



**House  
Legislative  
Analysis  
Section**

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**ASSESSMENT AMENDMENTS**

**House Bill 5359 (Substitute H-2)  
First Analysis (12-5-95)**

**Sponsor: Rep. Bill Bobier  
Committee: Tax Policy**

***THE APPARENT PROBLEM:***

The State Tax Commission has requested legislation to make clarifying technical amendments and corrections to the General Property Tax Act, some of which address issues related to the assessment cap implementation legislation enacted last year.

***THE CONTENT OF THE BILL:***

The bill would amend the General Property Tax Act in the following ways.

-- The state tax commission would be authorized to assume jurisdiction over an assessment roll for a local taxing unit if the board of review was not in substantial compliance with the act. The commission already has this authority if the assessor is not in compliance. Also, provisions would be added to allow the commission to implement the assessment cap if it does assume jurisdiction of an assessment roll.

-- The act requires, generally, that the buyer, grantee, or other transferee of property notify the appropriate assessing office of the transfer of ownership within 45 days of the transfer, and supply certain specified information. There are additional taxes, interest, and penalties levied for failing to do so. However, these also apply to a "grantor" (who is not required to provide notice). The bill would correct this. The act also begins levying penalties after 30 days instead of 45 days; this would be corrected. The bill would specify that the appropriate assessing officer is to certify additional taxes and penalties that are due for failure to provide notice of a transfer of ownership and would make either the local treasurer or county treasurer (depending upon who has possession of the tax roll) responsible for collecting additional taxes, interest, and penalties. The bill also specifies that proceeds from a special \$5-per-day penalty (up to \$200) for failure to provide notice of a transfer is to be distributed to the local tax collecting unit. (Other additional taxes, interest, and penalties are distributed as property taxes are normally distributed.) Further, the bill would permit a buyer, grantee, or other transferee to appeal the levy of any additional taxes, interest, and penalties to the Michigan Tax Tribunal within 35 days of the

levy. An appeal would be limited to the issues of whether a transfer of ownership has occurred and correcting arithmetic errors.

-- The act requires that an assessor use a reduced assessment as the basis for calculating the next year's assessment whenever a taxpayer has had the assessed value or taxable value of property reduced by the local board of review or the state tax tribunal. The bill would provide for cases where the property is subsequently transferred. In that case, the subsequent assessment would be based on state equalized valuation.

-- The act allows property owners to appeal the classification of property (e.g., agricultural, commercial, residential) to the local March board of review, and says property owners can appeal a board decision to the state tax commission by filing a petition within 30 days of the adjournment of the board of review. The bill would require the filing of the petition no later than June 30 of that tax year.

-- The bill would add language to specify how the taxable value of certain property being added to the tax roll is to be computed. This includes property that is added to the tax roll with a capped value; that is, property whose taxable value is determined as if the assessment cap had been in place while it was off the tax rolls. Such property includes property previously exempt; replacement construction; and property with an increase in value due to occupancy rate. Also, currently a property previously exempt as a "new facility" under Public Act 198, the industrial abatement statute, comes onto the tax roll with the taxable value it would have had if had not been exempt. The bill would apply this to other facilities abated under Public Act 198 (replacement facilities).

MCL 211. 7k et al.

***FISCAL IMPLICATIONS:***

The bill would have no fiscal implications, according to the House Fiscal Agency. (Fiscal Note dated 11-8-95)

House Bill 5359 (12-5-95)

**ARGUMENTS:**

***For:***

The bill would make technical amendments, corrections, and clarifications to help state and local officials administer the General Property Tax Act. In part, they correct errors and omissions from legislation enacted last year implementing the new assessment cap.

**POSITIONS:**

The chair of the State Tax Commission testified in support of the bill. (11-29-95)

The Michigan Assessors Association has indicated its support for the bill. (11-29-95)

The Michigan Townships Association supports the bill. (12-1-95)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.