

SENATE BILL No. 106

January 27, 2005, Introduced by Senator BASHAM 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, 2005, 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 the~~
4 ~~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, and~~
7 **NOT EXEMPT FROM THE COLLECTION OF TAXES UNDER THIS ACT**, whether or

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1 not permanently affixed to ~~the soil, shall be~~ **THAT REAL PROPERTY,**
2 **IS** considered real property and shall be assessed as part of the
3 real property ~~upon~~ **ON** which the mobile home is located.

4 (2) **AFTER DECEMBER 31, 2004, FOR PURPOSES OF SECTION 2, A**
5 **MOBILE HOME LOCATED ON REAL PROPERTY, WHETHER OR NOT PERMANENTLY**
6 **AFFIXED TO THAT REAL PROPERTY, IS REAL PROPERTY AND SHALL BE**
7 **ASSESSED AS REAL PROPERTY TO THE OWNER OF THE MOBILE HOME. FOR**
8 **TAXES LEVIED AFTER DECEMBER 31, 2004 AND BEFORE JANUARY 1, 2006, A**
9 **MOBILE HOME'S TAXABLE VALUE IS 50% OF THAT MOBILE HOME'S TRUE CASH**
10 **VALUE. FOR TAXES LEVIED AFTER DECEMBER 31, 2005, A MOBILE HOME'S**
11 **TAXABLE VALUE IS THAT VALUE DETERMINED UNDER SECTION 27A.**

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

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

24 (5) ~~(4) For purposes of~~ **AS USED IN** this section: ~~—~~ the
25 following definitions shall apply:

26 (a) ~~A travel trailer is~~ **"TRAVEL TRAILER" MEANS** a vehicular
27 portable structure mounted on wheels ~~and of~~ **THAT IS** a size and

1 weight ~~as~~ **THAT DOES** not ~~to~~ require special highway movement
2 permits ~~when~~ **IF** drawn by a stock passenger automobile or ~~when~~
3 **IF** drawn with a fifth wheel hitch mounted on a motor vehicle, and
4 **THAT** is primarily designed, constructed, and used to provide
5 temporary living quarters for recreational camping or travel.

6 (b) ~~A camping trailer is~~ **"CAMPING TRAILER" MEANS** a vehicular
7 portable temporary living quarters used for recreational camping or
8 travel ~~and of~~ **THAT IS** a size and weight ~~as~~ **THAT DOES** not ~~to~~
9 require special highway movement permits ~~when~~ **IF** drawn by a motor
10 vehicle.

11 Sec. 34c. (1) Not later than the first Monday in March in each
12 year, the assessor shall classify every item of assessable property
13 according to the definitions contained in this section. Following
14 the March board of review, the assessor shall tabulate the total
15 number of items and the valuations as approved by the board of
16 review for each classification and for the totals of real and
17 personal property in the local tax collecting unit. The assessor
18 shall transmit to the county equalization department and to the
19 state tax commission the tabulation of assessed valuations and
20 other statistical information the state tax commission considers
21 necessary to meet the requirements of this act and 1911 PA 44, MCL
22 209.1 to 209.8.

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

25 (a) Agricultural real property includes parcels used partially
26 or wholly for agricultural operations, with or without buildings,
27 and parcels assessed to the department of natural resources and

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

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

6 (ii) Growing and harvesting any agricultural, horticultural, or
7 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 purposes,
18 whether wholesale, retail, or service, with or without buildings.

19 (ii) Parcels used by fraternal societies.

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

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

24 (c) Developmental real property includes parcels containing
25 more than 5 acres without buildings, or more than 15 acres with a
26 market value in excess of its value in use. Developmental real
27 property may include farm land or open space land adjacent to a

1 population center, or farm land subject to several competing
2 valuation influences.

3 (d) Industrial real property includes the following:

4 (i) Platted or unplatted parcels used for manufacturing and
5 processing purposes, with or without buildings.

6 (ii) Parcels used for utilities sites for generating plants,
7 pumping stations, switches, substations, compressing stations,
8 warehouses, rights-of-way, flowage land, and storage areas.

9 (iii) Parcels used for removal or processing of gravel, stone,
10 or mineral ores, whether valued by the local assessor or by the
11 state geologist.

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

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

16 (e) Residential real property includes the following:

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

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

24 (iii) For taxes levied after December 31, 2002, a home, cottage,
25 or cabin on leased land, and a mobile home that would be assessable
26 as real property under section 2a except that the land on which it
27 is located is not assessable because the land is exempt. lands,

1 located in an area used predominantly for recreational purposes.

2 (iv) FOR TAXES LEVIED AFTER DECEMBER 31, 2004, A MOBILE HOME ON
3 A PLATTED OR UNPLATTED PARCEL OR ON LEASED LAND, WHICH IS USED FOR,
4 OR PROBABLY WILL BE USED FOR, RESIDENTIAL PURPOSES.

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

11 (3) The classifications of assessable personal property are
12 described as follows:

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

15 (b) Commercial personal property includes the following:

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

18 (ii) All outdoor advertising signs and billboards.

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

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

24 (c) Industrial personal property includes the following:

25 (i) All machinery and equipment, furniture and fixtures, and
26 dies on industrial parcels, and inventories not exempt by law.

27 (ii) Personal property of mining companies valued by the state

1 geologist.

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

7 (e) Utility personal property includes the following:

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

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

13 (iii) Inventories not exempt by law.

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

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

17 (vi) Gas storage equipment.

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

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

25 (5) If the total usage of a parcel includes more than 1
26 classification, the assessor shall determine the classification
27 that most significantly influences the total valuation of the

1 parcel.

2 (6) An owner of any assessable property who disputes the
3 classification of that parcel shall notify the assessor and may
4 protest the assigned classification to the March board of review.
5 An owner or assessor may appeal the decision of the March board of
6 review by filing a petition with the state tax commission not later
7 than June 30 in that tax year. The state tax commission shall
8 arbitrate the petition based on the written petition and the
9 written recommendations of the assessor and the state tax
10 commission staff. An appeal may not be taken from the decision of
11 the state tax commission regarding classification complaint
12 petitions and the state tax commission's determination is final and
13 binding for the year of the petition.

14 (7) The department of treasury may appeal the classification
15 of any assessable property to the residential and small claims
16 division of the Michigan tax tribunal not later than December 31 in
17 the tax year for which the classification is appealed.

18 (8) This section shall not be construed to encourage the
19 assessment of property at other than the uniform percentage of true
20 cash value prescribed by this act.

21 Enacting section 1. 1959 PA 243, MCL 125.1035 to 125.1043, is
22 repealed effective January 1, 2005.