



HOUSE BILL No. 5409

March 10 1994 Introduced by Reps Gustafson Rhead Hill and Gnodtke and referred to the Committee on Taxation

A bill to amend section 2 of Act No 331 of the Public Acts of 1993 entitled

State education tax act

being section 211 902 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 2 of Act No 331 of the Public Acts of
2 1993 being section 211 902 of the Michigan Compiled Laws is
3 amended to read as follows

4 Sec 2 As used in this act

5 (A) AGRICULTURAL USE MEANS LAND USED IN FARMING IN ANY OF
6 ITS BRANCHES INCLUDING CULTIVATION OF THE SOIL GROWING AND HAR-
7 VESTING OF AN AGRICULTURAL HORTICULTURAL, OR FLORICULTURAL COM-
8 MODITY DAIRYING RAISING OF LIVESTOCK, BEES, FUR-BEARING
9 ANIMALS OR POULTRY TURF AND TREE FARMING RAISING AND
10 HARVESTING OF FISH AND ANY PRACTICES PERFORMED BY A FARMER OR ON

1 A FARM INCIDENT TO OR IN CONJUNCTION WITH, FARMING OPERATIONS
2 BUT EXCLUDING RETAIL SALES OPERATIONS

3 (B) ~~(a)~~ Authority means the education finance authority
4 created in section 3

5 (C) ~~(b)~~ Board means the education finance authority
6 board created in section 4

7 (D) ~~(c)~~ General property tax act means the general prop-
8 erty tax act Act No 206 of the Public Acts of 1893, being sec-
9 tions 211 1 to 211 157 of the Michigan Compiled Laws

10 (E) ~~(d)~~ Homestead means a dwelling or unit in a
11 multiple-unit dwelling subject to ad valorem property taxes that
12 is owned and occupied as a principal residence by the owner of
13 the dwelling or unit ~~Homestead includes all unoccupied prop-~~
14 ~~erty classified as agricultural adjacent and contiguous to the~~
15 ~~home of the owner that is not leased or rented by the owner to~~
16 ~~another person if the gross receipts of the agricultural or~~
17 ~~horticultural operations if any, exceed the household income of~~
18 ~~the owner If the gross receipts of the agricultural or horti-~~
19 ~~cultural operations do not exceed the household income of the~~
20 ~~owner the homestead includes only 5 acres adjacent and contigu-~~
21 ~~ous to the home of the owner~~ HOMESTEAD ALSO INCLUDES A FARM OF
22 40 OR MORE ACRES IN 1 OWNERSHIP THAT HAS BEEN DEVOTED PRIMARILY
23 TO AN AGRICULTURAL USE IN NOT LESS THAN 3 OF THE IMMEDIATELY PRE-
24 CEDING 5 YEARS A FARM OF MORE THAN 5 ACRES BUT LESS THAN 40
25 ACRES IN 1 OWNERSHIP DEVOTED PRIMARILY TO AN AGRICULTURAL USE
26 THAT HAS PRODUCED A GROSS ANNUAL INCOME FROM AGRICULTURE OF
27 \$200 00 PER YEAR OR MORE PER ACRE OF CLEARED AND TILLABLE LAND IN

1 NOT LESS THAN 3 OF THE IMMEDIATELY PRECEDING 5 YEARS A FARM OF
2 MORE THAN 5 ACRES BUT LESS THAN 40 ACRES IN 1 OWNERSHIP DEVOTED
3 PRIMARILY TO HORTICULTURAL OR VITICULTURAL USE IN NOT LESS THAN 3
4 OF THE IMMEDIATELY PRECEDING 5 YEARS A FARM DESIGNATED BY THE
5 DEPARTMENT OF AGRICULTURE AS A SPECIALTY FARM IN 1 OWNERSHIP THAT
6 HAS PRODUCED A GROSS ANNUAL INCOME FROM AN AGRICULTURAL USE OF
7 \$2 000 00 OR MORE IN NOT LESS THAN 3 OF THE IMMEDIATELY PRECEDING
8 5 YEARS OR PARCELS OF LAND IN 1 OWNERSHIP THAT ARE NOT CONTIGU-
9 OUS BUT THAT CONSTITUTE AN INTEGRAL PART OF A FARMING OPERATION
10 BEING CONDUCTED ON LAND OTHERWISE QUALIFYING AS FARMLAND

11 Homestead includes a life care facility registered under the
12 living care disclosure act Act No 440 of the Public Acts of
13 1976 being sections 554 801 to 554 844 of the Michigan Compiled
14 Laws Homestead also includes property owned by a cooperative
15 housing corporation and occupied as a principal residence by
16 tenant stockholders For purposes of this subsection owner
17 includes but is not limited to a land contract grantee

18 (F) OWNER MEANS A PERSON HAVING A FREEHOLD ESTATE IN LAND
19 COUPLED WITH POSSESSION AND ENJOYMENT

20 (G) PERSON INCLUDES AN INDIVIDUAL CORPORATION BUSINESS
21 TRUST ESTATE TRUST PARTNERSHIP LIMITED LIABILITY COMPANY OR
22 ASSOCIATION OR 2 OR MORE PERSONS HAVING A JOINT OR COMMON INTER-
23 EST IN THE LAND

24 (H) ~~(e)~~ Sales tax act means the general sales tax act
25 Act No 167 of the Public Acts of 1933 being sections 205 51 to
26 205 78 of the Michigan Compiled Laws

1 (I) ~~(f)~~ Tax means the state education tax authorized
2 under section 3 or 4