

# HOUSE BILL No. 5452

November 1, 2001, Introduced by Reps. Bob Brown, Drolet, Wojno, Richardville and Vear and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 2 (MCL 211.2), as amended by 2000 PA 415.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. (1) For the purpose of taxation, real property  
2 includes all of the following:

3       (a) All land within this state, all buildings and fixtures  
4 on the land, and all appurtenances to the land, except as  
5 expressly exempted by law.

6       (b) All real property owned by this state or purchased or  
7 condemned for public highway purposes by any board, officer, com-  
8 mission, or department of this state and sold on land contract,  
9 notwithstanding the fact that the deed has not been executed  
10 transferring title.

1 (c) For taxes levied after December 31, 2002, buildings and  
2 improvements located upon leased real property, except buildings  
3 and improvements exempt under section 9f, if the value of the  
4 buildings or improvements is not otherwise included in the  
5 assessment of the real property. However, buildings and improve-  
6 ments located on leased real property shall not be treated as  
7 real property unless they would be treated as real property if  
8 they were located on real property owned by the taxpayer.

9 (2) The taxable status of persons and real and personal  
10 property for a tax year shall be determined as of each December  
11 31 of the immediately preceding year, which is considered the tax  
12 day, any provisions in the charter of any city or village to the  
13 contrary notwithstanding. An assessing officer is not restricted  
14 to any particular period in the preparation of the assessment  
15 roll but may survey, examine, or review property at any time  
16 before or after the tax day.

17 (3) Notwithstanding a provision to the contrary in any law,  
18 if real property is acquired for public purposes by purchase or  
19 condemnation, all general property taxes, but not penalties,  
20 levied during the 12 months immediately preceding, but not  
21 including, the day title passes to the public agency shall be  
22 prorated in accordance with this subsection. The seller or con-  
23 demnee is responsible for the portion of taxes from the levy date  
24 or dates to, but not including, the day title passes and the  
25 public agency is responsible for the remainder of the taxes. If  
26 the date that title will pass cannot be ascertained definitely  
27 and an agreement in advance to prorate taxes is desirable, an

1 estimated date for the passage of title may be agreed to. In the  
2 absence of an agreement, the public agency shall compute the pro-  
3 ration of taxes as of the date title passes. The question of  
4 proration of taxes shall not be considered in any condemnation  
5 proceeding. As used in this subsection, "levy date" means the  
6 day on which general property taxes become due and payable. In  
7 addition to the portion of taxes for which the public agency is  
8 responsible under the provisions of this subsection, the public  
9 agency is also responsible for all general property taxes levied  
10 on or after the date title passes and before the property is  
11 removed from the tax rolls.

12 (4) In a real estate transaction between private parties  
13 ~~in~~ FOR PURPOSES OF PRORATING TAXES ONLY, TAXES LEVIED BY THIS  
14 STATE OR BY A CITY, COUNTY, VILLAGE, TOWNSHIP, OR OTHER TAXING  
15 UNIT ARE CONSIDERED TO BE FOR GOVERNMENTAL SERVICES RENDERED IN  
16 THE CALENDAR YEAR IN WHICH THE TAXES BECOME DUE AND PAYABLE,  
17 REGARDLESS OF WHEN THE TAXES ARE COLLECTED UNDER THIS ACT. IN  
18 the absence of an agreement to the contrary, the seller is  
19 responsible for that portion of the ~~annual~~ taxes ~~levied~~ THAT  
20 HAVE OR WILL BECOME DUE AND PAYABLE during the ~~12 months immedi-~~  
21 ~~ately preceding~~ CALENDAR YEAR, UP TO but not including, the day  
22 title passes, ~~from the levy date or dates to, but not including,~~  
23 ~~the day title passes and the~~ CALCULATED BY MULTIPLYING THE TAXES  
24 THAT HAVE OR WILL BECOME DUE AND PAYABLE DURING THE CALENDAR YEAR  
25 BY A FRACTION THE NUMERATOR OF WHICH IS THE NUMBER OF DAYS THE  
26 SELLER OWNED THE REAL ESTATE, UP TO BUT NOT INCLUDING THE DAY  
27 TITLE PASSES, AND THE DENOMINATOR OF WHICH IS 365. THE buyer is

1 responsible for the remainder of the ~~annual~~ taxes THAT HAVE OR  
2 WILL BECOME DUE AND PAYABLE DURING THE CALENDAR YEAR. ~~As used~~  
3 ~~in this subsection, "levy date" means the day on which a general~~  
4 ~~property tax becomes due and payable.~~