

Legislative Analysis



INCORRECT UNCAPPING OF PROPERTY TAX ASSESSMENTS

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House Bill 4065

Sponsor: Rep. Bruce Caswell

Committee: Tax Policy

Complete to 3-7-05

A SUMMARY OF HOUSE BILL 4065 AS INTRODUCED 1-27-05

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

House Bill 4065 would amend the act to specify that if the taxable value of a parcel of property "pops up" to the SEV and the assessor determines that a transfer of ownership did not occur, the property's taxable value would be adjusted at the July or December Board of Review, and a corrected tax bill would be issued, either by the local tax collecting unit or the county treasurer, depending on whether the local unit or the county has possession of the tax roll.

MCL 211.27a

FISCAL IMPACT:

The bill would have no significant fiscal impact.

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