

Legislative Analysis



TAX TRIBUNAL CASES: ALLOW INFORMAL SETTLEMENT CONFERENCES

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House Bill 5220
Sponsor: Rep. Marty Knollenberg
House Committee: Tax Policy

Complete to 5-15-12

A SUMMARY OF HOUSE BILL 5220 AS INTRODUCED 12-13-11

The bill would amend the Tax Tribunal Act to require informal settlement conferences to be held at the request of a taxpayer who has filed a petition with the Tax Tribunal. The Tribunal hears cases on property tax issues (assessments, valuations, rates, special assessments, allocation, or equalization).

Under the bill, once a petition has been filed with the Tax Tribunal, and the local tax collection unit has filed an answer to the petition, the petitioner could request an informal settlement conference. If a petitioner did so, the local tax collecting unit would have to schedule such a conference within 60 days, with the conference to be held at the office of the local tax collecting unit.

The petitioner could file a motion with the residential property and small claims division of the Tax Tribunal (referred to in the remainder of the summary as "the Division") to an order to compel the informal settlement conference. If the local unit did not schedule a conference after receiving the order, then the Division would schedule an expedited default hearing.

At the informal settlement conference, the petitioner and local tax collecting unit could enter into a stipulation for judgment, which would be filed with the Division. The Division would review the stipulation to determine if it is to be adopted as a final order. Upon a showing of good cause or at the Division's discretion, the Division could reject the proposed stipulation for judgment.

If the petitioner and the assessing agency do not agree, the appeal would continue as otherwise provided in the act.

The bill would not apply to the denial of a principal residence claim.

MCL 205.762b

FISCAL IMPACT:

The bill would not have a fiscal impact on the Michigan Tax Tribunal (MTT) within the Michigan Administrative Hearing System (MAHS). A substantial majority of property

tax disputes are currently resolved through an informal hearing process conducted by an Administrative Law Judge (ALJ) within the Small Claims Division of the MTT.

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