

HOUSE BILL No. 4050

January 16, 2019, Introduced by Rep. Inman and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 27a (MCL 211.27a), as amended by 2016 PA 375.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27a. (1) Except as otherwise provided in this section,
2 property shall be assessed at 50% of its true cash value under
3 section 3 of article IX of the state constitution of 1963.

4 (2) Except as otherwise provided in subsection (3), for taxes
5 levied in 1995 and for each year after 1995, the taxable value of
6 each parcel of property is the lesser of the following:

7 (a) The property's taxable value in the immediately preceding
8 year minus any losses, multiplied by the lesser of 1.05 or the
9 inflation rate, plus all additions. For taxes levied in 1995, the
10 property's taxable value in the immediately preceding year is the

1 property's state equalized valuation in 1994.

2 (b) The property's current state equalized valuation.

3 (3) Upon a transfer of ownership of property after 1994, the
4 property's taxable value for the calendar year following the year
5 of the transfer is the property's state equalized valuation for the
6 calendar year following the transfer.

7 (4) If the taxable value of property is adjusted under
8 subsection (3), a subsequent increase in the property's taxable
9 value is subject to the limitation set forth in subsection (2)
10 until a subsequent transfer of ownership occurs. If the taxable
11 value of property is adjusted under subsection (3) and the assessor
12 determines that there had not been a transfer of ownership, the
13 taxable value of the property shall be adjusted at the July or
14 December board of review. Notwithstanding the limitation provided
15 in section 53b(1) on the number of years for which a correction may
16 be made, the July or December board of review may adjust the
17 taxable value of property under this subsection for the current
18 year and for the 3 immediately preceding calendar years. A
19 corrected tax bill shall be issued for each tax year for which the
20 taxable value is adjusted by the local tax collecting unit if the
21 local tax collecting unit has possession of the tax roll or by the
22 county treasurer if the county has possession of the tax roll. For
23 purposes of section 53b, an adjustment under this subsection shall
24 be considered the correction of a clerical error.

25 (5) Assessment of property, as required in this section and
26 section 27, is inapplicable to the assessment of property subject
27 to the levy of ad valorem taxes within voted tax limitation

1 increases to pay principal and interest on limited tax bonds issued
2 by any governmental unit, including a county, township, community
3 college district, or school district, before January 1, 1964, if
4 the assessment required to be made under this act would be less
5 than the assessment as state equalized prevailing on the property
6 at the time of the issuance of the bonds. This inapplicability
7 continues until levy of taxes to pay principal and interest on the
8 bonds is no longer required. The assessment of property required by
9 this act applies for all other purposes.

10 (6) As used in this act, "transfer of ownership" means the
11 conveyance of title to or a present interest in property, including
12 the beneficial use of the property, the value of which is
13 substantially equal to the value of the fee interest. Transfer of
14 ownership of property includes, but is not limited to, the
15 following:

16 (a) A conveyance by deed.

17 (b) A conveyance by land contract. The taxable value of
18 property conveyed by a land contract executed after December 31,
19 1994 shall be adjusted under subsection (3) for the calendar year
20 following the year in which the contract is entered into and shall
21 not be subsequently adjusted under subsection (3) when the deed
22 conveying title to the property is recorded in the office of the
23 register of deeds in the county in which the property is located.

24 (c) A conveyance to a trust after December 31, 1994, except
25 under any of the following conditions:

26 (i) If the settlor or the settlor's spouse, or both, conveys
27 the property to the trust and the sole present beneficiary or

1 beneficiaries are the settlor or the settlor's spouse, or both.

2 (ii) Beginning December 31, 2014, for residential real
3 property, if the settlor or the settlor's spouse, or both, conveys
4 the residential real property to the trust and the sole present
5 beneficiary or beneficiaries are the settlor's or the settlor's
6 spouse's mother, father, brother, sister, son, daughter, adopted
7 son, adopted daughter, grandson, or granddaughter and the
8 residential real property is not used for any commercial purpose
9 following the conveyance. Upon request by the department of
10 treasury or the assessor, the sole present beneficiary or
11 beneficiaries shall furnish proof within 30 days that the sole
12 present beneficiary or beneficiaries meet the requirements of this
13 subparagraph. If a present beneficiary fails to comply with a
14 request by the department of treasury or assessor under this
15 subparagraph, that present beneficiary is subject to a fine of
16 \$200.00.

17 (d) A conveyance by distribution from a trust, except under
18 any of the following conditions:

19 (i) If the distributee is the sole present beneficiary or the
20 spouse of the sole present beneficiary, or both.

21 (ii) Beginning December 31, 2014, a distribution of
22 residential real property if the distributee is the settlor's or
23 the settlor's spouse's mother, father, brother, sister, son,
24 daughter, adopted son, adopted daughter, grandson, or granddaughter
25 and the residential real property is not used for any commercial
26 purpose following the conveyance. Upon request by the department of
27 treasury or the assessor, the sole present beneficiary or

1 beneficiaries shall furnish proof within 30 days that the sole
2 present beneficiary or beneficiaries meet the requirements of this
3 subparagraph. If a present beneficiary fails to comply with a
4 request by the department of treasury or assessor under this
5 subparagraph, that present beneficiary is subject to a fine of
6 \$200.00.

7 (e) A change in the sole present beneficiary or beneficiaries
8 of a trust, except under any of the following conditions:

9 (i) A change that adds or substitutes the spouse of the sole
10 present beneficiary.

11 (ii) Beginning December 31, 2014, for residential real
12 property, a change that adds or substitutes the settlor's or the
13 settlor's spouse's mother, father, brother, sister, son, daughter,
14 adopted son, adopted daughter, grandson, or granddaughter and the
15 residential real property is not used for any commercial purpose
16 following the conveyance. Upon request by the department of
17 treasury or the assessor, the sole present beneficiary or
18 beneficiaries shall furnish proof within 30 days that the sole
19 present beneficiary or beneficiaries meet the requirements of this
20 subparagraph. If a present beneficiary fails to comply with a
21 request by the department of treasury or assessor under this
22 subparagraph, that present beneficiary is subject to a fine of
23 \$200.00.

24 (f) A conveyance by distribution under a will or by intestate
25 succession, except under any of the following conditions:

26 (i) If the distributee is the decedent's spouse.

27 (ii) Beginning December 31, 2014, for residential real

1 property, if the distributee is the decedent's or the decedent's
2 spouse's mother, father, brother, sister, son, daughter, adopted
3 son, adopted daughter, grandson, or granddaughter and the
4 residential real property is not used for any commercial purpose
5 following the conveyance. Upon request by the department of
6 treasury or the assessor, the sole present beneficiary or
7 beneficiaries shall furnish proof within 30 days that the sole
8 present beneficiary or beneficiaries meet the requirements of this
9 subparagraph. If a present beneficiary fails to comply with a
10 request by the department of treasury or assessor under this
11 subparagraph, that present beneficiary is subject to a fine of
12 \$200.00.

13 (g) A conveyance by lease if the total duration of the lease,
14 including the initial term and all options for renewal, is more
15 than 35 years or the lease grants the lessee a bargain purchase
16 option. As used in this subdivision, "bargain purchase option"
17 means the right to purchase the property at the termination of the
18 lease for not more than 80% of the property's projected true cash
19 value at the termination of the lease. After December 31, 1994, the
20 taxable value of property conveyed by a lease with a total duration
21 of more than 35 years or with a bargain purchase option shall be
22 adjusted under subsection (3) for the calendar year following the
23 year in which the lease is entered into. This subdivision does not
24 apply to personal property except buildings described in section
25 14(6) and personal property described in section 8(h), (i), and
26 (j). This subdivision does not apply to that portion of the
27 property not subject to the leasehold interest conveyed.

1 (h) Except as otherwise provided in this subdivision, a
2 conveyance of an ownership interest in a corporation, partnership,
3 sole proprietorship, limited liability company, limited liability
4 partnership, or other legal entity if the ownership interest
5 conveyed is more than 50% of the corporation, partnership, sole
6 proprietorship, limited liability company, limited liability
7 partnership, or other legal entity. Unless notification is provided
8 under subsection (10), the corporation, partnership, sole
9 proprietorship, limited liability company, limited liability
10 partnership, or other legal entity shall notify the assessing
11 officer on a form provided by the state tax commission not more
12 than 45 days after a conveyance of an ownership interest that
13 constitutes a transfer of ownership under this subdivision. Both of
14 the following apply to a corporation subject to 1897 PA 230, MCL
15 455.1 to 455.24:

16 (i) A transfer of stock of the corporation is a transfer of
17 ownership only with respect to the real property that is assessed
18 to the transferor lessee stockholder.

19 (ii) A cumulative conveyance of more than 50% of the
20 corporation's stock does not constitute a transfer of ownership of
21 the corporation's real property.

22 (i) A transfer of property held as a tenancy in common, except
23 that portion of the property not subject to the ownership interest
24 conveyed.

25 (j) A conveyance of an ownership interest in a cooperative
26 housing corporation, except that portion of the property not
27 subject to the ownership interest conveyed.

1 (k) Notwithstanding the provisions of section 7ee(5), at the
2 request of a property owner, an assessor's establishment of a
3 separate tax parcel for a portion of a parcel that ceases to be
4 qualified agricultural property but is not subject to a land
5 division under the land division act, 1967 PA 288, MCL 560.101 to
6 560.293, or any local ordinance. For purposes of this subdivision,
7 a transfer of ownership occurs only as to that portion of the
8 parcel established as a separate tax parcel and only that portion
9 shall have its taxable value adjusted under subsection (3) and
10 shall be subject to the recapture tax provided for under the
11 agricultural property recapture act, 2000 PA 261, MCL 211.1001 to
12 211.1007. The adjustment under subsection (3) shall be made as of
13 the December 31 in the year that the portion of the parcel
14 established as a separate tax parcel ceases to be qualified
15 agricultural property. A portion of a parcel subject to this
16 subdivision is considered a separate tax parcel only for those
17 purposes described in this subdivision.

18 (7) Transfer of ownership does not include the following:

19 (a) The transfer of property from 1 spouse to the other spouse
20 or from a decedent to a surviving spouse.

21 (b) A transfer from ~~a husband, a wife, or a married couple~~¹
22 **OR BOTH SPOUSES** creating or disjoining a tenancy by the entireties
23 in the grantors or the grantor and his or her spouse.

24 (c) Subject to subdivision (d), a transfer of that portion of
25 property subject to a life estate or life lease retained by the
26 transferor, until expiration or termination of the life estate or
27 life lease. That portion of property transferred that is not

1 subject to a life lease shall be adjusted under subsection (3).

2 (d) Beginning December 31, 2014, a transfer of that portion of
3 residential real property that had been subject to a life estate or
4 life lease retained by the transferor resulting from expiration or
5 termination of that life estate or life lease, if the transferee is
6 the transferor's or transferor's spouse's mother, father, brother,
7 sister, son, daughter, adopted son, adopted daughter, grandson, or
8 granddaughter and the residential real property is not used for any
9 commercial purpose following the transfer. Upon request by the
10 department of treasury or the assessor, the transferee shall
11 furnish proof within 30 days that the transferee meets the
12 requirements of this subdivision. If a transferee fails to comply
13 with a request by the department of treasury or assessor under this
14 subdivision, that transferee is subject to a fine of \$200.00.

15 (e) A transfer through foreclosure or forfeiture of a recorded
16 instrument under chapter 31, 32, or 57 of the revised judicature
17 act of 1961, 1961 PA 236, MCL 600.3101 to 600.3285 and MCL 600.5701
18 to 600.5759, or through deed or conveyance in lieu of a foreclosure
19 or forfeiture, until the mortgagee or land contract vendor
20 subsequently transfers the property. If a mortgagee does not
21 transfer the property within 1 year of the expiration of any
22 applicable redemption period, the property shall be adjusted under
23 subsection (3).

24 (f) A transfer by redemption by the person to whom taxes are
25 assessed of property previously sold for delinquent taxes.

26 (g) A conveyance to a trust if the settlor or the settlor's
27 spouse, or both, conveys the property to the trust and any of the

1 following conditions are satisfied:

2 (i) If the sole present beneficiary of the trust is the
3 settlor or the settlor's spouse, or both.

4 (ii) Beginning December 31, 2014, for residential real
5 property, if the sole present beneficiary of the trust is the
6 settlor's or the settlor's spouse's mother, father, brother,
7 sister, son, daughter, adopted son, adopted daughter, grandson, or
8 granddaughter and the residential real property is not used for any
9 commercial purpose following the conveyance. Upon request by the
10 department of treasury or the assessor, the sole present
11 beneficiary or beneficiaries shall furnish proof within 30 days
12 that the sole present beneficiary or beneficiaries meet the
13 requirements of this subparagraph. If a present beneficiary fails
14 to comply with a request by the department of treasury or assessor
15 under this subparagraph, that present beneficiary is subject to a
16 fine of \$200.00.

17 (h) A transfer pursuant to a judgment or order of a court of
18 record making or ordering a transfer, unless a specific monetary
19 consideration is specified or ordered by the court for the
20 transfer.

21 (i) A transfer creating or terminating a joint tenancy between
22 2 or more persons if at least 1 of the persons was an original
23 owner of the property before the joint tenancy was initially
24 created and, if the property is held as a joint tenancy at the time
25 of conveyance, at least 1 of the persons was a joint tenant when
26 the joint tenancy was initially created and that person has
27 remained a joint tenant since the joint tenancy was initially

1 created. A joint owner at the time of the last transfer of
2 ownership of the property is an original owner of the property. For
3 purposes of this subdivision, a person is an original owner of
4 property owned by that person's spouse.

5 (j) A transfer for security or an assignment or discharge of a
6 security interest.

7 (k) A transfer of real property or other ownership interests
8 among members of an affiliated group. As used in this subsection,
9 "affiliated group" means 1 or more corporations connected by stock
10 ownership to a common parent corporation. Upon request by the state
11 tax commission, a corporation shall furnish proof within 45 days
12 that a transfer meets the requirements of this subdivision. A
13 corporation that fails to comply with a request by the state tax
14 commission under this subdivision is subject to a fine of \$200.00.

15 (l) Normal public trading of shares of stock or other
16 ownership interests that, over any period of time, cumulatively
17 represent more than 50% of the total ownership interest in a
18 corporation or other legal entity and are traded in multiple
19 transactions involving unrelated individuals, institutions, or
20 other legal entities.

21 (m) A transfer of real property or other ownership interests
22 among corporations, partnerships, limited liability companies,
23 limited liability partnerships, or other legal entities if the
24 entities involved are commonly controlled. Upon request by the
25 state tax commission, a corporation, partnership, limited liability
26 company, limited liability partnership, or other legal entity shall
27 furnish proof within 45 days that a transfer meets the requirements

1 of this subdivision. A corporation, partnership, limited liability
2 company, limited liability partnership, or other legal entity that
3 fails to comply with a request by the state tax commission under
4 this subdivision is subject to a fine of \$200.00.

5 (n) A direct or indirect transfer of real property or other
6 ownership interests resulting from a transaction that qualifies as
7 a tax-free reorganization under section 368 of the internal revenue
8 code, 26 USC 368. Upon request by the state tax commission, a
9 property owner shall furnish proof within 45 days that a transfer
10 meets the requirements of this subdivision. A property owner who
11 fails to comply with a request by the state tax commission under
12 this subdivision is subject to a fine of \$200.00.

13 (o) Except as provided in subsection (6)(k), a transfer of
14 qualified agricultural property, if the person to whom the
15 qualified agricultural property is transferred files an affidavit
16 with the assessor of the local tax collecting unit in which the
17 qualified agricultural property is located and with the register of
18 deeds for the county in which the qualified agricultural property
19 is located attesting that the qualified agricultural property will
20 remain qualified agricultural property. The affidavit under this
21 subdivision shall be in a form prescribed by the department of
22 treasury. An owner of qualified agricultural property shall inform
23 a prospective buyer of that qualified agricultural property that
24 the qualified agricultural property is subject to the recapture tax
25 provided in the agricultural property recapture act, 2000 PA 261,
26 MCL 211.1001 to 211.1007, if the qualified agricultural property is
27 converted by a change in use, as that term is defined in section 2

1 of the agricultural property recapture act, 2000 PA 261, MCL
2 211.1002. If property ceases to be qualified agricultural property
3 at any time after a transfer subject to this subdivision, all of
4 the following shall occur:

5 (i) The taxable value of that property, or, if subsection
6 (6)(k) applies, a portion of it established as a separate tax
7 parcel, shall be adjusted under subsection (3) as of the December
8 31 in the year that the property, or, if subsection (6)(k) applies,
9 a portion of it established as a separate tax parcel, ceases to be
10 qualified agricultural property.

11 (ii) The property, or, if subsection (6)(k) applies, a portion
12 of it established as a separate tax parcel, is subject to the
13 recapture tax provided for under the agricultural property
14 recapture act, 2000 PA 261, MCL 211.1001 to 211.1007.

15 (p) A transfer of qualified forest property, if the person to
16 whom the qualified forest property is transferred files a qualified
17 forest taxable value affidavit with the assessor of the local tax
18 collecting unit in which the qualified forest property is located
19 and with the register of deeds for the county in which the
20 qualified forest property is located attesting that the qualified
21 forest property will remain qualified forest property. The
22 qualified forest taxable value affidavit under this subdivision
23 shall be in a form prescribed by the department of agriculture and
24 rural development. The qualified forest taxable value affidavit
25 shall include a legal description of the qualified forest property,
26 the name of the new property owner, the year the transfer of the
27 property occurred, a statement indicating that the property owner

1 is attesting that the property for which the exemption is claimed
2 is qualified forest property and will be managed according to the
3 approved forest management plan, and any other information
4 pertinent to the parcel and the property owner. The property owner
5 shall provide a copy of the qualified forest taxable value
6 affidavit to the department. The department shall provide 1 copy of
7 the qualified forest taxable value affidavit to the local tax
8 collecting unit, 1 copy to the conservation district, and 1 copy to
9 the department of treasury. These copies may be sent
10 electronically. The exception to the recognition of a transfer of
11 ownership, as herein stated, extends to the land only of the
12 qualified forest property. If qualified forest property is improved
13 by buildings, structures, or land improvements, then those
14 improvements shall be recognized as a transfer of ownership, in
15 accordance with the provisions of section 7jj[1]. An owner of
16 qualified forest property shall inform a prospective buyer of that
17 qualified forest property that the qualified forest property is
18 subject to the recapture tax provided in the qualified forest
19 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,
20 if the qualified forest property is converted by a change in use,
21 as that term is defined in section 2 of the qualified forest
22 property recapture tax act, 2006 PA 379, MCL 211.1032. If property
23 ceases to be qualified forest property at any time after being
24 transferred, all of the following shall occur:

25 (i) The taxable value of that property shall be adjusted under
26 subsection (3) as of the December 31 in the year that the property
27 ceases to be qualified forest property, except to the extent that

1 the transfer of the qualified forest property would not have been
2 considered a transfer of ownership under this subsection.

3 (ii) Except as otherwise provided in subparagraph (iii), the
4 property is subject to the recapture tax provided for under the
5 qualified forest property recapture tax act, 2006 PA 379, MCL
6 211.1031 to 211.1036.

7 (iii) Beginning June 1, 2013 and ending November 30, 2013,
8 owners of property enrolled as qualified forest property before
9 January 1, 2013 may execute a new qualified forest taxable value
10 affidavit with the department of agriculture and rural development.
11 If a landowner elects to execute a qualified forest taxable value
12 affidavit, that owner is not required to pay the \$50.00 fee
13 required under section 7jj[1](2). If a landowner elects not to
14 execute a qualified forest taxable value affidavit, the existing
15 affidavit shall be rescinded, without subjecting the property to
16 the recapture tax provided for under the qualified forest property
17 recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the
18 taxable value of that property shall be adjusted under subsection
19 (3).

20 (q) Beginning on December 8, 2006, a transfer of land, but not
21 buildings or structures located on the land, which meets 1 or more
22 of the following requirements:

23 (i) The land is subject to a conservation easement under
24 subpart 11 of part 21 of the natural resources and environmental
25 protection act, 1994 PA 451, MCL 324.2140 to 324.2144. As used in
26 this subparagraph, "conservation easement" means that term as
27 defined in section 2140 of the natural resources and environmental

1 protection act, 1994 PA 451, MCL 324.2140.

2 (ii) A transfer of ownership of the land or a transfer of an
3 interest in the land is eligible for a deduction as a qualified
4 conservation contribution under section 170(h) of the internal
5 revenue code, 26 USC 170.

6 (r) A transfer of real property or other ownership interests
7 resulting from a consolidation or merger of a domestic nonprofit
8 corporation that is a boy or girl scout or camp fire girls
9 organization, a 4-H club or foundation, a young men's Christian
10 association, or a young women's Christian association and at least
11 50% of the members of that organization or association are
12 residents of this state.

13 (s) A change to the assessment roll or tax roll resulting from
14 the application of section 16a of 1897 PA 230, MCL 455.16a.

15 (t) Beginning December 31, 2013 through December 30, 2014, a
16 transfer of residential real property if the transferee is related
17 to the transferor by blood or affinity to the first degree and the
18 use of the residential real property does not change following the
19 transfer.

20 (u) Beginning December 31, 2014, a transfer of residential
21 real property if the transferee is the transferor's or the
22 transferor's spouse's mother, father, brother, sister, son,
23 daughter, adopted son, adopted daughter, grandson, or granddaughter
24 and the residential real property is not used for any commercial
25 purpose following the conveyance. Upon request by the department of
26 treasury or the assessor, the transferee shall furnish proof within
27 30 days that the transferee meets the requirements of this

1 subdivision. If a transferee fails to comply with a request by the
2 department of treasury or assessor under this subdivision, that
3 transferee is subject to a fine of \$200.00.

4 (v) Beginning December 31, 2014, for residential real
5 property, a conveyance from a trust if the person to whom the
6 residential real property is conveyed is the settlor's or the
7 settlor's spouse's mother, father, brother, sister, son, daughter,
8 adopted son, adopted daughter, grandson, or granddaughter and the
9 residential real property is not used for any commercial purpose
10 following the conveyance. Upon request by the department of
11 treasury or the assessor, the sole present beneficiary or
12 beneficiaries shall furnish proof within 30 days that the sole
13 present beneficiary or beneficiaries meet the requirements of this
14 subdivision. If a present beneficiary fails to comply with a
15 request by the department of treasury or assessor under this
16 subdivision, that present beneficiary is subject to a fine of
17 \$200.00.

18 (w) Beginning on March 31, 2015, a conveyance of land by
19 distribution under a will or trust or by intestate succession, but
20 not buildings or structures located on the land, which meets 1 or
21 more of the following requirements:

22 (i) The land is made subject to a conservation easement under
23 subpart 11 of part 21 of the natural resources and environmental
24 protection act, 1994 PA 451, MCL 324.2140 to 324.2144, prior to the
25 conveyance by distribution under a will or trust or by intestate
26 succession. As used in this subparagraph, "conservation easement"
27 means that term as defined in section 2140 of the natural resources

1 and environmental protection act, 1994 PA 451, MCL 324.2140.

2 (ii) The land or an interest in the land is made eligible for
3 a deduction as a qualified conservation contribution under section
4 170(h) of the internal revenue code, 26 USC 170, prior to the
5 conveyance by distribution under a will or trust or by intestate
6 succession.

7 (x) A conveyance of property under section 2120a(6) of the
8 natural resources and environmental protection act, 1994 PA 451,
9 MCL 324.2120a.

10 (Y) A TRANSFER OF RESIDENTIAL REAL PROPERTY FROM A GENERAL
11 PARTNERSHIP OR LIMITED PARTNERSHIP WHOSE PARTNERS ARE ALL CLOSELY
12 RELATED FOR THE ENTIRE DURATION OF THE PARTNERSHIP IF, IMMEDIATELY
13 BEFORE THE TRANSFER, THE TRANSFEREE IS 1 OR MORE OF THE CLOSELY
14 RELATED PARTNERS OR IS 1 OR MORE INDIVIDUALS EACH OF WHOM IS
15 CLOSELY RELATED TO AT LEAST 1 OF THE PARTNERS OF THE GENERAL
16 PARTNERSHIP OR LIMITED PARTNERSHIP, AND IF THE RESIDENTIAL REAL
17 PROPERTY IS NOT USED FOR ANY COMMERCIAL PURPOSE AFTER THE TRANSFER.
18 FOR PURPOSES OF THIS SUBDIVISION, AN INDIVIDUAL IS CLOSELY RELATED
19 TO A PARTNER OF A GENERAL PARTNERSHIP OR LIMITED PARTNERSHIP IF
20 THAT INDIVIDUAL AND THE PARTNER ARE SPOUSES OR IF THAT INDIVIDUAL
21 IS THE PARTNER'S OR THE PARTNER'S SPOUSE'S MOTHER, FATHER, BROTHER,
22 SISTER, SON, DAUGHTER, ADOPTED SON, ADOPTED DAUGHTER, GRANDSON, OR
23 GRANDDAUGHTER. UPON REQUEST BY THE DEPARTMENT OF TREASURY OR THE
24 ASSESSOR, A TRANSFEREE SHALL FURNISH PROOF WITHIN 45 DAYS THAT A
25 TRANSFER MEETS THE REQUIREMENTS OF THIS SUBDIVISION. IF A
26 TRANSFEREE FAILS TO COMPLY WITH A REQUEST BY THE DEPARTMENT OF
27 TREASURY OR ASSESSOR UNDER THIS SUBDIVISION, THAT TRANSFEREE IS

1 **SUBJECT TO A FINE OF \$200.00.**

2 (8) If all of the following conditions are satisfied, the
3 local tax collecting unit shall revise the taxable value of
4 qualified agricultural property taxable on the tax roll in the
5 possession of that local tax collecting unit to the taxable value
6 that qualified agricultural property would have had if there had
7 been no transfer of ownership of that qualified agricultural
8 property since December 31, 1999 and there had been no adjustment
9 of that qualified agricultural property's taxable value under
10 subsection (3) since December 31, 1999:

11 (a) The qualified agricultural property was qualified
12 agricultural property for taxes levied in 1999 and each year after
13 1999.

14 (b) The owner of the qualified agricultural property files an
15 affidavit with the assessor of the local tax collecting unit under
16 subsection (7)(o).

17 (9) If the taxable value of qualified agricultural property is
18 adjusted under subsection (8), the owner of that qualified
19 agricultural property is not entitled to a refund for any property
20 taxes collected under this act on that qualified agricultural
21 property before the adjustment under subsection (8).

22 (10) The register of deeds of the county where deeds or other
23 title documents are recorded shall notify the assessing officer of
24 the appropriate local taxing unit not less than once each month of
25 any recorded transaction involving the ownership of property and
26 shall make any recorded deeds or other title documents available to
27 that county's tax or equalization department. Unless notification

1 is provided under subsection (6), the buyer, grantee, or other
2 transferee of the property shall notify the appropriate assessing
3 office in the local unit of government in which the property is
4 located of the transfer of ownership of the property within 45 days
5 of the transfer of ownership, on a form prescribed by the state tax
6 commission that states the parties to the transfer, the date of the
7 transfer, the actual consideration for the transfer, and the
8 property's parcel identification number or legal description. Forms
9 filed in the assessing office of a local unit of government under
10 this subsection shall be made available to the county tax or
11 equalization department for the county in which that local unit of
12 government is located. This subsection does not apply to personal
13 property except buildings described in section 14(6) and personal
14 property described in section 8(h), (i), and (j).

15 (11) As used in this section:

16 (a) "Additions" means that term as defined in section 34d.

17 (b) "Beneficial use" means the right to possession, use, and
18 enjoyment of property, limited only by encumbrances, easements, and
19 restrictions of record.

20 (c) "Commercial purpose" means used in connection with any
21 business or other undertaking intended for profit, but does not
22 include the rental of residential real property for a period of
23 less than 15 days in a calendar year.

24 (d) "Inflation rate" means that term as defined in section
25 34d.

26 (e) "Losses" means that term as defined in section 34d.

27 (f) "Qualified agricultural property" means that term as

1 defined in section 7dd.

2 (g) "Qualified forest property" means that term as defined in
3 section 7jj[1].

4 (h) "Residential real property" means real property classified
5 as residential real property under section 34c.