

Act No. 610
Public Acts of 2002
Approved by the Governor
December 20, 2002
Filed with the Secretary of State
December 20, 2002
EFFECTIVE DATE: December 20, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator Emmons

ENROLLED SENATE BILL No. 1238

AN ACT to amend 1905 PA 282, entitled "An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act," by amending sections 4, 5, and 9 (MCL 207.4, 207.5, and 207.9), sections 4 and 9 as amended by 1995 PA 257.

The People of the State of Michigan enact:

Sec. 4. (1) The state board of assessors shall annually determine the true cash value and taxable value of property having a situs in this state of all of the following:

- (a) Railroad companies.
- (b) Union station and depot companies.
- (c) Telegraph companies.
- (d) Telephone companies.
- (e) Sleeping car companies.
- (f) Express companies.
- (g) Car loaning companies.
- (h) Stock car companies.
- (i) Refrigerator car companies.
- (j) Fast freight line companies.

(k) All other companies owning, leasing, running, or operating any freight, stock, refrigerator, or any other cars not the exclusive property of a railroad company paying taxes on its rolling stock under this act, over or on the line or lines of any railroad in this state.

(2) For tax years that begin after December 31, 2005, the state board of assessors shall annually determine the true cash value and taxable value of property having a situs in this state of telegraph companies and telephone companies in the same manners as property assessed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(3) The property of a telegraph and telephone company with gross receipts within this state for a year ending December 31 of not more than \$1,000.00 is exempt from taxation under this act.

(4) All telegraph and telephone companies doing business in this state shall make the report required under section 6.

Sec. 5. (1) As used in this act, "property" means 1 of the following:

(a) Except as otherwise provided in subdivision (b), all property, real or personal, belonging to the persons, corporations, companies, copartnerships, and associations subject to taxation under this act, including rights-of-way, road beds, stations, cars, rolling stock, tracks, wagons, horses, office furniture, telegraph and telephone poles, wires, conduits, switchboards, all other property used in carrying on their business and owned by them respectively, all other real and personal property, and all franchises. Franchises shall not be directly assessed, but shall be considered in determining the value of the other property. Property does not include, apply to, or subject to taxation property or real property owned and capable of being conveyed by the persons, corporations, companies, copartnerships, and associations subject to taxation under this act that is not actually occupied in the exercise of their franchises, or in use in the operation and conduct of their business.

(b) For telegraph companies and telephone companies only, for tax years that begin after December 31, 2005, only property that would be subject to the collection of taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, if that property were not subject to taxation under this act.

(2) Real property exempt from the tax levied under this act under subsection (1) is subject to taxation in the same manner, for the same purposes, to the same extent, and subject to the same conditions and limitations as other real property in the townships or municipalities in which that property is located.

(3) As used in this act, the terms "company", "corporation", "copartnership", "association", and "person" apply to and shall be construed as referring to the following:

(a) A railroad company, union station and depot company, telegraph company, telephone company, sleeping car company, express company, car loaning company, stock car company, refrigerator or fast freight line company, or any other companies owning, leasing, running, or operating any freight cars, stock cars, refrigerator cars, or any other cars, not the exclusive property of a railroad company paying taxes upon its rolling stock under this act, over or upon the line or lines of any railroad or railroads in this state.

(b) A firm, joint stock association, copartnership, corporation, or other association or person engaged in carrying on any business, the tangible property of which is subject to taxation under this act.

(4) As used in this act, "property having a situs in this state," includes all of the following:

(a) Except as otherwise provided in subdivision (b), the property, real and personal, of the persons, corporations, companies, copartnerships, and associations subject to taxation under this act, owned, used, and occupied by them within this state, and also the proportion of their rolling stock, cars, and other property used partly within and partly outside of this state as provided in this act.

(b) For telegraph companies and telephone companies only, for tax years that begin after December 31, 2005, only the tangible property, real and personal, owned, used, and occupied by them within this state.

Sec. 9. (1) Not later than May 15 in each year, the state board of assessors shall prepare an assessment roll upon which they shall set forth the true cash value and taxable value on the immediately preceding December 31 of all the property of the companies subject to taxation under this act. A determination of true cash value and taxable value is not final until reviewed as provided in this act. For the purpose of arriving at the true cash value and taxable value of the property on the assessment roll, the state board of assessors may personally inspect the property assessed, may consider the reports filed under this act or reports and returns filed in the office of any officer of this state or in the office of any other governmental agency, and any other evidence or information obtained or possessed by the state board of assessors.

(2) In determining the true cash value and taxable value of the property of a railroad, union station, and depot company that owns, leases, operates, or uses lines partly within or partly outside of this state, the state board of assessors shall consider the proportion of the number of miles of all track controlled or used by that company within this state to the entire mileage of all track controlled or used by that company both within and outside of this state. The state board of assessors shall also consider any other uniform factors that reflect a fair allocation of value to this state.

(3) For tax years that begin before January 1, 2006, in determining the true cash value and taxable value of the property of a telegraph company or telephone company that owns, leases, operates, or uses lines partly within and partly outside of this state, the state board of assessors shall only consider the proportion of the number of miles of telegraph or telephone lines controlled or used by that company within this state to the entire mileage of telegraph or telephone lines controlled or used by that company both within and outside of this state. The state board of assessors shall also consider any other uniform factors that reflect a fair allocation of value to this state.

(4) In determining the true cash value and taxable value of the property of an express company, the state board of assessors shall determine the actual value of the entire amount of the capital stock and bonded indebtedness of that express company. From that amount, the state board of assessors shall determine and deduct the actual value of all real property owned by that express company, and the actual value of all personal property owned by that express company that is not used in the express business of that express company. The state board of assessors shall then divide the remaining amount by the total number of miles, as determined by the state board of assessors, of railroad, stage, water, and other routes over which the company did business to obtain the value per mile. The state board of assessors shall then multiply the value per mile by the total number of miles of the routes within this state, as determined by the state board of assessors. The state board of assessors shall then add to the product of that calculation the value of all real estate owned by that express company in this state, as determined by the state board of assessors. The sum of this calculation is the actual value of the property of that express company subject to assessment and taxation in this state.

(5) If the state board of assessors determines that the ocean routes of a company are so different in character from its other routes that the mileage basis of apportionment of the value of the entire property to be apportioned in this state would be unfair if the full mileage of the ocean routes were included, the state board of assessors may make an allowance for that company's ocean routes to bring those ocean routes to parity with that company's other routes. In making this determination, the state board of assessors shall consider the relative mileage values and earning capacities of the ocean routes and the other routes and shall require special reports of the character, mileage, earnings, and value of the ocean routes. The state board of assessors may exclude from its determination of aggregate mileage any ocean routes on which the express company fails to furnish the requisite reports, but no further penalty shall be imposed for the failure to report the mileage of ocean routes.

(6) If a company claims in writing that the mileage basis of apportionment of the value of the entire property to be attributed to this state is unfair, the state board of assessors shall make the apportionment that in its judgment is fair. In making that apportionment, the state board of assessors shall consider the mileage within and outside of this state, making any necessary allowance for ocean mileage as provided in this section.

(7) In determining the true cash value and taxable value of the property in this state of car loaning, stock car, refrigerator, fast freight lines, and other car companies, and other companies owning, leasing, running, or operating cars subject to taxation under this act, the state board of assessors shall consider the proportion of the aggregate car mileage made or run by the entire number of cars owned or operated by a company to the car mileage made or run by the entire number of cars owned or operated by that company within this state.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Jay E. Randall

Clerk of the House of Representatives.

Approved

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Governor.

