

HOUSE BILL No. 5924

March 4, 2010, Introduced by Reps. Calley, Hildenbrand, Agema, Kurtz, Denby, Walsh, Horn, Haveman, Marleau and Wayne Schmidt and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7dd (MCL 211.7dd), as amended by 2008 PA 243.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7dd. As used in sections 7cc and 7ee:

2 (a) "Owner" means any of the following:

3 (i) A person who owns property or who is purchasing property
4 under a land contract.

5 (ii) A person who is a partial owner of property.

6 (iii) A person who owns property as a result of being a
7 beneficiary of a will or trust or as a result of intestate
8 succession.

9 (iv) A person who owns or is purchasing a dwelling on leased
10 land.

1 (v) A person holding a life lease in property previously sold
2 or transferred to another.

3 (vi) A grantor who has placed the property in a revocable trust
4 or a qualified personal residence trust.

5 (vii) The sole present beneficiary of a trust if the trust
6 purchased or acquired the property as a principal residence for the
7 sole present beneficiary of the trust, and the sole present
8 beneficiary of the trust is totally and permanently disabled. As
9 used in this subparagraph, "totally and permanently disabled" means
10 disability as defined in section 216 of title II of the social
11 security act, 42 USC 416, without regard as to whether the sole
12 present beneficiary of the trust has reached the age of retirement.

13 (viii) A cooperative housing corporation.

14 (ix) A facility registered under the living care disclosure
15 act, 1976 PA 440, MCL 554.801 to 554.844.

16 (b) "Person", for purposes of defining owner as used in
17 section 7cc, means an individual and for purposes of defining owner
18 as used in section 7ee means an individual, partnership,
19 corporation, limited liability company, association, or other legal
20 entity.

21 (c) "Principal residence" means the 1 place where an owner of
22 the property has his or her true, fixed, and permanent home to
23 which, whenever absent, he or she intends to return and that shall
24 continue as a principal residence until another principal residence
25 is established. Except as otherwise provided in this subdivision,
26 principal residence includes only that portion of a dwelling or
27 unit in a multiple-unit dwelling that is subject to ad valorem

1 taxes and that is owned and occupied by an owner of the dwelling or
2 unit. Principal residence also includes all of an owner's
3 unoccupied property classified as residential that is adjoining or
4 contiguous to the dwelling subject to ad valorem taxes and that is
5 owned and occupied by the owner. Contiguity is not broken by a
6 road, a right-of-way, or property purchased or taken under
7 condemnation proceedings by a public utility for power transmission
8 lines if the 2 parcels separated by the purchased or condemned
9 property were a single parcel prior to the sale or condemnation.

10 Except as otherwise provided in this subdivision, principal
11 residence also includes any portion of a dwelling or unit of an
12 owner that is rented or leased to another person as a residence as
13 long as that portion of the dwelling or unit that is rented or
14 leased is less than 50% of the total square footage of living space
15 in that dwelling or unit. Principal residence also includes a life
16 care facility registered under the living care disclosure act, 1976
17 PA 440, MCL 554.801 to 554.844. Principal residence also includes
18 property owned by a cooperative housing corporation and occupied by
19 tenant stockholders. Property that qualified as a principal
20 residence shall continue to qualify as a principal residence for 3
21 years after all or any portion of the dwelling or unit included in
22 or constituting the principal residence is rented or leased to
23 another person as a residence if all of the following conditions
24 are satisfied:

25 (i) The owner of the dwelling or unit is absent while on active
26 duty in the armed forces of the United States.

27 (ii) The dwelling or unit would otherwise qualify as the

1 owner's principal residence.

2 (iii) Except as otherwise provided in this subparagraph, the
3 owner files an affidavit with the assessor of the local tax
4 collecting unit on or before May 1 attesting that it is his or her
5 intent to occupy the dwelling or unit as a principal residence upon
6 completion of active duty in the armed forces of the United States.
7 In 2008 only, the owner may file an affidavit under this
8 subparagraph on or before December 31. A copy of an affidavit filed
9 under this subparagraph shall be forwarded to the department of
10 treasury pursuant to a schedule prescribed by the department of
11 treasury.

12 (d) "Qualified agricultural property" means unoccupied
13 property and related buildings classified as agricultural, or other
14 unoccupied property and related buildings located on that property
15 devoted primarily to agricultural use. ~~as defined in section 36101~~
16 ~~of the natural resources and environmental protection act, 1994 PA~~
17 ~~451, MCL 324.36101.~~ Related buildings include a residence occupied
18 by a person employed in or actively involved in the agricultural
19 use and who has not claimed a principal residence exemption on
20 other property. Property used for commercial storage, commercial
21 processing, commercial distribution, commercial marketing, or
22 commercial shipping operations or other commercial or industrial
23 purposes is not qualified agricultural property. A parcel of
24 property is devoted primarily to agricultural use only if more than
25 50% of the parcel's acreage is devoted to agricultural use. An
26 owner shall not receive an exemption for that portion of the total
27 state equalized valuation of the property that is used for a

1 commercial or industrial purpose or that is a residence that is not
2 a related building. AS USED IN THIS SUBDIVISION, "AGRICULTURAL USE"
3 MEANS THE PRODUCTION OF PLANTS AND ANIMALS USEFUL TO HUMANS,
4 INCLUDING FORAGES AND SOD CROPS; GRAINS, FEED CROPS, AND FIELD
5 CROPS; DAIRY AND DAIRY PRODUCTS; POULTRY AND POULTRY PRODUCTS;
6 LIVESTOCK, INCLUDING BREEDING AND GRAZING OF CATTLE, SWINE, CAPTIVE
7 CERVIDAE, AND SIMILAR ANIMALS; BERRIES; HERBS; FLOWERS; SEEDS;
8 GRASSES; NURSERY STOCK; FRUITS; VEGETABLES; CHRISTMAS TREES; AND
9 OTHER SIMILAR USES AND ACTIVITIES. AGRICULTURAL USE INCLUDES USE IN
10 A FEDERAL ACREAGE SET-ASIDE PROGRAM OR A FEDERAL CONSERVATION
11 RESERVE PROGRAM. AGRICULTURAL USE ALSO INCLUDES THE MANAGEMENT AND
12 HARVESTING OF A WOODLOT THAT IS SUBJECT TO A FOREST MANAGEMENT
13 PLAN, WHETHER OR NOT CONTIGUOUS TO PROPERTY CLASSIFIED AS
14 AGRICULTURAL OR OTHER UNOCCUPIED PROPERTY DEVOTED PRIMARILY TO
15 AGRICULTURAL USE.