



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5359 (Substitute S-2 as reported)
Sponsor: Representative Bill Bobier
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would make a number of changes to the General Property Tax Act, including the following:

- Delete the current requirements that the owner of a homestead or a qualified agricultural property that is exempt from school operating property taxes, refile an exemption affidavit in 1999 and every four years thereafter.
- Specify the procedures that assessors and local units would have to follow, in cases in which property with a homestead exemption was no longer the owner's homestead and the exemption had not been rescinded.
- Allow a local unit to sue a buyer or other transferee for additional taxes, interest and penalties, and an additional penalty of up to \$200, if the buyer failed to notify the assessing officer of a transfer of ownership.
- Permit the State Tax Commission to assume jurisdiction of a local unit's assessment roll if a certified assessor or the local unit were not in compliance with the Act. Currently, the State Tax Commission can assume jurisdiction only if the certified assessor is not in compliance.
- Specify procedures to allow a cooperative housing corporation to file a homestead exemption affidavit, with supporting documentation, for all the corporation's tenants.
- Provide that certain leased property not subject to leasehold interest conveyed, and certain cooperative housing corporation property not subject to ownership interest conveyed, would not be considered transferred and thus would remain subject to the assessment cap.
- Require annual reporting by each county equalization director to the State Tax Commission, regarding total taxable value of all county property, and total taxable value of all homestead and nonhomestead property in the county.
- Require that appeals of property classifications to the State Tax Commission be made before July 1 each year; and allow the Department of Treasury to appeal a classification to the Michigan Tax Tribunal, by December 31 in the year appealed.
- Provide that in the determination of additions or losses to property, an increase or decrease in taxable value attributable to environmental contamination would have to be determined by the Department of Environmental Quality (DEQ) only if requested by the assessing officer. Currently, DEQ must make the determination in all cases.

MCL 211.7k et al

Legislative Analyst: G. Towne

FISCAL IMPACT

This bill primarily consists of technical changes, but it would have a minimal fiscal impact on the State determined by the degree to which fine collections changed as well as the costs associated with collecting the fines. Additionally, the State costs associated with collecting and maintaining exemption affidavits would be eliminated.

Date Completed: 12-2-96

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.