

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5552**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 27a (MCL 211.27a), as amended by 2013 PA 50.

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 shall continue until levy of taxes to pay principal and interest on
8 the bonds is no longer required. The assessment of property
9 required by this act shall be applicable 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 ~~if~~
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 ~~if~~ 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 RESIDENTIAL
22 REAL PROPERTY IF THE DISTRIBUTEES ARE THE SETTLOR'S OR THE SETTLOR'S
23 SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, SON, DAUGHTER, ADOPTED
24 SON, ADOPTED DAUGHTER, GRANDSON, OR GRANDDAUGHTER AND THE
25 RESIDENTIAL REAL PROPERTY IS NOT USED FOR ANY COMMERCIAL PURPOSE
26 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 ~~a~~—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 ~~if the~~—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 DISTRIBUTEES ARE 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 (7) Transfer of ownership does not include the following:

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

4 (b) A transfer from a husband, a wife, or a husband and wife
5 creating or disjoining a tenancy by the entireties in the grantors
6 or the grantor and his or her spouse.

7 (c) A transfer of that portion of property subject to a life
8 estate or life lease retained by the transferor, until expiration
9 or termination of the life estate or life lease. That portion of
10 property transferred that is not subject to a life lease shall be
11 adjusted under subsection (3).

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

21 (e) A transfer by redemption by the person to whom taxes are
22 assessed of property previously sold for delinquent taxes.

23 (f) A conveyance to a trust if the settlor or the settlor's
24 spouse, or both, conveys the property to the trust and ~~the~~**ANY OF**
25 **THE FOLLOWING CONDITIONS ARE SATISFIED:**

26 (i) **IF THE** sole present beneficiary of the trust is the settlor
27 or the settlor's spouse, or both.

1 (ii) BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL
2 PROPERTY, IF THE SOLE PRESENT BENEFICIARY OF THE TRUST IS THE
3 SETTLOR'S OR THE SETTLOR'S SPOUSE'S MOTHER, FATHER, BROTHER,
4 SISTER, SON, DAUGHTER, ADOPTED SON, ADOPTED DAUGHTER, GRANDSON, OR
5 GRANDDAUGHTER AND THE RESIDENTIAL REAL PROPERTY IS NOT USED FOR ANY
6 COMMERCIAL PURPOSE FOLLOWING THE CONVEYANCE. UPON REQUEST BY THE
7 DEPARTMENT OF TREASURY OR THE ASSESSOR, THE SOLE PRESENT
8 BENEFICIARY OR BENEFICIARIES SHALL FURNISH PROOF WITHIN 30 DAYS
9 THAT THE SOLE PRESENT BENEFICIARY OR BENEFICIARIES MEET THE
10 REQUIREMENTS OF THIS SUBPARAGRAPH. IF A PRESENT BENEFICIARY FAILS
11 TO COMPLY WITH A REQUEST BY THE DEPARTMENT OF TREASURY OR ASSESSOR
12 UNDER THIS SUBPARAGRAPH, THAT PRESENT BENEFICIARY IS SUBJECT TO A
13 FINE OF \$200.00.

14 (g) A transfer pursuant to a judgment or order of a court of
15 record making or ordering a transfer, unless a specific monetary
16 consideration is specified or ordered by the court for the
17 transfer.

18 (h) A transfer creating or terminating a joint tenancy between
19 2 or more persons if at least 1 of the persons was an original
20 owner of the property before the joint tenancy was initially
21 created and, if the property is held as a joint tenancy at the time
22 of conveyance, at least 1 of the persons was a joint tenant when
23 the joint tenancy was initially created and that person has
24 remained a joint tenant since the joint tenancy was initially
25 created. A joint owner at the time of the last transfer of
26 ownership of the property is an original owner of the property. For
27 purposes of this subdivision, a person is an original owner of

1 property owned by that person's spouse.

2 (i) A transfer for security or an assignment or discharge of a
3 security interest.

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

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

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

1 this subdivision is subject to a fine of \$200.00.

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

10 (n) A transfer of qualified agricultural property, if the
11 person to whom the qualified agricultural property is transferred
12 files an affidavit with the assessor of the local tax collecting
13 unit in which the qualified agricultural property is located and
14 with the register of deeds for the county in which the qualified
15 agricultural property is located attesting that the qualified
16 agricultural property shall remain qualified agricultural property.
17 The affidavit under this subdivision shall be in a form prescribed
18 by the department of treasury. An owner of qualified agricultural
19 property shall inform a prospective buyer of that qualified
20 agricultural property that the qualified agricultural property is
21 subject to the recapture tax provided in the agricultural property
22 recapture act, 2000 PA 261, MCL 211.1001 to 211.1007, if the
23 qualified agricultural property is converted by a change in use, as
24 that term is defined in section 2 of the agricultural property
25 recapture act, 2000 PA 261, MCL 211.1002. If property ceases to be
26 qualified agricultural property at any time after being
27 transferred, all of the following shall occur:

1 (i) The taxable value of that property shall be adjusted under
2 subsection (3) as of the December 31 in the year that the property
3 ceases to be qualified agricultural property.

4 (ii) The property is subject to the recapture tax provided for
5 under the agricultural property recapture act, 2000 PA 261, MCL
6 211.1001 to 211.1007.

7 (o) A transfer of qualified forest property, if the person to
8 whom the qualified forest property is transferred files a qualified
9 forest taxable value affidavit with the assessor of the local tax
10 collecting unit in which the qualified forest property is located
11 and with the register of deeds for the county in which the
12 qualified forest property is located attesting that the qualified
13 forest property shall remain qualified forest property. The
14 qualified forest taxable value affidavit under this subdivision
15 shall be in a form prescribed by the department of agriculture and
16 rural development. The qualified forest taxable value affidavit
17 shall include a legal description of the qualified forest property,
18 the name of the new property owner, the year the transfer of the
19 property occurred, a statement indicating that the property owner
20 is attesting that the property for which the exemption is claimed
21 is qualified forest property and will be managed according to the
22 approved forest management plan, and any other information
23 pertinent to the parcel and the property owner. The property owner
24 shall provide a copy of the qualified forest taxable value
25 affidavit to the department. The department shall provide 1 copy of
26 the qualified forest taxable value affidavit to the local tax
27 collecting unit, 1 copy to the conservation district, and 1 copy to

1 the department of treasury. These copies may be sent
2 electronically. The exception to the recognition of a transfer of
3 ownership, as herein stated, shall extend to the land only of the
4 qualified forest property. If qualified forest property is improved
5 by buildings, structures, or land improvements, then those
6 improvements shall be recognized as a transfer of ownership, in
7 accordance with the provisions of section ~~7jj.~~ **7JJ[1]**. An owner of
8 qualified forest property shall inform a prospective buyer of that
9 qualified forest property that the qualified forest property is
10 subject to the recapture tax provided in the qualified forest
11 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,
12 if the qualified forest property is converted by a change in use,
13 as that term is defined in section 2 of the qualified forest
14 property recapture tax act, 2006 PA 379, MCL 211.1032. If property
15 ceases to be qualified forest property at any time after being
16 transferred, all of the following shall occur:

17 (i) The taxable value of that property shall be adjusted under
18 subsection (3) as of the December 31 in the year that the property
19 ceases to be qualified forest property, except to the extent that
20 the transfer of the qualified forest property would not have been
21 considered a transfer of ownership under this subsection.

22 (ii) Except as otherwise provided in subparagraph (iii), the
23 property is subject to the recapture tax provided for under the
24 qualified forest property recapture tax act, 2006 PA 379, MCL
25 211.1031 to 211.1036.

26 (iii) Beginning June 1, 2013 and ending November 30, 2013,
27 owners of property enrolled as qualified forest property prior to

1 January 1, 2013 may execute a new qualified forest taxable value
2 affidavit with the department of agriculture and rural development.
3 If a landowner elects to execute a qualified forest taxable value
4 affidavit, that owner is not required to pay the \$50.00 fee
5 required under section ~~7jj(2)~~. ~~7JJ[1](2)~~. If a landowner elects not
6 to execute a qualified forest taxable value affidavit, the existing
7 affidavit shall be rescinded, without subjecting the property to
8 the recapture tax provided for under the qualified forest property
9 recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036, and the
10 taxable value of that property shall be adjusted under subsection
11 (3).

12 (p) Beginning on December 8, 2006, a transfer of land, but not
13 buildings or structures located on the land, which meets 1 or more
14 of the following requirements:

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

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

25 (q) A transfer of real property or other ownership interests
26 resulting from a consolidation or merger of a domestic nonprofit
27 corporation that is a boy or girl scout or camp fire girls

House Bill No. 5552 as amended October 2, 2014

1 organization, a 4-H club or foundation, a young men's Christian
 2 association, or a young women's Christian association and at least
 3 50% of the members of that organization or association are
 4 residents of this state.

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

7 (s) Beginning December 31, 2013 **THROUGH DECEMBER 30, 2014**, a
 8 transfer of residential real property if the transferee is related
 9 to the transferor by blood or affinity to the first degree and the
 10 use of the residential real property does not change following the
 11 transfer. ~~As used in this subdivision, "residential real property"~~
 12 ~~means real property classified as residential real property under~~
 13 ~~section 34c.~~

14 (T) **BEGINNING DECEMBER 31, 2014, A TRANSFER OF RESIDENTIAL**
 15 **REAL PROPERTY IF THE TRANSFEREE IS THE TRANSFEROR'S OR THE**
 16 **TRANSFEROR'S SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, SON,**
 17 **DAUGHTER, ADOPTED SON, ADOPTED DAUGHTER, GRANDSON, OR GRANDDAUGHTER**
 18 **AND THE RESIDENTIAL REAL PROPERTY IS NOT USED FOR ANY COMMERCIAL**
 19 **PURPOSE FOLLOWING THE CONVEYANCE. UPON REQUEST BY THE DEPARTMENT OF**
 20 **TREASURY OR THE ASSESSOR, THE <<TRANSFEREE**

21 **>> SHALL FURNISH PROOF WITHIN 30 DAYS THAT THE <<TRANSFEREE**
 22 **MEETS >> THE REQUIREMENTS OF THIS**
 23 **SUBPARAGRAPH. IF A <<TRANSFEREE >> FAILS TO COMPLY WITH A**
 24 **REQUEST BY THE DEPARTMENT OF TREASURY OR ASSESSOR UNDER THIS**
 25 **SUBPARAGRAPH, THAT <<TRANSFEREE >> IS SUBJECT TO A FINE OF**
 26 **\$200.00.**

27 (U) **BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL**

1 PROPERTY, A CONVEYANCE FROM A TRUST IF THE PERSON TO WHOM THE
2 RESIDENTIAL REAL PROPERTY IS CONVEYED IS THE SETTLOR'S OR THE
3 SETTLOR'S SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, SON, DAUGHTER,
4 ADOPTED SON, ADOPTED DAUGHTER, GRANDSON, OR GRANDDAUGHTER AND THE
5 RESIDENTIAL REAL PROPERTY IS NOT USED FOR ANY COMMERCIAL PURPOSE
6 FOLLOWING THE CONVEYANCE. UPON REQUEST BY THE DEPARTMENT OF
7 TREASURY OR THE ASSESSOR, THE SOLE PRESENT BENEFICIARY OR
8 BENEFICIARIES SHALL FURNISH PROOF WITHIN 30 DAYS THAT THE SOLE
9 PRESENT BENEFICIARY OR BENEFICIARIES MEET THE REQUIREMENTS OF THIS
10 SUBPARAGRAPH. IF A PRESENT BENEFICIARY FAILS TO COMPLY WITH A
11 REQUEST BY THE DEPARTMENT OF TREASURY OR ASSESSOR UNDER THIS
12 SUBPARAGRAPH, THAT PRESENT BENEFICIARY IS SUBJECT TO A FINE OF
13 \$200.00.

14 (8) If all of the following conditions are satisfied, the
15 local tax collecting unit shall revise the taxable value of
16 qualified agricultural property taxable on the tax roll in the
17 possession of that local tax collecting unit to the taxable value
18 that qualified agricultural property would have had if there had
19 been no transfer of ownership of that qualified agricultural
20 property since December 31, 1999 and there had been no adjustment
21 of that qualified agricultural property's taxable value under
22 subsection (3) since December 31, 1999:

23 (a) The qualified agricultural property was qualified
24 agricultural property for taxes levied in 1999 and each year after
25 1999.

26 (b) The owner of the qualified agricultural property files an
27 affidavit with the assessor of the local tax collecting unit under

1 subsection (7) (n).

2 (9) If the taxable value of qualified agricultural property is
3 adjusted under subsection (8), the owner of that qualified
4 agricultural property shall not be entitled to a refund for any
5 property taxes collected under this act on that qualified
6 agricultural property before the adjustment under subsection (8).

7 (10) The register of deeds of the county where deeds or other
8 title documents are recorded shall notify the assessing officer of
9 the appropriate local taxing unit not less than once each month of
10 any recorded transaction involving the ownership of property and
11 shall make any recorded deeds or other title documents available to
12 that county's tax or equalization department. Unless notification
13 is provided under subsection (6), the buyer, grantee, or other
14 transferee of the property shall notify the appropriate assessing
15 office in the local unit of government in which the property is
16 located of the transfer of ownership of the property within 45 days
17 of the transfer of ownership, on a form prescribed by the state tax
18 commission that states the parties to the transfer, the date of the
19 transfer, the actual consideration for the transfer, and the
20 property's parcel identification number or legal description. Forms
21 filed in the assessing office of a local unit of government under
22 this subsection shall be made available to the county tax or
23 equalization department for the county in which that local unit of
24 government is located. This subsection does not apply to personal
25 property except buildings described in section 14(6) and personal
26 property described in section 8(h), (i), and (j).

27 (11) As used in this section:

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

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

5 (c) "Inflation rate" means that term as defined in section
6 34d.

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

8 (e) "Qualified agricultural property" means that term as
9 defined in section 7dd.

10 (f) "Qualified forest property" means that term as defined in
11 section 7jj[1].

12 (G) **"RESIDENTIAL REAL PROPERTY" MEANS REAL PROPERTY CLASSIFIED**
13 **AS RESIDENTIAL REAL PROPERTY UNDER SECTION 34C.**