

HOUSE BILL No. 5546

February 13, 2018, Introduced by Rep. Inman and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 27a (MCL 211.27a), as amended by 2016 PA 375.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27a. (1) Except as otherwise provided in this section,
2 property shall be assessed at 50% of its true cash value under
3 section 3 of article IX of the state constitution of 1963.

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

7 (a) The property's taxable value in the immediately preceding
8 year minus any losses, multiplied by the lesser of 1.05 or the
9 inflation rate, plus all additions. For taxes levied in 1995, the

1 property's taxable value in the immediately preceding year is the
2 property's state equalized valuation in 1994.

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

4 (3) Upon a transfer of ownership of property after 1994, the
5 property's taxable value for the calendar year following the year
6 of the transfer is the property's state equalized valuation for the
7 calendar year following the transfer.

8 (4) If the taxable value of property is adjusted under
9 subsection (3), a subsequent increase in the property's taxable
10 value is subject to the limitation set forth in subsection (2)
11 until a subsequent transfer of ownership occurs. If the taxable
12 value of property is adjusted under subsection (3) and the assessor
13 determines that there had not been a transfer of ownership, the
14 taxable value of the property shall be adjusted at the July or
15 December board of review. Notwithstanding the limitation provided
16 in section 53b(1) on the number of years for which a correction may
17 be made, the July or December board of review may adjust the
18 taxable value of property under this subsection for the current
19 year and for the 3 immediately preceding calendar years. A
20 corrected tax bill shall be issued for each tax year for which the
21 taxable value is adjusted by the local tax collecting unit if the
22 local tax collecting unit has possession of the tax roll or by the
23 county treasurer if the county has possession of the tax roll. For
24 purposes of section 53b, an adjustment under this subsection shall
25 be considered the correction of a clerical error.

26 (5) Assessment of property, as required in this section and
27 section 27, is inapplicable to the assessment of property subject

1 to the levy of ad valorem taxes within voted tax limitation
2 increases to pay principal and interest on limited tax bonds issued
3 by any governmental unit, including a county, township, community
4 college district, or school district, before January 1, 1964, if
5 the assessment required to be made under this act would be less
6 than the assessment as state equalized prevailing on the property
7 at the time of the issuance of the bonds. This inapplicability
8 continues until levy of taxes to pay principal and interest on the
9 bonds is no longer required. The assessment of property required by
10 this act applies for all other purposes.

11 (6) As used in this act, "transfer of ownership" means the
12 conveyance of title to or a present interest in property, including
13 the beneficial use of the property, the value of which is
14 substantially equal to the value of the fee interest. Transfer of
15 ownership of property includes, but is not limited to, the
16 following:

17 (a) A conveyance by deed.

18 (b) A conveyance by land contract. The taxable value of
19 property conveyed by a land contract executed after December 31,
20 1994 shall be adjusted under subsection (3) for the calendar year
21 following the year in which the contract is entered into and shall
22 not be subsequently adjusted under subsection (3) when the deed
23 conveying title to the property is recorded in the office of the
24 register of deeds in the county in which the property is located.

25 (c) A conveyance to a trust after December 31, 1994, except
26 under any of the following conditions:

27 (i) If the settlor or the settlor's spouse, or both, conveys

1 the property to the trust and the sole present beneficiary or
2 beneficiaries are the settlor or the settlor's spouse, or both.

3 (ii) Beginning December 31, 2014, for residential real
4 property, if the settlor or the settlor's spouse, or both, conveys
5 the residential real property to the trust and the sole present
6 beneficiary or beneficiaries are the settlor's or the settlor's
7 spouse's mother, father, brother, sister, son, daughter, adopted
8 son, adopted daughter, grandson, or granddaughter and the
9 residential real property is not used for any commercial purpose
10 following the conveyance. Upon request by the department of
11 treasury or the assessor, the sole present beneficiary or
12 beneficiaries shall furnish proof within 30 days that the sole
13 present beneficiary or beneficiaries meet the requirements of this
14 subparagraph. If a present beneficiary fails to comply with a
15 request by the department of treasury or assessor under this
16 subparagraph, that present beneficiary is subject to a fine of
17 \$200.00.

18 (d) A conveyance by distribution from a trust, except under
19 any of the following conditions:

20 (i) If the distributee is the sole present beneficiary or the
21 spouse of the sole present beneficiary, or both.

22 (ii) Beginning December 31, 2014, a distribution of
23 residential real property if the distributee is the settlor's or
24 the settlor's spouse's mother, father, brother, sister, son,
25 daughter, adopted son, adopted daughter, grandson, or granddaughter
26 and the residential real property is not used for any commercial
27 purpose following the conveyance. Upon request by the department of

1 treasury or the assessor, the sole present beneficiary or
2 beneficiaries shall furnish proof within 30 days that the sole
3 present beneficiary or beneficiaries meet the requirements of this
4 subparagraph. If a present beneficiary fails to comply with a
5 request by the department of treasury or assessor under this
6 subparagraph, that present beneficiary is subject to a fine of
7 \$200.00.

8 (e) A change in the sole present beneficiary or beneficiaries
9 of a trust, except under any of the following conditions:

10 (i) A change that adds or substitutes the spouse of the sole
11 present beneficiary.

12 (ii) Beginning December 31, 2014, for residential real
13 property, a change that adds or substitutes the settlor's or the
14 settlor's spouse's mother, father, brother, sister, son, daughter,
15 adopted son, adopted daughter, grandson, or granddaughter and the
16 residential real property is not used for any commercial purpose
17 following the conveyance. Upon request by the department of
18 treasury or the assessor, the sole present beneficiary or
19 beneficiaries shall furnish proof within 30 days that the sole
20 present beneficiary or beneficiaries meet the requirements of this
21 subparagraph. If a present beneficiary fails to comply with a
22 request by the department of treasury or assessor under this
23 subparagraph, that present beneficiary is subject to a fine of
24 \$200.00.

25 (f) A conveyance by distribution under a will or by intestate
26 succession, except under any of the following conditions:

27 (i) If the distributee is the decedent's spouse.

1 (ii) Beginning December 31, 2014, for residential real
2 property, if the distributee is the decedent's or the decedent's
3 spouse's mother, father, brother, sister, son, daughter, adopted
4 son, adopted daughter, grandson, or granddaughter and the
5 residential real property is not used for any commercial purpose
6 following the conveyance. Upon request by the department of
7 treasury or the assessor, the sole present beneficiary or
8 beneficiaries shall furnish proof within 30 days that the sole
9 present beneficiary or beneficiaries meet the requirements of this
10 subparagraph. If a present beneficiary fails to comply with a
11 request by the department of treasury or assessor under this
12 subparagraph, that present beneficiary is subject to a fine of
13 \$200.00.

14 (g) A conveyance by lease if the total duration of the lease,
15 including the initial term and all options for renewal, is more
16 than 35 years or the lease grants the lessee a bargain purchase
17 option. As used in this subdivision, "bargain purchase option"
18 means the right to purchase the property at the termination of the
19 lease for not more than 80% of the property's projected true cash
20 value at the termination of the lease. After December 31, 1994, the
21 taxable value of property conveyed by a lease with a total duration
22 of more than 35 years or with a bargain purchase option shall be
23 adjusted under subsection (3) for the calendar year following the
24 year in which the lease is entered into. This subdivision does not
25 apply to personal property except buildings described in section
26 14(6) and personal property described in section 8(h), (i), and
27 (j). This subdivision does not apply to that portion of the

1 property not subject to the leasehold interest conveyed.

2 (h) Except as otherwise provided in this subdivision, a
3 conveyance of an ownership interest in a corporation, partnership,
4 sole proprietorship, limited liability company, limited liability
5 partnership, or other legal entity if the ownership interest
6 conveyed is more than 50% of the corporation, partnership, sole
7 proprietorship, limited liability company, limited liability
8 partnership, or other legal entity. Unless notification is provided
9 under subsection (10), the corporation, partnership, sole
10 proprietorship, limited liability company, limited liability
11 partnership, or other legal entity shall notify the assessing
12 officer on a form provided by the state tax commission not more
13 than 45 days after a conveyance of an ownership interest that
14 constitutes a transfer of ownership under this subdivision. Both of
15 the following apply to a corporation subject to 1897 PA 230, MCL
16 455.1 to 455.24:

17 (i) A transfer of stock of the corporation is a transfer of
18 ownership only with respect to the real property that is assessed
19 to the transferor lessee stockholder.

20 (ii) A cumulative conveyance of more than 50% of the
21 corporation's stock does not constitute a transfer of ownership of
22 the corporation's real property.

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

26 (j) A conveyance of an ownership interest in a cooperative
27 housing corporation, except that portion of the property not

1 subject to the ownership interest conveyed.

2 (k) Notwithstanding the provisions of section 7ee(5), at the
3 request of a property owner, an assessor's establishment of a
4 separate tax parcel for a portion of a parcel that ceases to be
5 qualified agricultural property but is not subject to a land
6 division under the land division act, 1967 PA 288, MCL 560.101 to
7 560.293, or any local ordinance. For purposes of this subdivision,
8 a transfer of ownership occurs only as to that portion of the
9 parcel established as a separate tax parcel and only that portion
10 shall have its taxable value adjusted under subsection (3) and
11 shall be subject to the recapture tax provided for under the
12 agricultural property recapture act, 2000 PA 261, MCL 211.1001 to
13 211.1007. The adjustment under subsection (3) shall be made as of
14 the December 31 in the year that the portion of the parcel
15 established as a separate tax parcel ceases to be qualified
16 agricultural property. A portion of a parcel subject to this
17 subdivision is considered a separate tax parcel only for those
18 purposes described in this subdivision.

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

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

22 (b) A transfer from ~~a husband, a wife, or a married couple~~ **1**
23 **OR BOTH SPOUSES** creating or disjoining a tenancy by the entireties
24 in the grantors or the grantor and his or her spouse.

25 (c) Subject to subdivision (d), a transfer of that portion of
26 property subject to a life estate or life lease retained by the
27 transferor, until expiration or termination of the life estate or

1 life lease. That portion of property transferred that is not
2 subject to a life lease shall be adjusted under subsection (3).

3 (d) Beginning December 31, 2014, a transfer of that portion of
4 residential real property that had been subject to a life estate or
5 life lease retained by the transferor resulting from expiration or
6 termination of that life estate or life lease, if the transferee is
7 the transferor's or transferor's spouse's mother, father, brother,
8 sister, son, daughter, adopted son, adopted daughter, grandson, or
9 granddaughter and the residential real property is not used for any
10 commercial purpose following the transfer. Upon request by the
11 department of treasury or the assessor, the transferee shall
12 furnish proof within 30 days that the transferee meets the
13 requirements of this subdivision. If a transferee fails to comply
14 with a request by the department of treasury or assessor under this
15 subdivision, that transferee is subject to a fine of \$200.00.

16 (e) A transfer through foreclosure or forfeiture of a recorded
17 instrument under chapter 31, 32, or 57 of the revised judicature
18 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701
19 to 600.5759, or through deed or conveyance in lieu of a foreclosure
20 or forfeiture, until the mortgagee or land contract vendor
21 subsequently transfers the property. If a mortgagee does not
22 transfer the property within 1 year of the expiration of any
23 applicable redemption period, the property shall be adjusted under
24 subsection (3).

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

27 (g) A conveyance to a trust if the settlor or the settlor's

1 spouse, or both, conveys the property to the trust and any of the
2 following conditions are satisfied:

3 (i) If the sole present beneficiary of the trust is the
4 settlor or the settlor's spouse, or both.

5 (ii) Beginning December 31, 2014, for residential real
6 property, if the sole present beneficiary of the trust is the
7 settlor's or the settlor's spouse's mother, father, brother,
8 sister, son, daughter, adopted son, adopted daughter, grandson, or
9 granddaughter and the residential real property is not used for any
10 commercial purpose following the conveyance. Upon request by the
11 department of treasury or the assessor, the sole present
12 beneficiary or beneficiaries shall furnish proof within 30 days
13 that the sole present beneficiary or beneficiaries meet the
14 requirements of this subparagraph. If a present beneficiary fails
15 to comply with a request by the department of treasury or assessor
16 under this subparagraph, that present beneficiary is subject to a
17 fine of \$200.00.

18 (h) A transfer pursuant to a judgment or order of a court of
19 record making or ordering a transfer, unless a specific monetary
20 consideration is specified or ordered by the court for the
21 transfer.

22 (i) A transfer creating or terminating a joint tenancy between
23 2 or more persons if at least 1 of the persons was an original
24 owner of the property before the joint tenancy was initially
25 created and, if the property is held as a joint tenancy at the time
26 of conveyance, at least 1 of the persons was a joint tenant when
27 the joint tenancy was initially created and that person has

1 remained a joint tenant since the joint tenancy was initially
2 created. A joint owner at the time of the last transfer of
3 ownership of the property is an original owner of the property. For
4 purposes of this subdivision, a person is an original owner of
5 property owned by that person's spouse.

6 (j) A transfer for security or an assignment or discharge of a
7 security interest.

8 (k) A transfer of real property or other ownership interests
9 among members of an affiliated group. As used in this subsection,
10 "affiliated group" means 1 or more corporations connected by stock
11 ownership to a common parent corporation. Upon request by the state
12 tax commission, a corporation shall furnish proof within 45 days
13 that a transfer meets the requirements of this subdivision. A
14 corporation that fails to comply with a request by the state tax
15 commission under this subdivision is subject to a fine of \$200.00.

16 (l) Normal public trading of shares of stock or other
17 ownership interests that, over any period of time, cumulatively
18 represent more than 50% of the total ownership interest in a
19 corporation or other legal entity and are traded in multiple
20 transactions involving unrelated individuals, institutions, or
21 other legal entities.

22 (m) A transfer of real property or other ownership interests
23 among corporations, partnerships, limited liability companies,
24 limited liability partnerships, or other legal entities if the
25 entities involved are commonly controlled. Upon request by the
26 state tax commission, a corporation, partnership, limited liability
27 company, limited liability partnership, or other legal entity shall

1 furnish proof within 45 days that a transfer meets the requirements
2 of this subdivision. A corporation, partnership, limited liability
3 company, limited liability partnership, or other legal entity that
4 fails to comply with a request by the state tax commission under
5 this subdivision is subject to a fine of \$200.00.

6 (n) A direct or indirect transfer of real property or other
7 ownership interests resulting from a transaction that qualifies as
8 a tax-free reorganization under section 368 of the internal revenue
9 code, 26 USC 368. Upon request by the state tax commission, a
10 property owner shall furnish proof within 45 days that a transfer
11 meets the requirements of this subdivision. A property owner who
12 fails to comply with a request by the state tax commission under
13 this subdivision is subject to a fine of \$200.00.

14 (o) Except as provided in subsection (6)(k), a transfer of
15 qualified agricultural property, if the person to whom the
16 qualified agricultural property is transferred files an affidavit
17 with the assessor of the local tax collecting unit in which the
18 qualified agricultural property is located and with the register of
19 deeds for the county in which the qualified agricultural property
20 is located attesting that the qualified agricultural property will
21 remain qualified agricultural property. The affidavit under this
22 subdivision shall be in a form prescribed by the department of
23 treasury. An owner of qualified agricultural property shall inform
24 a prospective buyer of that qualified agricultural property that
25 the qualified agricultural property is subject to the recapture tax
26 provided in the agricultural property recapture act, 2000 PA 261,
27 MCL 211.1001 to 211.1007, if the qualified agricultural property is

converted by a change in use, as that term is defined in section 2 of the agricultural property recapture act, 2000 PA 261, MCL 211.1002. If property ceases to be qualified agricultural property at any time after a transfer subject to this subdivision, all of the following shall occur:

(i) The taxable value of that property, or, if subsection (6)(k) applies, a portion of it established as a separate tax parcel, shall be adjusted under subsection (3) as of the December 31 in the year that the property, or, if subsection (6)(k) applies, a portion of it established as a separate tax parcel, ceases to be qualified agricultural property.

(ii) The property, or, if subsection (6)(k) applies, a portion of it established as a separate tax parcel, is subject to the recapture tax provided for under the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007.

(p) A transfer of qualified forest property, if the person to whom the qualified forest property is transferred files a qualified forest taxable value affidavit with the assessor of the local tax collecting unit in which the qualified forest property is located and with the register of deeds for the county in which the qualified forest property is located attesting that the qualified forest property will remain qualified forest property. The qualified forest taxable value affidavit under this subdivision shall be in a form prescribed by the department of agriculture and rural development. The qualified forest taxable value affidavit shall include a legal description of the qualified forest property, the name of the new property owner, the year the transfer of the

1 property occurred, a statement indicating that the property owner
2 is attesting that the property for which the exemption is claimed
3 is qualified forest property and will be managed according to the
4 approved forest management plan, and any other information
5 pertinent to the parcel and the property owner. The property owner
6 shall provide a copy of the qualified forest taxable value
7 affidavit to the department. The department shall provide 1 copy of
8 the qualified forest taxable value affidavit to the local tax
9 collecting unit, 1 copy to the conservation district, and 1 copy to
10 the department of treasury. These copies may be sent
11 electronically. The exception to the recognition of a transfer of
12 ownership, as herein stated, extends to the land only of the
13 qualified forest property. If qualified forest property is improved
14 by buildings, structures, or land improvements, then those
15 improvements shall be recognized as a transfer of ownership, in
16 accordance with the provisions of section 7jj[1]. An owner of
17 qualified forest property shall inform a prospective buyer of that
18 qualified forest property that the qualified forest property is
19 subject to the recapture tax provided in the qualified forest
20 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,
21 if the qualified forest property is converted by a change in use,
22 as that term is defined in section 2 of the qualified forest
23 property recapture tax act, 2006 PA 379, MCL 211.1032. If property
24 ceases to be qualified forest property at any time after being
25 transferred, all of the following shall occur:

26 (i) The taxable value of that property shall be adjusted under
27 subsection (3) as of the December 31 in the year that the property

1 ceases to be qualified forest property, except to the extent that
2 the transfer of the qualified forest property would not have been
3 considered a transfer of ownership under this subsection.

4 (ii) Except as otherwise provided in subparagraph (iii), the
5 property is subject to the recapture tax provided for under the
6 qualified forest property recapture tax act, 2006 PA 379, MCL
7 211.1031 to 211.1036.

8 (iii) Beginning June 1, 2013 and ending November 30, 2013,
9 owners of property enrolled as qualified forest property before
10 January 1, 2013 may execute a new qualified forest taxable value
11 affidavit with the department of agriculture and rural development.
12 If a landowner elects to execute a qualified forest taxable value
13 affidavit, that owner is not required to pay the \$50.00 fee
14 required under section 7jj[1](2). If a landowner elects not to
15 execute a qualified forest taxable value affidavit, the existing
16 affidavit shall be rescinded, without subjecting the property to
17 the recapture tax provided for under the qualified forest property
18 recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the
19 taxable value of that property shall be adjusted under subsection
20 (3).

21 (q) Beginning on December 8, 2006, a transfer of land, but not
22 buildings or structures located on the land, which meets 1 or more
23 of the following requirements:

24 (i) The land is subject to a conservation easement under
25 subpart 11 of part 21 of the natural resources and environmental
26 protection act, 1994 PA 451, MCL 324.2140 to 324.2144. As used in
27 this subparagraph, "conservation easement" means that term as

1 defined in section 2140 of the natural resources and environmental
2 protection act, 1994 PA 451, MCL 324.2140.

3 (ii) A transfer of ownership of the land or a transfer of an
4 interest in the land is eligible for a deduction as a qualified
5 conservation contribution under section 170(h) of the internal
6 revenue code, 26 USC 170.

7 (r) A transfer of real property or other ownership interests
8 resulting from a consolidation or merger of a domestic nonprofit
9 corporation that is a boy or girl scout or camp fire girls
10 organization, a 4-H club or foundation, a young men's Christian
11 association, or a young women's Christian association and at least
12 50% of the members of that organization or association are
13 residents of this state.

14 (s) A change to the assessment roll or tax roll resulting from
15 the application of section 16a of 1897 PA 230, MCL 455.16a.

16 (t) Beginning December 31, 2013 through December 30, 2014, a
17 transfer of residential real property if the transferee is related
18 to the transferor by blood or affinity to the first degree and the
19 use of the residential real property does not change following the
20 transfer.

21 (u) Beginning December 31, 2014, a transfer of residential
22 real property if the transferee is the transferor's or the
23 transferor's spouse's mother, father, brother, sister, son,
24 daughter, adopted son, adopted daughter, grandson, or granddaughter
25 and the residential real property is not used for any commercial
26 purpose following the conveyance. Upon request by the department of
27 treasury or the assessor, the transferee shall furnish proof within

1 30 days that the transferee meets the requirements of this
2 subdivision. If a transferee fails to comply with a request by the
3 department of treasury or assessor under this subdivision, that
4 transferee is subject to a fine of \$200.00.

5 (v) Beginning December 31, 2014, for residential real
6 property, a conveyance from a trust if the person to whom the
7 residential real property is conveyed is the settlor's or the
8 settlor's spouse's mother, father, brother, sister, son, daughter,
9 adopted son, adopted daughter, grandson, or granddaughter and the
10 residential real property is not used for any commercial purpose
11 following the conveyance. Upon request by the department of
12 treasury or the assessor, the sole present beneficiary or
13 beneficiaries shall furnish proof within 30 days that the sole
14 present beneficiary or beneficiaries meet the requirements of this
15 subdivision. If a present beneficiary fails to comply with a
16 request by the department of treasury or assessor under this
17 subdivision, that present beneficiary is subject to a fine of
18 \$200.00.

19 (w) Beginning on March 31, 2015, a conveyance of land by
20 distribution under a will or trust or by intestate succession, but
21 not buildings or structures located on the land, which meets 1 or
22 more of the following requirements:

23 (i) The land is made subject to a conservation easement under
24 subpart 11 of part 21 of the natural resources and environmental
25 protection act, 1994 PA 451, MCL 324.2140 to 324.2144, prior to the
26 conveyance by distribution under a will or trust or by intestate
27 succession. As used in this subparagraph, "conservation easement"

1 means that term as defined in section 2140 of the natural resources
2 and environmental protection act, 1994 PA 451, MCL 324.2140.

3 (ii) The land or an interest in the land is made eligible for
4 a deduction as a qualified conservation contribution under section
5 170(h) of the internal revenue code, 26 USC 170, prior to the
6 conveyance by distribution under a will or trust or by intestate
7 succession.

8 (x) A conveyance of property under section 2120a(6) of the
9 natural resources and environmental protection act, 1994 PA 451,
10 MCL 324.2120a.

11 **(Y) A TRANSFER OF RESIDENTIAL REAL PROPERTY FROM A GENERAL**
12 **PARTNERSHIP OR LIMITED PARTNERSHIP IF THE TRANSFEREE IS A GENERAL**
13 **PARTNER OR LIMITED PARTNER OR THE SPOUSE OF A GENERAL PARTNER OR**
14 **LIMITED PARTNER, OR IS THE MOTHER, FATHER, BROTHER, SISTER, SON,**
15 **DAUGHTER, ADOPTED SON, ADOPTED DAUGHTER, GRANDSON, OR GRANDDAUGHTER**
16 **OF A GENERAL PARTNER OR LIMITED PARTNER OR THE SPOUSE OF A GENERAL**
17 **PARTNER OR LIMITED PARTNER, IMMEDIATELY BEFORE THE TRANSFER, AND**
18 **THE RESIDENTIAL REAL PROPERTY IS NOT USED FOR ANY COMMERCIAL**
19 **PURPOSE FOLLOWING THE CONVEYANCE. UPON REQUEST BY THE DEPARTMENT OF**
20 **TREASURY OR THE ASSESSOR, A TRANSFEREE SHALL FURNISH PROOF WITHIN**
21 **45 DAYS THAT A TRANSFER MEETS THE REQUIREMENTS OF THIS SUBDIVISION.**
22 **IF A TRANSFEREE FAILS TO COMPLY WITH A REQUEST BY THE DEPARTMENT OF**
23 **TREASURY OR ASSESSOR UNDER THIS SUBDIVISION, THAT TRANSFEREE IS**
24 **SUBJECT TO A FINE OF \$200.00.**

25 (8) If all of the following conditions are satisfied, the
26 local tax collecting unit shall revise the taxable value of
27 qualified agricultural property taxable on the tax roll in the

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

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

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

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

18 (10) The register of deeds of the county where deeds or other
19 title documents are recorded shall notify the assessing officer of
20 the appropriate local taxing unit not less than once each month of
21 any recorded transaction involving the ownership of property and
22 shall make any recorded deeds or other title documents available to
23 that county's tax or equalization department. Unless notification
24 is provided under subsection (6), the buyer, grantee, or other
25 transferee of the property shall notify the appropriate assessing
26 office in the local unit of government in which the property is
27 located of the transfer of ownership of the property within 45 days

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

11 (11) As used in this section:

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

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

16 (c) "Commercial purpose" means used in connection with any
17 business or other undertaking intended for profit, but does not
18 include the rental of residential real property for a period of
19 less than 15 days in a calendar year.

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

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

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

25 (g) "Qualified forest property" means that term as defined in
26 section 7jj[1].

27 (h) "Residential real property" means real property classified

1 as residential real property under section 34c.