



**House
Legislative
Analysis
Section**

House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

COMPUTERIZED TAX ROLLS

**House Bill 5860 as introduced
First Analysis (4-25-02)**

**Sponsor: Rep. Patricia Birkholz
Committee: Tax Policy**

THE APPARENT PROBLEM:

Public Act 112 of 1990 amended the General Property Tax Act to allow local tax collecting units to use a computerized data base as the tax roll with the written authorization of the state tax commission and the state treasurer. That act requires each local unit separately to seek authorization and imposes a set of standards that a computerized data base system must meet to receive approval. According to testimony before the House Tax Policy Committee, there are cases in which a county treasurer would like in place a standardized countywide tax administration system with compatible computer systems among all units. In such a case, it would be advantageous if the county treasurer could apply to the state for approval of a computerized data base system that all units within the county could then use without their having to seek their own state approval.

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act to permit a local tax collecting unit to use a computerized data base as the tax roll if the county treasurer obtained written authorization from the state tax commission for its by the county treasurer or local tax collecting units within the county.

Currently, a local tax collecting unit can only use a computerized data base system as the tax roll if the unit obtains written authorization from the state tax commission and the state treasurer. This option would continue to be available. (The bill would, however, amend this provision to delete the reference to the state treasurer and leave the decision solely to the state tax commission.)

The bill also would specify that if the state tax commission failed to authorize or deny the use of a computerized data base system within 120 days, the use of the system would be considered authorized for use by the county treasurer or local unit submitting the written request.

The bill also would update language in the section to reflect the creation of a new property tax delinquency and foreclosure system.

MCL 211.42a

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill would have no significant fiscal impact. (HFA floor analysis dated 4-24-02).

ARGUMENTS:

For:

The bill would provide a streamlined process for getting countywide approval of computerized data base systems for use in tax administration. Currently, a local tax collecting units can use a computerized tax roll if it obtains approval from state tax officials. Under this bill, a county treasurer could get approval for a system that all local units within the county would then be authorized to use. Tax rolls must be retained for many years and it is preferable to keep such records in computerized form rather than in bulky books.

POSITIONS:

The Michigan Municipal League has indicated support for the bill. (4-24-02)

The Michigan Association of County Treasurers has not yet taken a formal position on the bill. (4-24-02)

Analyst: C. Couch

■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.

House Bill 5860 (4-25-02)