

**POP-UP: EXEMPT TRANSFER OF
PROPERTY TO FAMILY MEMBER**

House Bill 4833
Sponsor: Rep. Dale Sheltrown
Committee: Tax Policy

Complete to 1-14-04

A SUMMARY OF HOUSE BILL 4833 AS INTRODUCED 6-12-03

Under the General Property Tax Act, year-to-year increases in the taxable value of a parcel of property are limited to five percent or the rate of inflation, whichever is lower. However, when the ownership of property is subsequently transferred, the taxable value reverts to the state equalized value (SEV), which generally is 50 percent of the property's market value.

House Bill 4833 would amend the act to exclude from this re-assessment the transfer of business or residential property with a taxable value of not more than \$2.5 million from a person to certain family members. This means property involved in such transfers would continue to be subject to the assessment cap.

Under the bill, a family member would include a person's spouse; child, stepchild, or adoptive child; grandchild, step-grandchild, or adoptive grandchild; parent, stepparent, or adoptive parent; grandparent, step-grandparent, or adoptive grandparent; brother, stepbrother, or adoptive brother; or sister, stepsister, or adoptive sister.

MCL 211.27a

House Bill 4833 (1-14-03)

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