

HOUSE BILL No. 5475

March 15, 2012, Introduced by Rep. Gilbert 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 2011 PA 320.

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. Beginning December 31, 2007,
6 principal residence also includes all of an owner's unoccupied
7 property classified as timber-cutover real property under section
8 34c that is adjoining or contiguous to the dwelling subject to ad
9 valorem taxes and that is owned and occupied by the owner.

10 Contiguity is not broken by a road, a right-of-way, or property
11 purchased or taken under condemnation proceedings by a public
12 utility for power transmission lines if the 2 parcels separated by
13 the purchased or condemned property were a single parcel prior to
14 the sale or condemnation. Except as otherwise provided in this
15 subdivision, principal residence also includes any portion of a
16 dwelling or unit of an owner that is rented or leased to another
17 person as a residence as long as that portion of the dwelling or
18 unit that is rented or leased is less than 50% of the total square
19 footage of living space in that dwelling or unit. Principal
20 residence also includes a life care facility registered under the
21 living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844.

22 Principal residence also includes property owned by a cooperative
23 housing corporation and occupied by tenant stockholders. Property
24 that qualified as a principal residence shall continue to qualify
25 as a principal residence for 3 years after all or any portion of
26 the dwelling or unit included in or constituting the principal
27 residence is rented or leased to another person as a residence if

1 all of the following conditions are satisfied:

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

4 (ii) The dwelling or unit would otherwise qualify as the
5 owner's principal residence.

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

16 (d) "Qualified agricultural property" means **A PRIVATE GOLF**
17 **COURSE LOCATED WITHIN 5 MILES OF A MUNICIPAL GOLF COURSE,**
18 unoccupied property and related buildings classified as
19 agricultural, or other unoccupied property and related buildings
20 located on that property devoted primarily to agricultural use as
21 defined in section 36101 of the natural resources and environmental
22 protection act, 1994 PA 451, MCL 324.36101. Related buildings
23 include a residence occupied by a person employed in or actively
24 involved in the agricultural use and who has not claimed a
25 principal residence exemption on other property. For taxes levied
26 after December 31, 2008, property shall not lose its status as
27 qualified agricultural property as a result of an owner or lessee

1 of that property implementing a wildlife risk mitigation action
2 plan. Notwithstanding any other provision of this act to the
3 contrary, if after December 31, 2008 the classification of property
4 was changed as a result of the implementation of a wildlife risk
5 mitigation action plan, the owner of that property may appeal that
6 change in classification to the board of review under section 30 in
7 the year in which the amendatory act that added this sentence takes
8 effect or in the 3 immediately succeeding years. Within 30 days of
9 the effective date of the amendatory act that added the immediately
10 preceding sentence, the department of treasury shall update its
11 publication entitled "Qualified Agricultural Property Exemption
12 Guidelines" and shall post that updated publication on the
13 department of treasury website. Property used for commercial
14 storage, commercial processing, commercial distribution, commercial
15 marketing, or commercial shipping operations or other commercial or
16 industrial purposes is not qualified agricultural property. A
17 parcel of property is devoted primarily to agricultural use only if
18 more than 50% of the parcel's acreage is devoted to agricultural
19 use. An owner shall not receive an exemption for that portion of
20 the total state equalized valuation of the property that is used
21 for a commercial or industrial purpose or that is a residence that
22 is not a related building. As used in this subdivision:

23 (i) "Project" means certain risk mitigating measures, which may
24 include, but are not limited to, the following:

25 (A) Making it difficult for wildlife to access feed by storing
26 livestock feed securely, restricting wildlife access to feeding and
27 watering areas, and deterring or reducing wildlife presence around

1 livestock feed by storing feed in an enclosed barn, wrapping bales
2 or covering stacks with tarps, closing ends of bags, storing grains
3 in animal-proof containers or bins, maintaining fences, practicing
4 small mammal and rodent control, or feeding away from wildlife
5 cover.

6 (B) Minimizing wildlife access to livestock feed and water by
7 feeding livestock in an enclosed area, feeding in open areas near
8 buildings and human activity, removing extra or waste feed when
9 livestock are moved, using hay feeders to reduce waste, using
10 artificial water systems to help keep livestock from sharing water
11 sources with wildlife, fencing off stagnant ponds, wetlands, or
12 areas of wildlife habitats that pose a disease risk, and keeping
13 mineral feeders near buildings and human activity or using devices
14 that restrict wildlife usage.

15 (ii) "Wildlife risk mitigation action plan" means a written
16 plan consisting of 1 or more projects to help reduce the risks of a
17 communicable disease spreading between wildlife and livestock that
18 is approved by the department of agriculture under the animal
19 industry act, 1988 PA 466, MCL 287.701 to ~~287.745~~**287.746**.