

# HOUSE BILL NO. 4306

March 21, 2023, Introduced by Reps. Outman, Zorn, Slagh, DeSana, Johnsen, Rigas, Meerman and Posthumus 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 2016 PA 375.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 27a. (1) Except as otherwise provided in this section,  
2 property ~~shall~~**must** 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~~**One of the following, as applicable:**

1           **(i) Before the effective date of the amendatory act that added**  
 2 **subparagraph (ii), the** property's taxable value in the immediately  
 3 preceding year minus any losses, multiplied by the lesser of 1.05  
 4 or the inflation rate, plus all additions. For taxes levied in  
 5 1995, the property's taxable value in the immediately preceding  
 6 year is the property's state equalized valuation in 1994.

7           **(ii) On and after the effective date of the amendatory act that**  
 8 **added this subparagraph, the property's taxable value in the**  
 9 **immediately preceding year minus any losses, multiplied by the**  
 10 **lesser of 1.05, the inflation rate, or the rolling average**  
 11 **inflation rate, plus all additions.**

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

13           (3) Upon a transfer of ownership of property after 1994, the  
 14 property's taxable value for the calendar year following the year  
 15 of the transfer is the property's state equalized valuation for the  
 16 calendar year following the transfer.

17           (4) If the taxable value of property is adjusted under  
 18 subsection (3), a subsequent increase in the property's taxable  
 19 value is subject to the limitation set forth in subsection (2)  
 20 until a subsequent transfer of ownership occurs. If the taxable  
 21 value of property is adjusted under subsection (3) and the assessor  
 22 determines that there had not been a transfer of ownership, the  
 23 taxable value of the property ~~shall~~**must** be adjusted at the July or  
 24 December board of review. Notwithstanding the limitation provided  
 25 in section 53b(1) on the number of years for which a correction may  
 26 be made, the July or December board of review may adjust the  
 27 taxable value of property under this subsection for the current  
 28 year and for the 3 immediately preceding calendar years. A  
 29 corrected tax bill ~~shall~~**must** be issued for each tax year for which

1 the taxable value is adjusted by the local tax collecting unit if  
 2 the local tax collecting unit has possession of the tax roll or by  
 3 the county treasurer if the county has possession of the tax roll.  
 4 For purposes of section 53b, an adjustment under this subsection  
 5 ~~shall~~**must** be considered the correction of a clerical error.

6 (5) Assessment of property, as required in this section and  
 7 section 27, is inapplicable to the assessment of property subject  
 8 to the levy of ad valorem taxes within voted tax limitation  
 9 increases to pay principal and interest on limited tax bonds issued  
 10 by any governmental unit, including a county, township, community  
 11 college district, or school district, before January 1, 1964, if  
 12 the assessment required to be made under this act would be less  
 13 than the assessment as state equalized prevailing on the property  
 14 at the time of the issuance of the bonds. This inapplicability  
 15 continues until levy of taxes to pay principal and interest on the  
 16 bonds is no longer required. The assessment of property required by  
 17 this act applies for all other purposes.

18 (6) As used in this act, "transfer of ownership" means the  
 19 conveyance of title to or a present interest in property, including  
 20 the beneficial use of the property, the value of which is  
 21 substantially equal to the value of the fee interest. Transfer of  
 22 ownership of property includes, but is not limited to, the  
 23 following:

24 (a) A conveyance by deed.

25 (b) A conveyance by land contract. The taxable value of  
 26 property conveyed by a land contract executed after December 31,  
 27 1994 ~~shall~~**must** be adjusted under subsection (3) for the calendar  
 28 year following the year in which the contract is entered into and  
 29 ~~shall~~**must** not be subsequently adjusted under subsection (3) when

1 the deed conveying title to the property is recorded in the office  
2 of the register of deeds in the county in which the property is  
3 located.

4 (c) A conveyance to a trust after December 31, 1994, except  
5 under any of the following conditions:

6 (i) If the settlor or the settlor's spouse, or both, conveys  
7 the property to the trust and the sole present beneficiary or  
8 beneficiaries are the settlor or the settlor's spouse, or both.

9 (ii) Beginning December 31, 2014, for residential real  
10 property, if the settlor or the settlor's spouse, or both, conveys  
11 the residential real property to the trust and the sole present  
12 beneficiary or beneficiaries are the settlor's or the settlor's  
13 spouse's mother, father, brother, sister, son, daughter, adopted  
14 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 (d) A conveyance by distribution from a trust, except under  
25 any of the following conditions:

26 (i) If the distributee is the sole present beneficiary or the  
27 spouse of the sole present beneficiary, or both.

28 (ii) Beginning December 31, 2014, a distribution of residential  
29 real property if the distributee is the settlor's or the settlor's

1 spouse's mother, father, brother, sister, son, daughter, adopted  
2 son, adopted daughter, grandson, or granddaughter and the  
3 residential real property is not used for any commercial purpose  
4 following the conveyance. Upon request by the department of  
5 treasury or the assessor, the sole present beneficiary or  
6 beneficiaries shall furnish proof within 30 days that the sole  
7 present beneficiary or beneficiaries meet the requirements of this  
8 subparagraph. If a present beneficiary fails to comply with a  
9 request by the department of treasury or assessor under this  
10 subparagraph, that present beneficiary is subject to a fine of  
11 \$200.00.

12 (e) A change in the sole present beneficiary or beneficiaries  
13 of a trust, except under any of the following conditions:

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

16 (ii) Beginning December 31, 2014, for residential real  
17 property, a change that adds or substitutes the settlor's or the  
18 settlor's spouse's mother, father, brother, sister, son, daughter,  
19 adopted son, adopted daughter, grandson, or granddaughter and the  
20 residential real property is not used for any commercial purpose  
21 following the conveyance. Upon request by the department of  
22 treasury or the assessor, the sole present beneficiary or  
23 beneficiaries shall furnish proof within 30 days that the sole  
24 present beneficiary or beneficiaries meet the requirements of this  
25 subparagraph. If a present beneficiary fails to comply with a  
26 request by the department of treasury or assessor under this  
27 subparagraph, that present beneficiary is subject to a fine of  
28 \$200.00.

29 (f) A conveyance by distribution under a will or by intestate

1 succession, except under any of the following conditions:

2 (i) If the distributee is the decedent's spouse.

3 (ii) Beginning December 31, 2014, for residential real  
4 property, if the distributee is the decedent's or the decedent's  
5 spouse's mother, father, brother, sister, son, daughter, adopted  
6 son, adopted daughter, grandson, or granddaughter and the  
7 residential real property is not used for any commercial purpose  
8 following the conveyance. Upon request by the department of  
9 treasury or the assessor, the sole present beneficiary or  
10 beneficiaries shall furnish proof within 30 days that the sole  
11 present beneficiary or beneficiaries meet the requirements of this  
12 subparagraph. If a present beneficiary fails to comply with a  
13 request by the department of treasury or assessor under this  
14 subparagraph, that present beneficiary is subject to a fine of  
15 \$200.00.

16 (g) A conveyance by lease if the total duration of the lease,  
17 including the initial term and all options for renewal, is more  
18 than 35 years or the lease grants the lessee a bargain purchase  
19 option. As used in this subdivision, "bargain purchase option"  
20 means the right to purchase the property at the termination of the  
21 lease for not more than 80% of the property's projected true cash  
22 value at the termination of the lease. After December 31, 1994, the  
23 taxable value of property conveyed by a lease with a total duration  
24 of more than 35 years or with a bargain purchase option ~~shall~~**must**  
25 be adjusted under subsection (3) for the calendar year following  
26 the year in which the lease is entered into. This subdivision does  
27 not apply to personal property except buildings described in  
28 section 14(6) and personal property described in section 8(h), (i),  
29 and (j). This subdivision does not apply to that portion of the

1 property not subject to the leasehold interest conveyed.

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

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

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

23 (i) A transfer of property held as a tenancy in common, except  
24 that portion of the property not subject to the ownership interest  
25 conveyed.

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

29 (k) Notwithstanding the provisions of section 7ee(5), at the

1 request of a property owner, an assessor's establishment of a  
 2 separate tax parcel for a portion of a parcel that ceases to be  
 3 qualified agricultural property but is not subject to a land  
 4 division under the land division act, 1967 PA 288, MCL 560.101 to  
 5 560.293, or any local ordinance. For purposes of this subdivision,  
 6 a transfer of ownership occurs only as to that portion of the  
 7 parcel established as a separate tax parcel and only that portion  
 8 ~~shall~~**must** have its taxable value adjusted under subsection (3) and  
 9 ~~shall be~~**is** subject to the recapture tax provided for under the  
 10 agricultural property recapture act, 2000 PA 261, MCL 211.1001 to  
 11 211.1007. The adjustment under subsection (3) ~~shall~~**must** be made as  
 12 of the December 31 in the year that the portion of the parcel  
 13 established as a separate tax parcel ceases to be qualified  
 14 agricultural property. A portion of a parcel subject to this  
 15 subdivision is considered a separate tax parcel only for those  
 16 purposes described in this subdivision.

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

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

20 (b) A transfer from ~~a husband, a wife, or a married couple~~**1**  
 21 **or both spouses** creating or disjoining a tenancy by the entireties  
 22 in the grantors or the grantor and ~~his or her~~**the grantor's** spouse.

23 (c) Subject to subdivision (d), a transfer of that portion of  
 24 property subject to a life estate or life lease retained by the  
 25 transferor, until expiration or termination of the life estate or  
 26 life lease. That portion of property transferred that is not  
 27 subject to a life lease ~~shall~~**must** be adjusted under subsection  
 28 (3).

29 (d) Beginning December 31, 2014, a transfer of that portion of



1 residential real property that had been subject to a life estate or  
2 life lease retained by the transferor resulting from expiration or  
3 termination of that life estate or life lease, if the transferee is  
4 the transferor's or transferor's spouse's mother, father, brother,  
5 sister, son, daughter, adopted son, adopted daughter, grandson, or  
6 granddaughter and the residential real property is not used for any  
7 commercial purpose following the transfer. Upon request by the  
8 department of treasury or the assessor, the transferee shall  
9 furnish proof within 30 days that the transferee meets the  
10 requirements of this subdivision. If a transferee fails to comply  
11 with a request by the department of treasury or assessor under this  
12 subdivision, that transferee is subject to a fine of \$200.00.

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

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

24 (g) A conveyance to a trust if the settlor or the settlor's  
25 spouse, or both, conveys the property to the trust and any of the  
26 following conditions are satisfied:

27 (i) If the sole present beneficiary of the trust is the settlor  
28 or the settlor's spouse, or both.

29 (ii) Beginning December 31, 2014, for residential real

1 property, if the sole present beneficiary of the trust is the  
2 settlor's or the settlor's spouse's mother, father, brother,  
3 sister, son, daughter, adopted son, adopted daughter, grandson, or  
4 granddaughter and the residential real property is not used for any  
5 commercial purpose following the conveyance. Upon request by the  
6 department of treasury or the assessor, the sole present  
7 beneficiary or beneficiaries shall furnish proof within 30 days  
8 that the sole present beneficiary or beneficiaries meet the  
9 requirements of this subparagraph. If a present beneficiary fails  
10 to comply with a request by the department of treasury or assessor  
11 under this subparagraph, that present beneficiary is subject to a  
12 fine of \$200.00.

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

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

28 (j) A transfer for security or an assignment or discharge of a  
29 security interest.

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

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

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

26 (n) A direct or indirect transfer of real property or other  
27 ownership interests resulting from a transaction that qualifies as  
28 a tax-free reorganization under section 368 of the internal revenue  
29 code, 26 USC 368. Upon request by the state tax commission, a

1 property owner shall furnish proof within 45 days that a transfer  
 2 meets the requirements of this subdivision. A property owner who  
 3 fails to comply with a request by the state tax commission under  
 4 this subdivision is subject to a fine of \$200.00.

5 (o) Except as provided in subsection (6)(k), a transfer of  
 6 qualified agricultural property, if the person to whom the  
 7 qualified agricultural property is transferred files an affidavit  
 8 with the assessor of the local tax collecting unit in which the  
 9 qualified agricultural property is located and with the register of  
 10 deeds for the county in which the qualified agricultural property  
 11 is located attesting that the qualified agricultural property will  
 12 remain qualified agricultural property. The affidavit under this  
 13 subdivision ~~shall~~**must** be in a form prescribed by the department of  
 14 treasury. An owner of qualified agricultural property shall inform  
 15 a prospective buyer of that qualified agricultural property that  
 16 the qualified agricultural property is subject to the recapture tax  
 17 provided in the agricultural property recapture act, 2000 PA 261,  
 18 MCL 211.1001 to 211.1007, if the qualified agricultural property is  
 19 converted by a change in use, as that term is defined in section 2  
 20 of the agricultural property recapture act, 2000 PA 261, MCL  
 21 211.1002. If property ceases to be qualified agricultural property  
 22 at any time after a transfer subject to this subdivision, all of  
 23 the following ~~shall occur~~**apply**:

24 (i) The taxable value of that property, or, if subsection  
 25 (6)(k) applies, a portion of it established as a separate tax  
 26 parcel, ~~shall~~**must** be adjusted under subsection (3) as of the  
 27 December 31 in the year that the property, or, if subsection (6)(k)  
 28 applies, a portion of it established as a separate tax parcel,  
 29 ceases to be qualified agricultural property.

1           (ii) The property, or, if subsection (6)(k) applies, a portion  
 2 of it established as a separate tax parcel, is subject to the  
 3 recapture tax provided for under the agricultural property  
 4 recapture act, 2000 PA 261, MCL 211.1001 to 211.1007.

5           (p) 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 will remain qualified forest property. The  
 12 qualified forest taxable value affidavit under this subdivision  
 13 ~~shall~~**must** be in a form prescribed by the department of agriculture  
 14 and rural development. The qualified forest taxable value affidavit  
 15 ~~shall~~**must** include a legal description of the qualified forest  
 16 property, the name of the new property owner, the year the transfer  
 17 of the property occurred, a statement indicating that the property  
 18 owner is attesting that the property for which the exemption is  
 19 claimed is qualified forest property and will be managed according  
 20 to the 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  
 28 ownership, as ~~herein stated,~~**provided in this subdivision,** extends  
 29 to the land only of the qualified forest property. If qualified

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

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

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

23 (iii) Beginning June 1, 2013 and ending November 30, 2013,  
24 owners of property enrolled as qualified forest property before  
25 January 1, 2013 may execute a new qualified forest taxable value  
26 affidavit with the department of agriculture and rural development.  
27 If a landowner elects to execute a qualified forest taxable value  
28 affidavit, that owner is not required to pay the \$50.00 fee  
29 required under section 7jj[1](2). If a landowner elects not to

1 execute a qualified forest taxable value affidavit, the existing  
2 affidavit ~~shall~~**must** be rescinded, without subjecting the property  
3 to the recapture tax provided for under the qualified forest  
4 property recapture tax act, 2006 PA 379, MCL 211.1031 to 211.1036,  
5 and the taxable value of that property ~~shall~~**must** be adjusted under  
6 subsection (3).

7 (q) Beginning on December 8, 2006, a transfer of land, but not  
8 buildings or structures located on the land, which meets 1 or more  
9 of the following requirements:

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

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

20 (r) A transfer of real property or other ownership interests  
21 resulting from a consolidation or merger of a domestic nonprofit  
22 corporation that is a boy or girl scout or camp fire girls  
23 organization, a 4-H club or foundation, a young men's Christian  
24 association, or a young women's Christian association and at least  
25 50% of the members of that organization or association are  
26 residents of this state.

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

29 (t) Beginning December 31, 2013 through December 30, 2014, a

1 transfer of residential real property if the transferee is related  
2 to the transferor by blood or affinity to the first degree and the  
3 use of the residential real property does not change following the  
4 transfer.

5 (u) Beginning December 31, 2014, a transfer of residential  
6 real property if the transferee is the transferor's or the  
7 transferor's spouse's mother, father, brother, sister, son,  
8 daughter, adopted son, adopted daughter, grandson, or granddaughter  
9 and the residential real property is not used for any commercial  
10 purpose following the conveyance. Upon request by the department of  
11 treasury or the assessor, the transferee shall furnish proof within  
12 30 days that the transferee meets the requirements of this  
13 subdivision. If a transferee fails to comply with a request by the  
14 department of treasury or assessor under this subdivision, that  
15 transferee is subject to a fine of \$200.00.

16 (v) Beginning December 31, 2014, for residential real  
17 property, a conveyance from a trust if the person to whom the  
18 residential real property is conveyed is the settlor's or the  
19 settlor's spouse's mother, father, brother, sister, son, daughter,  
20 adopted son, adopted daughter, grandson, or granddaughter and the  
21 residential real property is not used for any commercial purpose  
22 following the conveyance. Upon request by the department of  
23 treasury or the assessor, the sole present beneficiary or  
24 beneficiaries shall furnish proof within 30 days that the sole  
25 present beneficiary or beneficiaries meet the requirements of this  
26 subdivision. If a present beneficiary fails to comply with a  
27 request by the department of treasury or assessor under this  
28 subdivision, that present beneficiary is subject to a fine of  
29 \$200.00.



1 (w) Beginning on March 31, 2015, a conveyance of land by  
2 distribution under a will or trust or by intestate succession, but  
3 not buildings or structures located on the land, which meets 1 or  
4 more of the following requirements:

5 (i) The land is made subject to a conservation easement under  
6 subpart 11 of part 21 of the natural resources and environmental  
7 protection act, 1994 PA 451, MCL 324.2140 to 324.2144, prior to the  
8 conveyance by distribution under a will or trust or by intestate  
9 succession. As used in this subparagraph, "conservation easement"  
10 means that term as defined in section 2140 of the natural resources  
11 and environmental protection act, 1994 PA 451, MCL 324.2140.

12 (ii) The land or an interest in the land is made eligible for a  
13 deduction as a qualified conservation contribution under section  
14 170(h) of the internal revenue code, 26 USC 170, prior to the  
15 conveyance by distribution under a will or trust or by intestate  
16 succession.

17 (x) A conveyance of property under section 2120a(6) of the  
18 natural resources and environmental protection act, 1994 PA 451,  
19 MCL 324.2120a.

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

29 (a) The qualified agricultural property was qualified

1 agricultural property for taxes levied in 1999 and each year after  
2 1999.

3 (b) The owner of the qualified agricultural property files an  
4 affidavit with the assessor of the local tax collecting unit under  
5 subsection (7) (o).

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

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

1 property described in section 8(h), (i), and (j).

2 (11) As used in this section:

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

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

7 (c) "Commercial purpose" means used in connection with any  
8 business or other undertaking intended for profit, but does not  
9 include the rental of residential real property for a period of  
10 less than 15 days in a calendar year.

11 (d) "Inflation rate" means that term as defined in section  
12 34d.

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

14 (f) "Qualified agricultural property" means that term as  
15 defined in section 7dd.

16 (g) "Qualified forest property" means that term as defined in  
17 section 7jj[1].

18 (h) "Residential real property" means real property classified  
19 as residential real property under section 34c.

20 (i) **"Rolling average inflation rate" means the average of the**  
21 **3 most recent annual inflation rates as determined pursuant to**  
22 **section 34d(1) (l) .**