

# SENATE BILL No. 425

June 12, 2013, Introduced by Senators BRANDENBURG, ROBERTSON, JONES, CASPERSON, HANSEN, WALKER, GREEN, JANSEN, COLBECK, PROOS, PAPPAGEORGE and MARLEAU 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 2012 PA 324.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

(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 ALL OF THE FOLLOWING  
16 CONDITIONS ARE SATISFIED:

17 (A) THE PROPERTY IS THE PRINCIPAL RESIDENCE OF THE PRESENT  
18 BENEFICIARY.

19 (B) BEFORE CLAIMING AN EXEMPTION UNDER SECTION 7CC, THE  
20 PRESENT BENEFICIARY OF THE TRUST FILES AN AFFIDAVIT WITH THE  
21 ASSESSOR OF THE LOCAL TAX COLLECTING UNIT NOTIFYING THE ASSESSOR  
22 THAT THE PRESENT BENEFICIARY IS CLAIMING AN EXEMPTION UNDER SECTION  
23 7CC FOR PROPERTY OWNED BY THE TRUST. THE AFFIDAVIT SHALL BE IN A  
24 FORM PRESCRIBED BY THE DEPARTMENT OF TREASURY. THE AFFIDAVIT SHALL  
25 INCLUDE THE PRESENT BENEFICIARY'S NAME, THE ADDRESS OF THE PROPERTY  
26 FOR WHICH AN EXEMPTION UNDER SECTION 7CC IS CLAIMED, AND A  
27 STATEMENT THAT THE PRESENT BENEFICIARY HAS MET ALL REQUIREMENTS FOR

1 **AN EXEMPTION UNDER SECTION 7CC.**

2 (b) "Person", for purposes of defining owner as used in  
3 section 7cc, means an individual and for purposes of defining owner  
4 as used in section 7ee means an individual, partnership,  
5 corporation, limited liability company, association, or other legal  
6 entity.

7 (c) "Principal residence" means the 1 place where an owner of  
8 the property has his or her true, fixed, and permanent home to  
9 which, whenever absent, he or she intends to return and that shall  
10 continue as a principal residence until another principal residence  
11 is established. Except as otherwise provided in this subdivision,  
12 principal residence includes only that portion of a dwelling or  
13 unit in a multiple-unit dwelling that is subject to ad valorem  
14 taxes and that is owned and occupied by an owner of the dwelling or  
15 unit. Principal residence also includes all of an owner's  
16 unoccupied property classified as residential that is adjoining or  
17 contiguous to the dwelling subject to ad valorem taxes and that is  
18 owned and occupied by the owner. Beginning December 31, 2007,  
19 principal residence also includes all of an owner's unoccupied  
20 property classified as timber-cutover real property under section  
21 34c that is adjoining or contiguous to the dwelling subject to ad  
22 valorem taxes and that is owned and occupied by the owner.  
23 Contiguity is not broken by boundary between local tax collecting  
24 units, a road, a right-of-way, or property purchased or taken under  
25 condemnation proceedings by a public utility for power transmission  
26 lines if the 2 parcels separated by the purchased or condemned  
27 property were a single parcel prior to the sale or condemnation.

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

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

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

20 (iii) Except as otherwise provided in this subparagraph, the  
21 owner files an affidavit with the assessor of the local tax  
22 collecting unit on or before May 1 attesting that it is his or her  
23 intent to occupy the dwelling or unit as a principal residence upon  
24 completion of active duty in the armed forces of the United States.  
25 In 2008 only, the owner may file an affidavit under this  
26 subparagraph on or before December 31. A copy of an affidavit filed  
27 under this subparagraph shall be forwarded to the department of

1 treasury pursuant to a schedule prescribed by the department of  
2 treasury.

3 (d) "Qualified agricultural property" means unoccupied  
4 property and related buildings classified as agricultural, or other  
5 unoccupied property and related buildings located on that property  
6 devoted primarily to agricultural use as defined in section 36101  
7 of the natural resources and environmental protection act, 1994 PA  
8 451, MCL 324.36101. Related buildings include a residence occupied  
9 by a person employed in or actively involved in the agricultural  
10 use and who has not claimed a principal residence exemption on  
11 other property. For taxes levied after December 31, 2008, property  
12 shall not lose its status as qualified agricultural property as a  
13 result of an owner or lessee of that property implementing a  
14 wildlife risk mitigation action plan. Notwithstanding any other  
15 provision of this act to the contrary, if after December 31, 2008  
16 the classification of property was changed as a result of the  
17 implementation of a wildlife risk mitigation action plan, the owner  
18 of that property may appeal that change in classification to the  
19 board of review under section 30 in the year in which the  
20 amendatory act that added this sentence takes effect or in the 3  
21 immediately succeeding years. Within 30 days of the effective date  
22 of the amendatory act that added the immediately preceding  
23 sentence, the department of treasury shall update its publication  
24 entitled "Qualified Agricultural Property Exemption Guidelines" and  
25 shall post that updated publication on the department of treasury  
26 website. 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. As used in this subdivision:

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

11 (A) Making it difficult for wildlife to access feed by storing  
12 livestock feed securely, restricting wildlife access to feeding and  
13 watering areas, and deterring or reducing wildlife presence around  
14 livestock feed by storing feed in an enclosed barn, wrapping bales  
15 or covering stacks with tarps, closing ends of bags, storing grains  
16 in animal-proof containers or bins, maintaining fences, practicing  
17 small mammal and rodent control, or feeding away from wildlife  
18 cover.

19 (B) Minimizing wildlife access to livestock feed and water by  
20 feeding livestock in an enclosed area, feeding in open areas near  
21 buildings and human activity, removing extra or waste feed when  
22 livestock are moved, using hay feeders to reduce waste, using  
23 artificial water systems to help keep livestock from sharing water  
24 sources with wildlife, fencing off stagnant ponds, wetlands, or  
25 areas of wildlife habitats that pose a disease risk, and keeping  
26 mineral feeders near buildings and human activity or using devices  
27 that restrict wildlife usage.

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