

HOUSE BILL No. 4611

May 11, 1987, Introduced by Reps. Jondahl, Scott, Perry Bullard, Brown, Murphy, Kosteva and Berman and referred to the Committee on Taxation.

A bill to amend section 13 of Act No. 282 of the Public Acts of 1905, entitled as amended

"An act to provide for the assessment of the property, by whomsoever owned, operated or conducted, of railroad companies, union station and depot companies, telegraph companies, telephone companies, sleeping car companies, express companies, car loaning companies, stock car companies, refrigerator car companies, and fast freight companies, and all other companies owning, leasing, running or operating any freight, stock, refrigerator, or any other cars, not being exclusively the property of any railroad company paying taxes upon its rolling stock under the provisions of this act, over or upon the line or lines of any railroad or railroads in this state, and for the levy of taxes thereon by a state board of assessors, and for the collection of such taxes, and to repeal all acts or parts of acts contravening any of the provisions of this act,"

as amended by Act No. 322 of the Public Acts of 1980, being section 207.13 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13 of Act No. 282 of the Public Acts of
2 1905, as amended by Act No. 322 of the Public Acts of 1980, being

1 section 207.13 of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 13. ~~(1)~~ The state board of assessors, from the
4 information contained in the reports provided for in section 12,
5 shall ascertain and determine the average rate of taxation for
6 the year in which the reports are required to be made, levied
7 upon other property upon which ad valorem taxes are assessed for
8 state, county, township, school, and municipal purposes, and
9 enter the determination upon its records, together with the
10 method by which the average rate was ascertained and determined.
11 In ascertaining and determining the average rate of taxation, the
12 board shall divide the state equalized value as set by the state
13 board of equalization for the previous year into the total ad
14 valorem taxes as reported by each county clerk as provided for
15 under section 12.

16 ~~(2) A railroad company shall be allowed a credit against~~
17 ~~the tax imposed by this act for the taxable year in an amount~~
18 ~~equal to 25% of the amount expended for the maintenance or~~
19 ~~improvement of rights of way, including those items, except~~
20 ~~depreciation, in the official maintenance of way and capital~~
21 ~~track accounts of the railroad company, in this state during the~~
22 ~~calendar year preceding the tax year but not to exceed the total~~
23 ~~liability for the tax under this act. The manner of applying for~~
24 ~~the credit and the proof of expenditures required shall be pre-~~
25 ~~scribed by the state board of assessors.~~

26 ~~(3) A railroad company which claims a credit under this~~
27 ~~section shall be required to file an annual report with the state~~

~~1 board of assessors which shall include detailed data of right of
2 way work conducted in the state during the past calendar year.
3 The state board of assessors shall transmit a copy of the report
4 to the chairperson of the senate finance committee and the house
5 taxation committee. This report which shall be submitted to the
6 state board of assessors, shall include the number of notices of
7 violation from railway inspectors by railroad section, and shall
8 include a detailed account of the location of the work and the
9 nature of the work. The location of the work shall be defined by
10 the railroad section or mile posts surrounding the work area plus
11 the county or the city or township in which the work was
12 performed. This report shall include a separation of costs by
13 labor and materials on each project. The report also shall
14 include an itemized account of what work was done. This account
15 shall be itemized by the following categories:~~

~~16 (a) Miles of track laid.~~

~~17 (b) Tons of new ballast installed.~~

~~18 (c) Number of ties installed.~~

~~19 (d) Miles of tracks surfaced.~~

~~20 (e) Signals installed.~~

~~21 (f) Under drainage work done.~~

~~22 (4) The railroad companies, in order to qualify for the full
23 25% credit under this act, must demonstrate to the state board of
24 assessors that the highest priority of expenditures for the main-
25 tenance or improvement of rights of way has been given to rail
26 lines which handle hazardous materials, especially those that are
27 located in urban or residential areas.~~

1 ~~A railroad company which claims a credit under this section~~
2 ~~shall be required to file an annual report with the state board~~
3 ~~of assessors which shall include detailed data on the tonnages of~~
4 ~~hazardous materials handled in relation to tonnages of other~~
5 ~~traffic handled over the rail line for which a tax credit is~~
6 ~~being applied.~~

7 ~~(5) A railroad company utilizing the property tax credit~~
8 ~~provisions of this act shall grant to another railroad company~~
9 ~~upon application by the latter, trackage rights over its line for~~
10 ~~trains, providing said train operations do not interfere with the~~
11 ~~movement of Michigan freight using same trackage and providing~~
12 ~~operations can be accomplished safely in the opinion of the~~
13 ~~grantor and which trackage arrangements and train operations have~~
14 ~~been approved by the interstate commerce commission and grantee~~
15 ~~shall pay grantor those reasonable charges agreed to between the~~
16 ~~2 parties, providing said charges and terms of the agreement~~
17 ~~between said 2 parties are not in violation of the anti-trust~~
18 ~~provisions of federal laws as amended by the staggers rail act of~~
19 ~~1980 of the 96th United States Congress.~~

20 Section 2. The elimination of the credit provided for by
21 this amendatory act shall be effective for taxes that become a
22 lien on property after December 31, 1986.

23 Section 3. This amendatory act shall not take effect unless
24 Senate Bill No. _____ or House Bill No. ⁴⁶¹³ _____ (request
25 no. 02348'87) of the 84th Legislature is enacted into law.