

# HOUSE BILL No. 5496

April 30, 2014, Introduced by Rep. Schor and referred to the Committee on Tax Policy.

A bill to provide for the exemption of certain property from certain taxes; to levy and collect a specific tax upon the owners of certain property; to provide for the disposition of the tax; to prescribe the powers and duties of certain local government officials; and to provide penalties.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 1. This act shall be known and may be cited as the "land  
2 value specific tax act".

3           Sec. 2. As used in this act:

4           (a) "Commission" means the state tax commission created by  
5 1927 PA 360, MCL 209.101 to 209.107.

6           (b) "Eligible real property" means real property that meets  
7 all of the following conditions:

8           (i) Is classified as commercial real property or industrial

1 real property under section 34c of the general property tax act,  
2 1893 PA 206, MCL 211.34c.

3 (ii) Has no buildings or other improvements located on that  
4 real property.

5 (c) "Taxable value" means the taxable value as determined  
6 under section 27a of the general property tax act, 1893 PA 206, MCL  
7 211.27a.

8 Sec. 3. (1) Eligible real property is exempt from ad valorem  
9 property taxes collected under the general property tax act, 1893  
10 PA 206, MCL 211.1 to 211.155, if the legislative body of the local  
11 tax collecting unit in which that eligible real property is located  
12 by resolution exempts that eligible real property as provided under  
13 section 7tt of the general property tax act, 1893 PA 206, MCL  
14 211.7tt.

15 (2) The specific tax levied under this act shall be  
16 administered as provided in the general property tax act, 1893 PA  
17 206, MCL 211.1 to 211.155, and shall be collected at the same time  
18 and in the same manner as taxes collected under the general  
19 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

20 Sec. 4. The assessor of each local tax collecting unit in  
21 which there is exempt eligible real property shall determine  
22 annually as of December 31 the value and taxable value of each  
23 parcel of exempt eligible real property located in that local tax  
24 collecting unit.

25 Sec. 5. (1) Except as otherwise provided under this act, there  
26 is levied upon the owner of every parcel of eligible real property  
27 exempt under section 7tt of the general property tax act, 1893 PA

1 206, MCL 211.7tt, a specific tax to be known as the land value  
2 specific tax.

3 (2) The amount of the commercial real property specific tax in  
4 each year shall be equal to the eligible real property's taxable  
5 value multiplied by all of the following:

6 (a) The number of mills levied under the state education tax  
7 act, 1993 PA 331, MCL 211.901 to 211.906.

8 (b) The number of mills levied under the revised school code,  
9 1976 PA 451, MCL 380.1 to 380.1852.

10 (c) The number of mills that would be levied by all taxing  
11 units in the local tax collecting unit if the commercial real  
12 property were subject to the collection of taxes under the general  
13 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

14 (d) If approved by the qualified electors of that local tax  
15 collecting unit, an additional millage in an amount that will  
16 reflect the costs of maintaining the vacant property through years  
17 of vacancy, the costs to maintain the vacant property, and other  
18 conditions determined by the municipality.

19 (3) The land value specific tax is an annual tax, payable at  
20 the same times, in the same installments, and to the same  
21 collecting officer or officers as taxes collected under the general  
22 property tax act, 1893 PA 206, MCL 211.1 to 211.155.

23 (4) The collecting officer or officers shall disburse the  
24 commercial real property specific tax to and among this state and  
25 cities, townships, villages, school districts, counties, or other  
26 taxing units, at the same times and in the same proportions as  
27 required by law for the disbursement of taxes collected under the

1 general property tax act, 1893 PA 206, MCL 211.1 to 211.155. If a  
2 millage is levied under subsection (2)(d), the proceeds from that  
3 millage shall be retained by the local tax collecting unit and  
4 shall be deposited in that local tax collecting unit's general  
5 fund.

6 (5) The collecting officer or officers shall send a copy of  
7 the amount of disbursement made to each taxing unit under this  
8 section to the commission on a form provided by the commission.

9 Sec. 6. Unpaid land value specific taxes are subject to  
10 collection as provided under the general property tax act, 1893 PA  
11 206, MCL 211.1 to 211.155.

12 Enacting section 1. This act does not take effect unless  
13 Senate Bill No. \_\_\_\_ or House Bill No. 5495 (request no. 03145'13) of  
14 the 97th Legislature is enacted into law.