



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

BULLETIN NO. 1 of 2009
STATUTORY CHANGES
February 2, 2009

TO: Assessors
Equalization Directors

FROM: State Tax Commission (STC)

RE: **STATUTORY CHANGES PASSED LATE IN THE 2008 SESSION**

The purpose of this Bulletin is to provide information on statutory changes that were approved late in the 2008 Legislative session that Assessor's and Equalization Directors should be aware of.

- P.A. 336 of 2008 (HB 5677) and P.A. 337 of 2008 (HB 5678) were signed by Governor Granholm on December 23, 2008 with an effective date of December 23, 2008. Both of these acts deal with Maple Syrup Production.

Act 336 amends Part 361 of the Natural Resources and Environmental Protection Act (NREPA), Farmland and Open Space Preservation to include maple syrup production in the definition of agricultural use.

Act 337 amends MCL 211.9 to include within the definition of agricultural operations for exemption from personal property taxes; collecting, evaporating, and preparing maple syrup if the owner of the property had \$25,000 or less in annual gross wholesale sales.

Please note: These Acts did not affect the definitions contained in MCL 211.34c for classification of property. The Commission direction remains that the sap collection system of a maple-syrup operation is an agricultural use. However the land devoted to the processing and bottling of maple syrup is not part of the agricultural classification.

- P.A. 334 of 2008 (HB 5874) was signed by Governor Granholm on December 23, 2008 with an effective date of December 23, 2008. This act amends MCL 211.9 to include within the definition of agricultural operations for exemption of personal property taxes; machinery that is capable of simultaneously harvesting grain or other crops and biomass and machinery used for the purpose of harvesting biomass. As used in this subparagraph, "biomass" means crop residue used to produce energy agricultural crops grown specifically for the production of energy.

- P.A. 505 of 2008 (HB 6437) and P.A. 506 of 2008 (HB 6438) were signed by Governor Granholm on January 12, 2009 with an effective date of January 13, 2009. Both acts deal with property owned by Boy or Girl Scout or Camp Fire Girls Organization, 4-H Clubs or Foundations or YMCA or YWCA.

Act 505 provides that after December 30, 2008 up to 480 acres of real property owned by an individual Boy or Girl Scout or Camp Fire Girls Organization, 4-H club or Foundation or YMCA or YWCA is exempt from taxation if at least 50% of their members are residents of the State. A provision is given for waiver of the residency requirement by a County Board. The Act also provides that if a Boy or Girl Scout or Camp Fire Girls Organization, 4-H club or Foundation or YMCA or YWCA reorganizes, merges, affiliates or in some other manner consolidates with another Boy or Girl Scout or Camp Fire Girls Organization, 4-H club or Foundation or YMCA or YWCA after December 30, 2007, then the exemption is 480 acres times the number of individual organizations that took part in the reorganization, merger, affiliation or consolidation. Preliminary Legislative estimates were that only approximately 10 Boy Scout Councils and YMCA's currently own more than 400 acres.

Act 506 adds MCL 211.27a(7)(q) to exempt from uncapping the transfer of real property or other ownership interest resulting from a consolidation or merger of a domestic non profit corporation that is a Boy or Girl Scout or Camp Fire Girls Organization, 4-H Club or foundation, a YMCA or a YWCA if at least 50% of the members of these organizations are residents of the State.

- P.A. 352 of 2008 (HB 6623) was signed by Governor Granholm on December 23, 2008 with an effective date of December 23, 2008. This act amends MCL 211.44 and 211.78a to provide that if the last day in a year that taxes were due and payable before being returned as delinquent were a Saturday, Sunday or legal holiday, the last day taxes would be due and payable before being returned as delinquent would be the next business day and taxes levied in the preceding year that remain unpaid would have to be returned as delinquent on the next business day. The Annual Tax Calendar will be amended to reflect this change.
- Enrolled Senate Bill 1491 amends MCL 211.7d to exempt from property tax housing owned by limited dividend housing corporations for occupancy or use by elderly or disabled families. Property owners will have to claim the exemption on a form prescribed by the Department of Treasury but the local assessor has to approve or deny the exemption. If approved, the owner must annually submit to Treasury and the local assessor an affidavit confirming eligibility. If the property owner does not submit an affidavit by May 1 the exemption is revoked for that tax year. Similar to senior housing, these properties would be subject to a payment in lieu of taxes with an annual statement required by the local Treasurer to be submitted by the local tax collecting unit to the State Department of Treasury by December 1 of each year.

- P.A. 573 of 2008 (SB 1281) was signed by Governor Granholm on January 15, 2009 with an effective date of January 16, 2009. This act amends MCL 211.9f to allow the governing body of a City, Village or Township located in a County that borders another state or Canada to adopt a resolution exempting new personal property leased or owned by an eligible business located in one or more eligible district. The governing body must adopt a resolution that must be approved or denied by the Commission. Advice from the Attorney General's office indicates that this act affects only Wayne, St. Clair and Chippewa Counties.
- P.A. 473 of 2008 (HB 6122) was signed by Governor Granholm on January 9, 2009 with an effective date of January 1, 2007. Provided for information only, this act amends MCL 207.522, the State Real Estate Transfer Tax Act
- P.A. 357 of 2008 (SB 927) provided for information only revises recording of deeds and other documents of Register of Deeds.