

SENATE BILL No. 907

January 24, 2012, Introduced by Senators BRANDENBURG, BOOHER, MARLEAU, HILDENBRAND, WALKER, NOFS, COLBECK, KOWALL, GREEN, ROBERTSON, JONES, HUNE, MOOLENAAR, PAVLOV, EMMONS, JANSEN, SCHUITMAKER, MEEKHOF, PAPPAGEORGE, PROOS, ROCCA, KAHN, HUNTER and BIEDA and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7dd (MCL 211.7dd), as amended by 2010 PA 17.

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.
- 11 (v) A person holding a life lease in property previously sold

1 or transferred to another.

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

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

12 (viii) A cooperative housing corporation.

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

15 (x) **A PRESENT BENEFICIARY OF A TRUST IF THE TRUST OWNS THE**
16 **PROPERTY AND IT IS THE PRINCIPAL RESIDENCE OF THE PRESENT**
17 **BENEFICIARY.**

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

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

1 principal residence includes only that portion of a dwelling or
2 unit in a multiple-unit dwelling that is subject to ad valorem
3 taxes and that is owned and occupied by an owner of the dwelling or
4 unit. Principal residence also includes all of an owner's
5 unoccupied property classified as residential that is adjoining or
6 contiguous to the dwelling subject to ad valorem taxes and that is
7 owned and occupied by the owner. Beginning December 31, 2007,
8 principal residence also includes all of an owner's unoccupied
9 property classified as timber-cutover real property under section
10 34c that is adjoining or contiguous to the dwelling subject to ad
11 valorem taxes and that is owned and occupied by the owner.
12 Contiguity is not broken by a road, a right-of-way, or property
13 purchased or taken under condemnation proceedings by a public
14 utility for power transmission lines if the 2 parcels separated by
15 the purchased or condemned property were a single parcel prior to
16 the sale or condemnation. Except as otherwise provided in this
17 subdivision, principal residence also includes any portion of a
18 dwelling or unit of an owner that is rented or leased to another
19 person as a residence as long as that portion of the dwelling or
20 unit that is rented or leased is less than 50% of the total square
21 footage of living space in that dwelling or unit. Principal
22 residence also includes a life care facility registered under the
23 living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844.
24 Principal residence also includes property owned by a cooperative
25 housing corporation and occupied by tenant stockholders. Property
26 that qualified as a principal residence shall continue to qualify
27 as a principal residence for 3 years after all or any portion of

1 the dwelling or unit included in or constituting the principal
2 residence is rented or leased to another person as a residence if
3 all of the following conditions are satisfied:

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

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

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

18 (d) "Qualified agricultural property" means unoccupied
19 property and related buildings classified as agricultural, or other
20 unoccupied property and related buildings located on that property
21 devoted primarily to agricultural use as defined in section 36101
22 of the natural resources and environmental protection act, 1994 PA
23 451, MCL 324.36101. Related buildings include a residence occupied
24 by a person employed in or actively involved in the agricultural
25 use and who has not claimed a principal residence exemption on
26 other property. Property used for commercial storage, commercial
27 processing, commercial distribution, commercial marketing, or

1 commercial shipping operations or other commercial or industrial
2 purposes is not qualified agricultural property. A parcel of
3 property is devoted primarily to agricultural use only if more than
4 50% of the parcel's acreage is devoted to agricultural use. An
5 owner shall not receive an exemption for that portion of the total
6 state equalized valuation of the property that is used for a
7 commercial or industrial purpose or that is a residence that is not
8 a related building.