taxation in the same amount and to the same  
7       extent as though the lessee or user owned the real property.

8       (2) Subsection (1) does not apply to all of the following:

1 (a) Federal property for which payments are made instead of ad  
2 valorem property taxes in amounts equivalent to taxes that might  
3 otherwise be lawfully assessed or property of a state-supported  
4 educational institution, enumerated in section 4 of article VIII of  
5 the state constitution of 1963.

6 (b) Property that is used as a concession at a public airport,  
7 park, market, or similar property and that is available for use by  
8 the general public.

9 (c) Property that is used by the lessee or user only in  
10 conjunction with a county fair, community fair, 4-H fair, or state  
11 fair of this state, or in conjunction with a special event for  
12 which the lessee or user pays a fee to the county fair, community  
13 fair, 4-H fair, or state fair. As used in this subdivision,  
14 "special event" means an event during which property is occupied by  
15 the lessee or user for not more than 14 consecutive days.

16 (d) For tax days before December 31, 1985, property that is  
17 used by the lessee or user in such a manner that the city or  
18 township in which the property is located receives revenue under  
19 section 17 of the horse racing law of 1995, 1995 PA 279, MCL  
20 431.317.

21 (e) Real property located in a renaissance zone, except a  
22 casino, to the extent and for the duration provided in the Michigan  
23 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, except  
24 a special assessment or a tax described in section 7ff(2) of the  
25 general property tax act, 1893 PA 206, MCL 211.7ff. As used in this  
26 subdivision, "casino" means a casino or a parking lot, hotel,  
27 motel, or retail store owned or operated by a casino, an affiliate,

1 or an affiliated company, regulated by this state pursuant to the  
2 Michigan gaming control and revenue act, ~~the Initiated Law of 1996~~  
3 1996 IL 1, MCL 432.201 to ~~432.216~~ 432.226.

4 (F) REAL PROPERTY THAT IS ELIGIBLE TAX REVERTED PROPERTY THAT  
5 IS USED BY THE LESSEE OR USER FOR A PERIOD OF TIME NOT TO EXCEED  
6 THE PERIOD BEGINNING ON DECEMBER 31 IN THE YEAR IN WHICH THE  
7 ELIGIBLE TAX REVERTED PROPERTY BECAME SUBJECT TO USE BY A PRIVATE  
8 INDIVIDUAL, ASSOCIATION, OR CORPORATION IN CONNECTION WITH A  
9 BUSINESS CONDUCTED FOR PROFIT UNTIL DECEMBER 31 IN THE YEAR 5 YEARS  
10 AFTER THE DECEMBER 31 IN WHICH THE ELIGIBLE TAX REVERTED PROPERTY  
11 FIRST BECAME SUBJECT TO THAT USE. AS USED IN THIS SUBDIVISION,  
12 "ELIGIBLE TAX REVERTED PROPERTY" MEANS PROPERTY THAT IS EXEMPT  
13 UNDER SECTION 7GG OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL  
14 211.7GG.