



HOUSE BILL No. 5747

April 17, 1996, Introduced by Reps. Randall, Gernaat, Gnodtke, Hill and McNutt and referred to the Committee on Tax Policy.

A bill to amend section 34c of Act No. 206 of the Public Acts of 1893, entitled as amended
"The general property tax act,"
being section 211.34c of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 34c of Act No. 206 of the Public Acts of
2 1893, being section 211.34c of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 34c. (1) Not later than the first Monday in March in
5 each year, the assessor shall classify every item of assessable
6 property according to the definitions contained in this section.
7 Following the MARCH board of review, the assessor shall tabulate
8 the total number of items and the valuations as approved by the
9 board of review for each classification and for the totals of
10 real and personal property in the LOCAL TAX COLLECTING unit. The

1 assessor shall transmit to the county equalization department and
 2 to the state tax commission the tabulation of assessed valuations
 3 and ~~such~~ other statistical information ~~as~~ the state tax com-
 4 mission considers necessary to meet the requirements of this act
 5 and Act No. 44 of the Public Acts of 1911, ~~as amended,~~ being
 6 sections 209.1 to 209.8 of the Michigan Compiled Laws.

7 (2) The classifications of assessable real property ~~shall~~
 8 ~~be~~ ARE described as follows:

9 (a) Agricultural real property includes ~~those~~ parcels used
 10 partially or wholly ~~as farm land~~ FOR AGRICULTURAL OPERATIONS,
 11 with or without buildings, and ~~those~~ parcels assessed to the
 12 department of natural resources and valued by the state tax
 13 commission. As used in this subdivision, "agricultural
 14 operations" means ~~farming~~ THE FOLLOWING:

15 (i) FARMING in all its branches, including cultivating ~~of~~
 16 soil. ~~growing~~

17 (ii) GROWING and harvesting ~~of~~ any agricultural, horticul-
 18 tural, or floricultural commodity. ~~growing, raising of~~

19 (iii) DAIRYING.

20 (iv) RAISING livestock, bees, fish, fur-bearing animals,
 21 WILD GAME, or poultry. ~~turf~~

22 (v) TURF and tree farming. ~~and performing~~

23 (vi) PERFORMING any practices on a farm ~~as an~~ incident to,
 24 or in conjunction with, ~~these farming~~ AGRICULTURAL operations.

25 A commercial storage, processing, distribution, marketing, or
 26 shipping ~~operations shall~~ OPERATION IS not ~~be considered~~ part
 27 of ~~the farming operation~~ AGRICULTURAL OPERATIONS.

1 (b) Commercial real property includes ~~those platted~~ THE
2 FOLLOWING:

3 (i) PLATTED or unplatted parcels used for commercial pur-
4 poses, whether wholesale, retail, or service, with or without
5 buildings. ~~those parcels~~

6 (ii) PARCELS used by fraternal societies. ~~and those~~
7 ~~parcels~~

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

10 (c) Developmental real property includes ~~those~~ parcels
11 containing more than 5 acres without buildings, or more than 15
12 acres ~~and whose~~ WITH A MARKET value in ~~sale exceeds~~ EXCESS OF
13 its ~~present~~ value in use. Developmental real property may
14 include farm land or open space land adjacent to a population
15 center, or farm land subject to several competing valuation
16 influences.

17 (d) Industrial real property includes ~~those platted~~ THE
18 FOLLOWING:

19 (i) PLATTED or unplatted parcels used for manufacturing and
20 processing purposes, with or without buildings. ~~those~~
21 ~~parcels~~

22 (ii) PARCELS used for utilities sites for generating plants,
23 pumping stations, switches, substations, compressing stations,
24 warehouses, ~~and right~~ RIGHTS-of-way, flowage land, and storage
25 areas. ~~and those parcels~~

1 (iii) PARCELS used for removal or processing of gravel,
2 stone, or mineral ores, whether valued by the local assessor or
3 by the state geologist.

4 (e) Residential real property includes ~~those platted~~ THE
5 FOLLOWING:

6 (i) PLATTED or unplatted parcels, with or without buildings,
7 and condominium apartments located within or outside a village or
8 city, which are used for, or probably will be used for, residen-
9 tial purposes. ~~and those parcels which~~

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

13 (f) Timber-cutover real property includes ~~those~~ parcels
14 ~~which~~ THAT are stocked with forest products of merchantable
15 type and size, cutover forest land with little or no merchantable
16 products, and marsh lands or other barren land. However, when A
17 typical ~~purchases~~ PURCHASE of this type OF land is for residen-
18 tial or recreational uses, the classification shall be changed to
19 residential.

20 (3) The classifications of assessable personal property
21 ~~shall be~~ ARE described as follows:

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

25 (b) Commercial personal property includes ~~all~~ THE
26 FOLLOWING:

1 (i) ALL equipment, furniture, and fixtures on commercial
2 parcels, and inventories not exempt by law. ~~; outdoor~~

3 (ii) OUTDOOR advertising signs and billboards. ~~; well~~

4 (iii) WELL drilling rigs and other equipment attached to a
5 transporting vehicle but not designed for operation while the
6 vehicle is moving on the highway. ~~; unlicensed~~

7 (iv) UNLICENSED commercial vehicles or ~~those~~ COMMERCIAL
8 VEHICLES licensed as special mobile equipment or by temporary
9 permits. ~~; and commercial~~

10 (v) COMMERCIAL buildings on leased land.

11 (c) Industrial personal property includes ~~all~~ THE
12 FOLLOWING:

13 (i) ALL machinery and equipment, furniture and fixtures, and
14 dies on industrial parcels, and inventories not exempt by law.
15 ~~; industrial~~

16 (ii) INDUSTRIAL buildings on leased land. ~~; and personal~~

17 (iii) PERSONAL property of mining companies valued by the
18 state geologist.

19 (d) Residential personal property includes ~~homes, cottages,~~
20 ~~or cabins~~ A HOME, COTTAGE, OR CABIN on leased land, and ~~mobile~~
21 ~~homes which~~ A MOBILE HOME THAT would be assessable as real prop-
22 erty under section 2a except that the land on which ~~they are~~ IT
23 IS located is not assessable because ~~it~~ THE LAND is exempt.

24 (e) Utility personal property includes ~~electric~~ THE
25 FOLLOWING:

- 1 (i) ELECTRIC transmission and distribution systems,
 2 substation equipment, spare parts, gas distribution systems, and
 3 water transmission and distribution systems. ~~, oil~~
- 4 (ii) OIL wells and allied equipment ~~, such as tanks, gath-~~
 5 ering lines, field pump units, and buildings. ~~, inventories~~
- 6 (iii) INVENTORIES not exempt by law. ~~, gas~~
- 7 (iv) GAS wells with allied equipment and gathering lines.
 8 ~~, oil~~
- 9 (v) OIL or gas field equipment stored in the open or in
 10 warehouses ~~, such as drilling rigs, motors, pipes, and parts.~~
 11 ~~, gas~~
- 12 (vi) GAS storage equipment. ~~, transmission~~
- 13 (vii) TRANSMISSION lines of gas or oil transporting
 14 companies. ~~, and utility~~
- 15 (viii) UTILITY buildings on leased land.
- 16 (4) Buildings on leased land of any classification are
 17 improvements ~~where~~ IF the owner of the improvement is not the
 18 owner of the land or fee and has not bound himself OR HERSELF to
 19 pay taxes levied against the land or fee and the improvement has
 20 been assessed as personal property pursuant to section 14(6).
- 21 (5) If the total usage of a parcel includes more than 1
 22 classification, the assessor shall determine ~~that~~ THE classifi-
 23 cation ~~which~~ THAT most significantly influences the total valu-
 24 ation of the parcel.
- 25 (6) An owner of any assessable property who ~~is aggrieved~~
 26 ~~with~~ DISPUTES the classification of ~~the~~ THAT parcel ~~, shall~~
 27 notify the assessor and may protest the assigned classification

1 to the ~~regular~~ MARCH board of review. An owner or assessor
2 ~~who is not satisfied with~~ MAY APPEAL the decision of the MARCH
3 board of review ~~may file~~ BY FILING a petition with the state
4 tax commission within 30 days after the adjournment of the MARCH
5 board of review. The state tax commission shall arbitrate the
6 petition based ~~upon~~ ON the written petition and the written
7 recommendations of the assessor and the state tax commission
8 staff. An appeal may not be taken from the decision of the state
9 tax commission regarding classification complaint petitions and
10 ~~their~~ THE STATE TAX COMMISSION'S determination ~~shall be~~ IS
11 final and binding for the year of the petition.

12 (7) 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.