

HOUSE BILL NO. 4966

September 12, 2023, Introduced by Reps. Young, Whitsett and Tyrone Carter and referred to the Committee on Tax Policy.

A bill to provide for the authorization and levy of a specific tax in lieu of certain ad valorem property taxes for purposes of improving equity in the taxation of property and to encourage the development of property within the boundaries of certain cities and local units of government; to prescribe the powers, duties, and jurisdictions of those cities and local units of government, and certain local and state officials, in the authorization and levy of the specific alternative tax and for the administration of this act; to limit the levy of certain ad valorem property taxes and exempt certain property from the collection of certain ad valorem property taxes within cities and local units of government

qualified to levy the specific alternative tax; to regulate the levy, collection, and distribution of the specific alternative tax within the jurisdiction of each city or local unit of government qualified to levy the specific alternative tax; to create and provide for the modification of certain credits and exemptions against the specific alternative tax in certain circumstances in order to enhance the equitable purposes and objectives of this act; to provide for the exemption from certain taxes; and to provide for the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "land tax equity act".

2 Sec. 2. (1) The legislature finds and declares all of the
3 following:

4 (a) That there is a compelling need to enable local
5 governmental units in encouraging the maintenance, improvement, and
6 development of real property in this state, the consequent growth
7 in real property values, and ancillary economic growth in this
8 state, so as to assure the provision of necessary governmental
9 services essential to public health, safety, and welfare.

10 (b) That to address the needs described in subdivision (a), it
11 is necessary to exempt certain properties from the collection of
12 certain ad valorem property taxes levied on the combined taxable
13 values of land, fixtures, improvements, and appurtenances and to
14 replace those taxes with a specific tax that applies on a uniform
15 basis only to land subject to the specific tax.

16 (c) That it is necessary and appropriate for the promotion of
17 the health, safety, and welfare of the people of this state to
18 enable the formation of an alternative system of specific taxation

1 of land as provided in this act.

2 (d) That the establishment of an alternative system of
3 specific taxation of land under this act and the powers conferred
4 by this act constitute a necessary program and serve a necessary
5 public purpose.

6 (e) That certain credits and exemptions applicable to the
7 specific tax created under this act will facilitate the expenditure
8 of revenues generated by the specific tax for purposes that assure
9 equity in the application of the specific tax and further the
10 purposes of this act.

11 (2) The purpose of this act is to promote the public health,
12 safety, welfare, convenience, and prosperity of this state and its
13 cities and local units of government.

14 Sec. 3. As used in this act:

15 (a) "Authorized ad valorem millage" means that term as defined
16 in section 7yy of the general property tax act, 1893 PA 206, MCL
17 211.7yy.

18 (b) "Chief executive officer" means the mayor of a city that
19 has a separately elected mayor form of government.

20 (c) "Commission" means the state tax commission.

21 (d) "Equivalent land tax rate" means, for a qualified city or
22 qualified local unit of government, the percentage that, when
23 multiplied by the taxable value of all land in the qualified city
24 or qualified local unit of government for the first year in which
25 the rate is imposed, would generate revenue for the qualified city
26 or qualified local unit of government equal to the revenue that
27 would have been generated by the qualified tax for the first year
28 in which the land value tax is imposed. An equivalent land tax rate
29 must be calculated to reflect an inclusion of all of the following:

1 (i) Tax increment revenues.

2 (ii) Any reimbursements to a land bank fast track authority
3 required by this act to be annually distributed from receipts of
4 the land value tax under this act.

5 (iii) An adjustment to compensate for the effect that inclusion
6 of any credit under sections 9 and 10 will have on revenue for the
7 qualified city.

8 (e) "Land" means real property other than buildings and
9 fixtures or other improvements on the real property, and
10 appurtenances to the real property.

11 (f) "Land value tax" means the specific tax determined and
12 levied by a qualified city or qualified local unit of government
13 under this act.

14 (g) "Local unit of government" means a school district,
15 community college district, library, authority, charter authority,
16 or other type of local governmental unit that is not a city and
17 that meets all of the following:

18 (i) Is created by or authorized to be created by state law.

19 (ii) Is authorized to levy ad valorem taxes for operating
20 purposes.

21 (iii) Has geographic boundaries coterminous with or totally
22 within the geographic boundaries of a qualified city.

23 (h) "Operating purposes" means that term as defined in section
24 7yy of the general property tax act, 1893 PA 206, MCL 211.7yy.

25 (i) "Qualified city" or "qualified local unit of government"
26 means a city that is a land equity city or a local unit of
27 government that is a land equity local unit under section 7yy of
28 the general property tax act, 1893 PA 206, MCL 211.7yy.

29 (j) "Qualified tax" means that term as defined in section 7yy

1 of the general property tax act, 1893 PA 206, MCL 211.7yy, in the
2 amount designated under section 4 as eligible to be converted for
3 levy under this act as a land value tax.

4 (k) "Tax increment revenues" means all of the following, as
5 applicable:

6 (i) For a downtown development authority, that term as defined
7 in section 201(cc) of the recodified tax increment financing act,
8 2018 PA 57, MCL 125.4201.

9 (ii) For a tax increment finance authority, that term as
10 defined in section 301(aa) of the recodified tax increment
11 financing act, 2018 PA 57, MCL 125.4301.

12 (iii) For a local development finance authority, that term as
13 defined in section 402(jj) of the recodified tax increment
14 financing act, 2018 PA 57, MCL 125.4402.

15 (iv) For a corridor improvement authority, that term as defined
16 in section 603(g) of the recodified tax increment financing act,
17 2018 PA 57, MCL 125.4603.

18 (v) For a brownfield redevelopment authority, that term as
19 defined in section 2(tt) of the brownfield redevelopment financing
20 act, 1996 PA 381, MCL 125.2652.

21 Sec. 4. (1) After a written request is submitted by the chief
22 executive officer of a city to the governing body of the city, the
23 city, subject to the terms of this act, may authorize a land value
24 tax under subsection (2). The chief executive officer's
25 recommendation must include the level of the qualified city's
26 authorized ad valorem millage that may be qualified taxes and
27 eligible to be designated by the qualified city to be converted to
28 an equivalent land tax rate and exempted from collection, and the
29 year in which the recommended land value tax would commence. If the

1 chief executive officer for a city desires to make a recommendation
2 for the governing body of the city to adopt a system of credits
3 allowed under section 9 or 10, or both, the chief executive
4 officer's written request must include that recommendation and any
5 recommendation for modifications to those credits.

6 (2) After receiving a written request as described in
7 subsection (1), the governing body of the city may authorize a land
8 value tax by adopting a resolution that is consistent with the
9 request made under subsection (1) and that provides for all of the
10 following:

11 (a) A number of mills of the city's authorized ad valorem
12 millage that may be designated as the portion eligible to be
13 converted to the equivalent land tax rate of the city, which
14 millage would be the qualified taxes of the city that are exempted
15 from collection as ad valorem taxes under section 7yy of the
16 general property tax act, 1893 PA 206, MCL 211.7yy, on approval of
17 the electors of a land value tax.

18 (b) The projected millage of the equivalent land tax rate that
19 will be levied on land in the first year the land value tax is
20 imposed.

21 (c) The first year in which the land value tax would be
22 imposed if approved by the electors of the city.

23 (d) The phase-in period and percentages for the equivalent
24 land tax rate during the phase-in period, if 1 has been recommended
25 by the chief executive officer.

26 (e) If the chief executive officer of a city has made a
27 recommendation for the governing body of the city to adopt a system
28 of credits allowed under section 9 or 10, or both, and the
29 governing body determines to adopt the system of credits, the

1 approval of the system of credits consistent with the requirements
2 of sections 9 and 10 and, if recommended by the chief executive
3 officer, of any modifications permitted under section 9(5) of the
4 terms of the system of credits under section 9.

5 (3) A local unit of government may authorize a land value tax
6 by adoption of a resolution of the governing body of the local unit
7 of government that is consistent with the requirements specified in
8 subsection (2) for a resolution required of a city, except that a
9 local unit of government may not adopt a system of credits allowed
10 under section 9 or 10. No action by a local official to recommend
11 the adoption of a resolution authorizing a land value tax by the
12 governing body of the local unit of government is required. After
13 adopting a resolution, the qualified local unit of government shall
14 take those actions required of a city under section 5 to submit the
15 question of levying the land value tax to the electors of the
16 qualified local unit of government. The question submitted by a
17 qualified local unit of government must include all applicable
18 information specified under section 5.

19 Sec. 5. Following a qualified city's approval of a resolution
20 under section 4, the qualified city shall submit to the electors of
21 the qualified city the question of levying the land value tax at
22 the first regular election date, as established under section 641
23 of the Michigan election law, 1954 PA 116, MCL 168.641. The
24 qualified city shall administer and conduct the election under the
25 provisions of the Michigan election law, 1954 PA 116, MCL 168.1 to
26 168.992. The question must include, at a minimum, all of the
27 following:

- 28 (a) An identification of the qualified city.
29 (b) The level of the qualified city's authorized ad valorem

1 millage that, on voter approval of a land value tax, will be
2 qualified taxes exempted from collection as an ad valorem levy.

3 (c) The first year in which the land value tax would be
4 imposed if approved by the electors of the qualified city and any
5 phase-in period.

6 (d) Based on the most recently established taxable valuations
7 and the amount of qualified taxes to be exempted from collection as
8 an ad valorem levy, the estimated equivalent land tax rate that
9 would be levied on land.

10 (e) A description of the base on which the land value tax
11 would be imposed if approved by the electors of the qualified city.

12 Sec. 6. (1) If a majority of the electors voting on the
13 question vote in favor of the question submitted under section 5, a
14 qualified city or qualified local unit of government shall take the
15 action required to certify its ad valorem tax millage levy and
16 shall designate, at the level established by the resolution adopted
17 under section 4(2) and by the proposal approved by the qualified
18 electors under section 5, the portion of the certified mills to be
19 qualified taxes. From the qualified taxes, the qualified city or
20 qualified local unit of government shall establish and designate
21 that portion of the equivalent land tax rate of the qualified city
22 or the qualified local unit of government for the tax year that
23 will be imposed as a land value tax. The portion of the equivalent
24 land tax rate of the qualified city or the qualified local unit of
25 government for the tax year that will be imposed as a land value
26 tax may be less than, but must not exceed, the equivalent land tax
27 rate for the qualified city or qualified local unit of government.

28 (2) The entire millage certified annually by a qualified city
29 or qualified local unit of government, including those mills

1 designated to be qualified taxes, must be used for purposes of
2 determining the rate of any specific tax imposed pursuant to law
3 that is based on or calculated using certified millage levies.

4 Sec. 7. (1) A qualified city or qualified local unit of
5 government shall levy a land value tax at the portion of the
6 equivalent land tax rate designated under section 6 on each parcel
7 of land not exempt from the tax under this act that is located in
8 the qualified city or qualified local unit of government if the
9 land value tax is approved by the electors of the qualified city.
10 The qualified city shall apply credits against the land value tax
11 consistent with sections 9 and 10 and with the terms of the system
12 of credits adopted by the qualified city under the resolution of
13 the qualified city under section 4. A qualified local unit of
14 government may not apply credits authorized for a qualified city
15 against the land value tax imposed by the qualified local unit of
16 government.

17 (2) Following the designation of those certified mills to be
18 qualified taxes, the chief executive officer of the qualified city
19 shall determine the equivalent land tax rate for the qualified city
20 and that portion of the equivalent land tax rate that will be
21 levied as a land value tax for the year. The chief executive
22 officer shall transmit a statement specifying these amounts, and
23 the calculation of the equivalent land tax rate, to the governing
24 body of the qualified city and the commission. The statement
25 transmitted by the chief executive officer must also specify the
26 authorized ad valorem millage rate of the qualified city that will
27 be qualified taxes and exempt from collection under section 7yy of
28 the general property tax act, 1893 PA 206, MCL 211.7yy. In a
29 qualified local unit of government, the actions required of the

1 chief executive officer to calculate the equivalent land tax rate
2 must be performed by the governing body of the local unit of
3 government unless delegated by the governing body to an official or
4 administrative officer of the local unit of government.

5 (3) The equivalent land tax rate calculated under subsection
6 (2) for the initial year in which the land value tax is levied must
7 not change for levies of the land value tax in any subsequent year
8 unless the certified mills designated to be qualified taxes
9 increase. If the certified mills designated to be qualified taxes
10 increase from the prior year, the equivalent land tax rate related
11 to converting the increased number of designated mills must be
12 calculated based on the revenues those additional mills would have
13 generated on the taxable value for the year in which the equivalent
14 land tax rate would increase.

15 (4) The portion of the equivalent land tax rate designated
16 under section 6 to be imposed as a land value tax applies to the
17 taxable value of land subject to the land value tax in the year in
18 which the land value tax is levied.

19 (5) If a qualified city does not have a chief executive
20 officer, the actions assigned to the chief executive officer may be
21 taken by the governing body of the qualified city.

22 (6) In any year in which a qualified city or qualified local
23 unit of government imposes a land value tax under this act, the ad
24 valorem tax millage of a qualified tax that is exempt from
25 collection under section 7yy of the general property tax act, 1893
26 PA 206, MCL 211.7yy, must not be levied as ad valorem taxes by the
27 qualified city or qualified local unit of government.

28 (7) For purposes of this act and unless an alternative method
29 for determining the taxable value of land is prescribed by the

1 commission, the taxable value of the land portion of a parcel of
2 property in each year is the product of the taxable value for the
3 entire property for the year multiplied by the percentage that the
4 state equalized value of the land portion of the parcel for the
5 year represents to the state equalized value of the entire property
6 for the year, including improvements.

7 Sec. 8. (1) A land value tax must be assessed, levied,
8 collected, and disbursed in the same manner as an ad valorem tax on
9 real property under the general property tax act, 1893 PA 206, MCL
10 211.1 to 211.155, except as otherwise provided in this act.

11 (2) A land value tax is an annual tax, payable at the same
12 times, in the same installments, and to the same officer or
13 officers as ad valorem taxes imposed under the general property tax
14 act, 1893 PA 206, MCL 211.1 to 211.155, and the state education tax
15 act, 1993 PA 331, MCL 211.901 to 211.906, are payable. The land
16 value tax is subject to the same collection fees, penalties, and
17 interest as taxes imposed under the general property tax act, 1893
18 PA 206, MCL 211.1 to 211.155, including, but not limited to, any
19 applicable property tax administration fee or late penalty charge.
20 Subject to subsection (6), a collecting officer or officers shall
21 disburse the collections of the land value taxes to and among the
22 taxing units levying a qualified tax, at the same times and in the
23 same proportions as each taxing unit's qualified tax being levied
24 bears to the total qualified taxes being levied for all taxing
25 units levying a qualified tax.

26 (3) The officer or officers to whom the land value tax is
27 payable shall send a notice of the amount of disbursement made to
28 each taxing unit levying a qualified tax under this act to the
29 commission on a form provided by the commission.

1 (4) Except as provided in this subsection, property granted an
2 exemption under section 7u(5) of the general property tax act, 1893
3 PA 206, MCL 211.7u, before April 1 of the year in which the land
4 value tax is levied is exempt from the land value tax levied under
5 this act to the extent and for the duration provided under section
6 7u of the general property tax act, 1893 PA 206, MCL 211.7u. This
7 subsection does not apply to a qualified city if the qualified city
8 has adopted a system of credits that includes the credit authorized
9 under section 9(2)(b).

10 (5) In addition to and except as provided by subsection (4),
11 land or real estate that is exempt from the levy of ad valorem
12 taxes and ad valorem taxes on land or real estate that are exempt
13 from collection under the general property tax act, 1893 PA 206,
14 MCL 211.1 to 211.155, or under other state law for the year in
15 which the land value tax is levied, other than an exemption under
16 section 7yy of the general property tax act, 1893 PA 206, MCL
17 211.7yy, is exempt from a land value tax levied under this act.

18 (6) The following disbursements must be made before
19 disbursements required under subsection (2) are made:

20 (a) If the revenue from the land value tax includes amounts
21 that would have been tax increment revenues captured under a plan
22 approved before the date the electors of a qualified city or
23 qualified local unit of government approved the levy of a land
24 value tax, the tax increment revenues that those entities would
25 have been entitled to receive from qualified taxes must be
26 disbursed to those entities from the revenue from the land value
27 tax consistent with the disbursement requirements under the
28 applicable law governing tax increment revenues of an entity. After
29 the initial year of the levy of a land value tax, the annual rate

1 of growth in reimbursement under this section must not exceed the
2 annual rate of growth in revenue from the land value tax.

3 (b) A portion of a disbursement made under this subsection to
4 a qualified city must be allocated by the qualified city to a land
5 bank fast track authority created by the qualified city in an
6 amount sufficient to reimburse the land bank fast track authority
7 for any reduction in collections of the eligible tax reverted
8 property specific tax caused by the adoption of a land value tax
9 under this act.

10 (7) The land value tax levied under this act becomes a lien on
11 property assessed on the same date that an ad valorem property tax
12 becomes a lien on real property under the general property tax act,
13 1893 PA 206, MCL 211.1 to 211.155. A lien for the land value tax
14 includes any applicable collection fees, penalties, or interest. A
15 lien under this subsection continues until paid.

16 (8) Any unpaid land value tax and any applicable collection
17 fee or interest must be returned as delinquent to the county
18 treasurer at the same time that ad valorem taxes on real property
19 are returned as delinquent under the general property tax act, 1893
20 PA 206, MCL 211.1 to 211.155. Except as otherwise provided in this
21 subsection, real property subject to a land value tax returned as
22 delinquent is subject to forfeiture, foreclosure, and sale at the
23 same time and in the same manner as real property subject to ad
24 valorem taxes returned as delinquent under the general property tax
25 act, 1893 PA 206, MCL 211.1 to 211.155.

26 Sec. 9. (1) A system of credits adopted under this act must
27 conform with the requirements of this section and, if applicable,
28 section 10. The system of credits allowed under this section and
29 section 10 may be adopted only by a qualified city to be applied

1 against the land value tax of the qualified city.

2 (2) Subject to subsections (4) and (5), a credit permitted
3 against land value taxes assessed under this act in a tax year must
4 not be greater than the largest of the following amounts:

5 (a) For any parcel of real property for which the state
6 equalized value of the land is less than the credit threshold of
7 the state equalized value of the entire real property, the amount
8 greater than zero of the difference, not to exceed the credit cap,
9 between subparagraphs (i) and (ii), as follows:

10 (i) The total levy of all ad valorem and specific taxes imposed
11 on the parcel of real property by all taxing units for a tax year,
12 including the levy under section 7 by the qualified city and each
13 qualified local unit of government.

14 (ii) An amount equal to the sum of the following:

15 (A) The amount, calculated for the tax year, of all certified
16 ad valorem and specific taxes that would be levied, by all taxing
17 units on the taxable value of the real property subject to those ad
18 valorem and specific taxes, if the land value tax levied under this
19 act were not levied.

20 (B) The product of the base multiplier percentage and the
21 amount determined under sub-subparagraph (A).

22 (b) For any homestead, the amount, if greater than zero, of
23 the difference between subparagraphs (i) and (ii), as follows:

24 (i) The total levy of all ad valorem and specific taxes imposed
25 on the homestead by all taxing units for a tax year, including the
26 levy under section 7 by the qualified city and each qualified local
27 unit of government.

28 (ii) An amount equal to the product, calculated for the tax
29 year, of all certified ad valorem and specific taxes that would be

1 levied by all taxing units on the taxable value of the homestead
2 subject to those ad valorem and specific taxes, if the land value
3 tax levied under this act were not levied.

4 (3) As used in this section:

5 (a) "Base multiplier percentage" means, for purposes of
6 subsection (2) (a), 20% or that percentage as may be adjusted under
7 subsections (4) and (5).

8 (b) "Credit cap" means, for purposes of subsection (2) (a),
9 \$50,000.00 or that amount as may be adjusted under subsections (4)
10 and (5).

11 (c) "Credit threshold" means, for purposes of subsection
12 (2) (a) and as may be adjusted under subsections (4) and (5), 60%.

13 (d) "Homestead" means the aggregated parcels of the following
14 real property:

15 (i) A parcel of real property owned and occupied as a principal
16 residence and on which is located a dwelling, if the parcel has a
17 principal residence exemption in effect for the tax year.

18 (ii) Not more than 4 parcels of unoccupied real property that
19 are under common ownership with, and that are each individually
20 adjacent and contiguous to, the property described in subparagraph
21 (i).

22 (e) "Principal residence exemption" means an exemption granted
23 under section 7cc of the general property tax act, 1893 PA 206, MCL
24 211.7cc.

25 (4) If a system of credits is adopted under section 4, the
26 base multiplier percentage, the credit cap, and the credit
27 threshold for the system of credits under this section must be
28 applied at the levels established by this section unless
29 modifications are authorized by the resolution of the qualified

1 city under section 4(2).

2 (5) The base multiplier percentage, the credit cap, and the
3 credit threshold established for the system of credits under
4 subsection (2) may be modified by recommendation of the chief
5 executive officer and after concurrence with that recommendation by
6 the governing body of the city. Modifications that change the
7 credit authorized under this section from the levels presumed under
8 subsections (2) and (3) must be made as part of the chief executive
9 officer's recommendation under section 4.

10 (6) Any treasurer or other collector of land value taxes
11 against which a credit provided by this section applies shall
12 identify, and reduce the amount of land value tax due by, the
13 amount of the credit to be applied against the land value tax. If a
14 credit under subsection (2)(b) exceeds the total amount of land
15 value tax imposed on any separately assessed and taxed parcel of
16 real property comprising the homestead, the treasurer shall provide
17 for the method of allocation of a credit and may refund any excess
18 to the taxpayer in lieu of applying the credit against the land
19 value tax due on parcels comprising the homestead.

20 (7) A system of credits authorized under this section is
21 available against taxes levied under this act from the first year
22 in which a tax is imposed under this act and for each following
23 year until there has been a transfer of ownership of the land
24 subject to the land value tax and the taxable value of the land is
25 subject to the adjustment described in section 27a(3) of the
26 general property tax act, 1893 PA 206, MCL 211.27a.

27 Sec. 10. (1) Each eligible property and any adjacent property
28 may receive a credit against the land value tax of a qualified city
29 on the eligible property and any adjacent property in an amount

1 equal to the product of the minimum parking area percentage
2 multiplied by the land value tax for the tax year, after
3 application of any credit permitted against land value taxes under
4 section 9, on the eligible property and any adjacent property.

5 (2) A credit under this section must not exceed either of the
6 following amounts:

7 (a) The land value tax for the tax year imposed on the
8 eligible property and any adjacent property, in aggregate, after
9 application of the credits permitted under section 9.

10 (b) The amount by which the land value tax of a qualified city
11 for the tax year on the eligible property and any adjacent
12 property, in aggregate, exceeds all certified ad valorem and
13 specific taxes that would be levied on the taxable value of that
14 property if the land value tax levied under this act were not
15 levied.

16 (3) An owner of eligible property must annually apply to the
17 treasurer of the qualified city for certification of the amount of
18 credit under this section to be applied against the land value tax
19 on the eligible property and any adjacent property for the land
20 value tax of a qualified city imposed in the year of an approved
21 application. An application for a credit authorized under this
22 section must be submitted in a form and manner prescribed by the
23 treasurer of the qualified city and must be submitted after
24 December 31 and before April 1 of the year for which the
25 application will be applied. The application must provide for the
26 method of allocation of a credit under this section if the credit
27 authorized exceeds the total amount of land value tax imposed on
28 the eligible property or any adjacent property individually.

29 (4) As used in this section:

1 (a) "Adjacent property" means land immediately adjacent and
2 contiguous, including property that may be separated by a public
3 right-of-way, to eligible property if that immediately adjacent and
4 contiguous land meets all of the following criteria:

5 (i) The owner of the property is under common control with the
6 owner of the eligible property. For the purposes of this
7 subparagraph, an owner is under common control if the owner of the
8 eligible property holds, directly or indirectly, the majority
9 voting or ownership interest in the controlled entity.

10 (ii) The property includes a portion of its area that is
11 required to be used for accessory parking without charge or
12 assessment of any fee to the user under the zoning ordinances of
13 the qualified city, not to exceed the accessory parking
14 requirements in effect as of the date the land value tax is adopted
15 by the qualified city.

16 (iii) The property has a separate parcel identification number
17 from the eligible property.

18 (b) "Eligible property" means land subject to tax imposed by a
19 qualified city under this act that meets all of the following
20 criteria:

21 (i) The property is not designed or used as a single-family or
22 2-family dwelling.

23 (ii) The property includes a structure used for the purpose of
24 an operating business that is open to the public, its employees,
25 its customers, or its residents.

26 (iii) The property includes a portion of its area that is
27 required to be used for accessory parking without charge or
28 assessment of any fee to the user under the zoning ordinances of
29 the qualified city, not to exceed the accessory parking

1 requirements in effect as of the date the land value tax is adopted
2 by the qualified city.

3 (c) "Minimum parking area percentage" means the product of the
4 following divided by the total land acreage of the eligible
5 property and any adjacent property:

6 (i) The lesser of the actual number of accessory parking stalls
7 located on the eligible property and the adjacent property or the
8 number of accessory parking stalls required, and to the extent not
9 waived, for the eligible property under the qualified city's zoning
10 ordinance that are located on the eligible property and the
11 adjacent property.

12 (ii) The number of square feet for each accessory parking stall
13 required for the eligible property, inclusive of required access
14 aisles, the entirety of which must not exceed 350 square feet per
15 accessory parking stall, divided by 43,560 square feet.

16 Sec. 11. (1) Subject to the limitations of this section,
17 eligible agricultural property and publicly dedicated property is
18 exempt from a land value tax levied under this act.

19 (2) A city's assessor shall approve an application to
20 designate real property as either eligible agricultural property or
21 publicly designated property exempt under this section if all of
22 the following conditions are met:

23 (a) The property meets the definition of eligible agricultural
24 property or publicly designated property under subsection (7) as of
25 December 31 of the year immediately preceding the year for which
26 the exemption would first apply.

27 (b) The applicant seeking the exemption applies to the
28 assessor, in a form prescribed by the assessor, for the exemption
29 on or after January 1 and before May 1 of the year for which the

1 exemption would first apply.

2 (c) The applicant seeking the exemption submits an affidavit,
3 in a form prescribed by the assessor, that includes all of the
4 following information:

5 (i) Evidence as prescribed by the affidavit form that the
6 applicant is the owner of the real property for which the exemption
7 is sought.

8 (ii) Evidence as prescribed by the affidavit form that the real
9 property for which an exemption is sought qualifies as eligible
10 agricultural property or as a publicly designated property.

11 (d) The applicant for an exemption under this section submits
12 a list of properties for which an exemption is sought, including
13 any property identification required by the assessor.

14 (e) For an application for an exemption of eligible
15 agricultural property, not more than 15 acres of property of any
16 owner may be submitted and designated as eligible agricultural
17 property.

18 (f) For an application for an exemption of publicly dedicated
19 property, not more than 5 acres of property of any owner may be
20 submitted and designated as publicly dedicated property.

21 (g) For an exemption of publicly dedicated property, the owner
22 has agreed to a development rights agreement or easement with the
23 qualified city for an initial term of not less than 5 years.

24 (3) After approval of an exemption by the assessor for any
25 parcel of property, the exemption remains in effect until the tax
26 year immediately succeeding either of the following:

27 (a) A transfer of ownership of the property in a manner that
28 would require the filing of a notice of the transfer of ownership
29 under section 27a of the general property tax act, 1893 PA 206, MCL

1 211.27a.

2 (b) A change of use of the property that would disqualify the
3 property as eligible agricultural property or as publicly dedicated
4 property.

5 (c) Absent notice from the owner of either occurrence
6 described in subdivision (a) or (b), a revocation of the exemption
7 by the assessor if the assessor discovers the occurrence.

8 (4) The assessor shall review any property for which an
9 exemption has been provided under this section every 3 years after
10 the year in which the exemption is approved.

11 (5) After termination of an exemption under subsection (3), an
12 owner of the property may submit a new application for an exemption
13 under this section.

14 (6) A development rights agreement or easement required under
15 subsection (2)(g) must be subject to terms agreed to by the
16 qualified city, must not permit an action that would materially
17 impair the character of the land involved, and must include
18 restrictions and limitations consistent with those in section
19 36103(2) to (4) and section 36105(2)(a) to (e) of the natural
20 resources and environmental protection act, 1994 PA 451, MCL
21 324.36103 and 324.36105.

22 (7) As used in this section:

23 (a) "Agricultural use" means a use for purposes considered an
24 agricultural use under section 36101 of the natural resources and
25 environmental protection act, 1994 PA 451, MCL 324.36101, to the
26 extent the use also meets the requirements under land use
27 ordinances of a qualified city for use as 1 or more of the
28 following:

29 (i) A farmer's market.

1 (ii) An urban garden.

2 (iii) An urban farm.

3 (b) "Eligible agricultural property" means unoccupied property
4 and related buildings located on property that meets all of the
5 following criteria:

6 (i) More than 50% of the parcel's acreage is devoted to
7 agricultural use.

8 (ii) Any portion of the property that is not devoted to
9 agricultural use is used for a purpose that would be considered a
10 permissible use for publicly dedicated property, but for which a
11 development rights agreement or easement is not required.

12 (iii) The property is classified as agricultural under section
13 34c of the general property tax act, 1893 PA 206, MCL 211.34c, or
14 the owner of the property has filed the affidavit required under
15 section 7ee of the general property tax act, MCL 1893 PA 206, MCL
16 211.7ee, if the property is not classified as agricultural under
17 section 34c of the general property tax act, 1893 PA 206, MCL
18 211.34c.

19 (iv) All permits required by the qualified city for use of the
20 property for an agricultural use have been obtained by the owner.

21 (v) The property is not used for commercial storage,
22 commercial processing, commercial distribution, commercial
23 marketing, or commercial shipping operations or other commercial or
24 industrial purposes.

25 (vi) The property is not otherwise exempt from the land value
26 tax.

27 (c) "Owner" means any of the following:

28 (i) A person in whom real property is titled, as evidenced by a
29 recorded deed for the property.

1 (ii) The holder, directly or indirectly, of a majority voting
2 or ownership interest in an entity in which real property is
3 titled, as evidenced by a recorded deed for the property.

4 (iii) The holder of rights to real property as a buyer under a
5 land contract.

6 (iv) A person that owns property as a result of being a
7 beneficiary of a will or trust or as a result of intestate
8 succession.

9 (d) "Publicly dedicated property" means any land of not
10 greater than 5 contiguous acres that, if preserved in its present
11 state under conditions that may be established under a development
12 rights agreement or easement approved by a qualified city, is not
13 used for private purposes and is serving or accomplishing 1 or more
14 of the following purposes:

15 (i) Conservation of natural or scenic resources other than
16 plantings, vegetation, and trees on property classified as
17 residential under section 34c of the general property tax act, 1893
18 PA 206, MCL 211.34c, but including the conservation of soils,
19 wetlands, waterfront, and beaches.

20 (ii) Enhancement of recreational opportunities or access to
21 recreational opportunities.

22 (iii) Educational opportunities that will instruct the public on
23 the conservation of natural resources and sustainable agricultural
24 use of land.

25 Sec. 12. If any portion of this act or application of any
26 portion of this act to any person, property, or circumstance is
27 found to be invalid by a court, the invalidity must not affect the
28 remaining portions or applications of this act that can be given
29 effect without the invalid portions or application if the remaining

1 portions are not determined by the court to be inoperable without
 2 application of the invalid provisions. The provisions of this act
 3 are severable. A qualified city or qualified local unit of
 4 government may take action to adjust provisions of the land value
 5 tax to address and correct an invalidity of the application of the
 6 land value tax to any person, property, or circumstance that has
 7 been found by a court.

8 Sec. 13. This act must be construed to effectuate the
 9 legislative intent and the purposes of this act as complete and
 10 independent authorization for the performance of every act and
 11 thing authorized in this act, and all powers granted in this act
 12 must be broadly interpreted to effectuate the intent and purposes
 13 of this act and not as to limitation of powers.

14 Sec. 14. An injunction may not be issued to stay proceedings
 15 for the assessment, levy, or collection of a tax under this act.

16 Enacting section 1. This act does not take effect unless all
 17 of the following bills of the 102nd Legislature are enacted into
 18 law:

19 (a) Senate Bill No. ____ or House Bill No. 4967 (request no.
 20 04007'23).

21 (b) Senate Bill No. ____ or House Bill No. 4970 (request no.
 22 04082'23).

23 (c) Senate Bill No. ____ or House Bill No. 4969 (request no.
 24 04083'23).

25 (d) Senate Bill No. ____ or House Bill No. 4968 (request no.
 26 04084'23).