

HOUSE BILL No. 5552

May 8, 2014, Introduced by Reps. Pettalia, Franz, MacMaster, Genetski, O'Brien, Somerville, Victory, Glardon, Bumstead, McMillin, Howrylak, Farrington, Callton, VerHeulen, Muxlow, Outman, Goike, Yonker, Johnson, Kesto, Forlini, McBroom, Faris, McCready, Pscholka, Lund, Leonard, MacGregor, Lori, Poleski, Zorn, Kurtz, Rogers, Pagel, Denby, Jacobsen, Schmidt, Kowall, Rendon, Shirkey, Jenkins, Lyons, Walsh, Hooker, Heise, Potvin, Olumba, Haugh, Robinson, Santana, Hovey-Wright, Slavens, Kosowski, Irwin, Knezek, Darany, Lane, Durhal, Talabi, Smiley, Brunner, Phelps, Kivela, Yanez, Cavanagh, Singh, Brinks, Dianda, LaVoy, Segal, Brown, Lamonte, Daley, Price, Kelly, Haines, LaFontaine, Foster, Cotter and Graves and referred to the Committee on Tax Policy.

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

1 property's taxable value in the immediately preceding year is the
2 property's state equalized valuation in 1994.

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

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

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

26 (5) Assessment of property, as required in this section and
27 section 27, is inapplicable to the assessment of property subject

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

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

17 (a) A conveyance by deed.

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

25 (c) A conveyance to a trust after December 31, 1994, except ~~if~~

26 **UNDER THE FOLLOWING CONDITIONS:**

27 (i) **IF** the settlor or the settlor's spouse, or both, conveys

1 the property to the trust and the sole present beneficiary or
 2 beneficiaries are the settlor or the settlor's spouse, or both.

3 (ii) BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL
 4 PROPERTY, IF THE SETTLOR OR THE SETTLOR'S SPOUSE, OR BOTH, CONVEYS
 5 THE RESIDENTIAL REAL PROPERTY TO THE TRUST AND THE SOLE PRESENT
 6 BENEFICIARY OR BENEFICIARIES ARE THE SETTLOR'S OR THE SETTLOR'S
 7 SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, CHILD, STEPPARENT,
 8 STEPCHILD, STEPBROTHER, STEPSISTER, GRANDPARENT, STEP-GRANDPARENT,
 9 GRANDCHILD, STEP-GRANDCHILD, SON-IN-LAW, DAUGHTER-IN-LAW, OR LEGAL
 10 WARD AND THE USE OF THE RESIDENTIAL REAL PROPERTY DOES NOT CHANGE
 11 FOLLOWING THE CONVEYANCE.

12 (d) A conveyance by distribution from a trust, except ~~if~~ UNDER
 13 ANY OF THE FOLLOWING CONDITIONS:

14 (i) IF the distributee is the sole present beneficiary or the
 15 spouse of the sole present beneficiary, or both.

16 (ii) BEGINNING DECEMBER 31, 2014, A DISTRIBUTION OF RESIDENTIAL
 17 REAL PROPERTY IF THE DISTRIBUTEES ARE THE SETTLOR'S OR THE SETTLOR'S
 18 SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, CHILD, STEPPARENT,
 19 STEPCHILD, STEPBROTHER, STEPSISTER, GRANDPARENT, STEP-GRANDPARENT,
 20 GRANDCHILD, STEP-GRANDCHILD, SON-IN-LAW, DAUGHTER-IN-LAW, OR LEGAL
 21 WARD AND THE USE OF THE RESIDENTIAL REAL PROPERTY DOES NOT CHANGE
 22 FOLLOWING THE DISTRIBUTION.

23 (e) A change in the sole present beneficiary or beneficiaries
 24 of a trust, except ~~a~~ UNDER ANY OF THE FOLLOWING CONDITIONS:

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

27 (ii) BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL

1 PROPERTY, A CHANGE THAT ADDS OR SUBSTITUTES THE SETTLOR'S OR THE
2 SETTLOR'S SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, CHILD,
3 STEPPARENT, STEPCHILD, STEPBROTHER, STEPSISTER, GRANDPARENT, STEP-
4 GRANDPARENT, GRANDCHILD, STEP-GRANDCHILD, SON-IN-LAW, DAUGHTER-IN-
5 LAW, OR LEGAL WARD IF THE USE OF THE RESIDENTIAL REAL PROPERTY DOES
6 NOT CHANGE FOLLOWING THE CONVEYANCE.

7 (f) A conveyance by distribution under a will or by intestate
8 succession, except ~~if the~~ UNDER ANY OF THE FOLLOWING CONDITIONS:

9 (i) IF THE distributee is the decedent's spouse.

10 (ii) BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL
11 PROPERTY, IF THE DISTRIBUTEES IS THE DECEDENT'S OR THE DECEDENT'S
12 SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, CHILD, STEPPARENT,
13 STEPCHILD, STEPBROTHER, STEPSISTER, GRANDPARENT, STEP-GRANDPARENT,
14 GRANDCHILD, STEP-GRANDCHILD, SON-IN-LAW, DAUGHTER-IN-LAW, OR LEGAL
15 WARD AND THE USE OF THE RESIDENTIAL REAL PROPERTY DOES NOT CHANGE
16 FOLLOWING THE DISTRIBUTION.

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

1 apply to personal property except buildings described in section
2 14(6) and personal property described in section 8(h), (i), and
3 (j). This subdivision does not apply to that portion of the
4 property not subject to the leasehold interest conveyed.

5 (h) Except as otherwise provided in this subdivision, a
6 conveyance of an ownership interest in a corporation, partnership,
7 sole proprietorship, limited liability company, limited liability
8 partnership, or other legal entity if the ownership interest
9 conveyed is more than 50% of the corporation, partnership, sole
10 proprietorship, limited liability company, limited liability
11 partnership, or other legal entity. Unless notification is provided
12 under subsection (10), the corporation, partnership, sole
13 proprietorship, limited liability company, limited liability
14 partnership, or other legal entity shall notify the assessing
15 officer on a form provided by the state tax commission not more
16 than 45 days after a conveyance of an ownership interest that
17 constitutes a transfer of ownership under this subdivision. Both of
18 the following apply to a corporation subject to 1897 PA 230, MCL
19 455.1 to 455.24:

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

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

26 (i) A transfer of property held as a tenancy in common, except
27 that portion of the property not subject to the ownership interest

1 conveyed.

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

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

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

8 (b) A transfer from a husband, a wife, or a husband and wife
9 creating or disjoining a tenancy by the entirety in the grantors
10 or the grantor and his or her spouse.

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

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

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

27 (f) A conveyance to a trust if the settlor or the settlor's

1 spouse, or both, conveys the property to the trust and ~~the~~ **ANY OF**
2 **THE FOLLOWING CONDITIONS ARE SATISFIED:**

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

5 (ii) **BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL**
6 **PROPERTY, IF THE SOLE PRESENT BENEFICIARY OF THE TRUST IS THE**
7 **SETTLOR'S OR THE SETTLOR'S SPOUSE'S MOTHER, FATHER, BROTHER,**
8 **SISTER, CHILD, STEPPARENT, STEPCHILD, STEPBROTHER, STEPSISTER,**
9 **GRANDPARENT, STEP-GRANDPARENT, GRANDCHILD, STEP-GRANDCHILD, SON-IN-**
10 **LAW, DAUGHTER-IN-LAW, OR LEGAL WARD AND THE USE OF THE RESIDENTIAL**
11 **REAL PROPERTY DOES NOT CHANGE FOLLOWING THE CONVEYANCE.**

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

16 (h) A transfer creating or terminating a joint tenancy between
17 2 or more persons if at least 1 of the persons was an original
18 owner of the property before the joint tenancy was initially
19 created and, if the property is held as a joint tenancy at the time
20 of conveyance, at least 1 of the persons was a joint tenant when
21 the joint tenancy was initially created and that person has
22 remained a joint tenant since the joint tenancy was initially
23 created. A joint owner at the time of the last transfer of
24 ownership of the property is an original owner of the property. For
25 purposes of this subdivision, a person is an original owner of
26 property owned by that person's spouse.

27 (i) A transfer for security or an assignment or discharge of a

1 security interest.

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

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

16 (l) A transfer of real property or other ownership interests
17 among corporations, partnerships, limited liability companies,
18 limited liability partnerships, or other legal entities if the
19 entities involved are commonly controlled. Upon request by the
20 state tax commission, a corporation, partnership, limited liability
21 company, limited liability partnership, or other legal entity shall
22 furnish proof within 45 days that a transfer meets the requirements
23 of this subdivision. A corporation, partnership, limited liability
24 company, limited liability partnership, or other legal entity that
25 fails to comply with a request by the state tax commission under
26 this subdivision is subject to a fine of \$200.00.

27 (m) A direct or indirect transfer of real property or other

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

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

26 (i) The taxable value of that property shall be adjusted under
27 subsection (3) as of the December 31 in the year that the property

1 ceases to be qualified agricultural property.

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

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

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

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

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

24 (iii) Beginning June 1, 2013 and ending November 30, 2013,
25 owners of property enrolled as qualified forest property prior to
26 January 1, 2013 may execute a new qualified forest taxable value
27 affidavit with the department of agriculture and rural development.

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

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

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

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

23 (q) A transfer of real property or other ownership interests
24 resulting from a consolidation or merger of a domestic nonprofit
25 corporation that is a boy or girl scout or camp fire girls
26 organization, a 4-H club or foundation, a young men's Christian
27 association, or a young women's Christian association and at least

1 50% of the members of that organization or association are
 2 residents of this state.

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

5 (s) Beginning December 31, 2013, a transfer of residential
 6 real property if the transferee is ~~related to the transferor by~~
 7 ~~blood or affinity to the first degree~~ **THE TRANSFEROR'S OR THE**
 8 **TRANSFEROR'S SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, CHILD,**
 9 **STEPPARENT, STEPCHILD, STEPBROTHER, STEPSISTER, GRANDPARENT, STEP-**
 10 **GRANDPARENT, GRANDCHILD, STEP-GRANDCHILD, SON-IN-LAW, DAUGHTER-IN-**
 11 **LAW, OR LEGAL WARD** and the use of the residential real property
 12 does not change following the transfer. ~~As used in this~~
 13 ~~subdivision, "residential real property" means real property~~
 14 ~~classified as residential real property under section 34c.~~

15 **(T) BEGINNING DECEMBER 31, 2014, FOR RESIDENTIAL REAL**
 16 **PROPERTY, A CONVEYANCE FROM A TRUST IF THE PERSON TO WHOM THE**
 17 **RESIDENTIAL REAL PROPERTY IS CONVEYED IS THE SETTLOR'S OR THE**
 18 **SETTLOR'S SPOUSE'S MOTHER, FATHER, BROTHER, SISTER, CHILD,**
 19 **STEPPARENT, STEPCHILD, STEPBROTHER, STEPSISTER, GRANDPARENT, STEP-**
 20 **GRANDPARENT, GRANDCHILD, STEP-GRANDCHILD, SON-IN-LAW, DAUGHTER-IN-**
 21 **LAW, OR LEGAL WARD AND THE USE OF THE RESIDENTIAL REAL PROPERTY**
 22 **DOES NOT CHANGE FOLLOWING THE CONVEYANCE.**

23 (8) If all of the following conditions are satisfied, the
 24 local tax collecting unit shall revise the taxable value of
 25 qualified agricultural property taxable on the tax roll in the
 26 possession of that local tax collecting unit to the taxable value
 27 that qualified agricultural property would have had if there had

1 been no transfer of ownership of that qualified agricultural
2 property since December 31, 1999 and there had been no adjustment
3 of that qualified agricultural property's taxable value under
4 subsection (3) since December 31, 1999:

5 (a) The qualified agricultural property was qualified
6 agricultural property for taxes levied in 1999 and each year after
7 1999.

8 (b) The owner of the qualified agricultural property files an
9 affidavit with the assessor of the local tax collecting unit under
10 subsection (7)(n).

11 (9) If the taxable value of qualified agricultural property is
12 adjusted under subsection (8), the owner of that qualified
13 agricultural property shall not be entitled to a refund for any
14 property taxes collected under this act on that qualified
15 agricultural property before the adjustment under subsection (8).

16 (10) The register of deeds of the county where deeds or other
17 title documents are recorded shall notify the assessing officer of
18 the appropriate local taxing unit not less than once each month of
19 any recorded transaction involving the ownership of property and
20 shall make any recorded deeds or other title documents available to
21 that county's tax or equalization department. Unless notification
22 is provided under subsection (6), the buyer, grantee, or other
23 transferee of the property shall notify the appropriate assessing
24 office in the local unit of government in which the property is
25 located of the transfer of ownership of the property within 45 days
26 of the transfer of ownership, on a form prescribed by the state tax
27 commission that states the parties to the transfer, the date of the

1 transfer, the actual consideration for the transfer, and the
2 property's parcel identification number or legal description. Forms
3 filed in the assessing office of a local unit of government under
4 this subsection shall be made available to the county tax or
5 equalization department for the county in which that local unit of
6 government is located. This subsection does not apply to personal
7 property except buildings described in section 14(6) and personal
8 property described in section 8(h), (i), and (j).

9 (11) As used in this section:

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

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

14 (c) "Inflation rate" means that term as defined in section
15 34d.

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

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

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

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