

# Legislative Analysis

---



## **TAX TRIBUNAL CASES: ALLOW INFORMAL SETTLEMENT CONFERENCES**

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5220 (Substitute H-1)**  
**Sponsor: Rep. Marty Knollenberg**  
**House Committee: Tax Policy**

**Complete to 9-4-12**

## **A SUMMARY OF HOUSE BILL 5220 AS REPORTED FROM COMMITTEE**

The bill would amend the Tax Tribunal Act to require a local unit of government to hold an informal settlement conference at the request of a taxpayer who has filed a petition with the Tax Tribunal. A local tax collecting unit could also request an informal conference. The Tribunal hears cases on property tax issues (assessments, valuations, rates, special assessments, allocation, and equalization).

Under the bill, once a petition has been filed with the Tax Tribunal and the respondent local tax collecting unit has filed an answer to the petition, the petitioner or the local unit could request an informal settlement conference. The party seeking the informal conference would have to submit a written request to the other party and file a copy of the request with the Residential Property and Small Claims Division of the Tribunal ("the Division").

### Petitioner's Request

If a petitioner requested a conference, the local tax collecting unit would have to schedule and hold such a conference within 60 days after receipt of the request, with the conference to be held at the office of the local tax collecting unit. If the local unit did not hold the conference, the petitioner could file a motion with the Division for an order to compel the conference. If the local unit still does not hold a hearing, the Division would then schedule an expedited default hearing.

### Local Unit Request

If a local unit requested the hearing, it also would be held within 60 days. However, the petitioner would not be required to respond to the request and, if the petitioner did not respond, the petitioner's appeal would continue as otherwise provided in the act.

### Stipulation for Judgment

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 local tax collecting unit do not agree, the appeal would continue as otherwise provided in the act.

Exception

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

Background Note

A similar bill, House Bill 4913, passed the House in the 2009-10 Legislative Session.

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.

Legislative Analyst: Chris Couch  
Fiscal Analyst: Paul Holland

---

■ 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.