



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4843 (Substitute H-1 as discharged)
Sponsor: Representative Willis Bullard, Jr.
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to provide that property taxes would become a lien on real and personal property on December 1 of the year in which the taxes were levied; and to specify circumstances under which the treasurer of a local unit of government could change the lien date to December 31 of the previous year.

Currently, under the Act, property taxes become a lien against property on tax day (December 31 of the year before the year in which the taxes are levied). Prior to Public Act 80 of 1994, property taxes became a lien on December 1 of the year in which levied. Under the bill, the day property taxes become a lien would be returned to December 1, except under specified conditions. The bill provides that a local treasurer could designate tax day as the date on which real or personal property became a lien if the treasurer filed an affidavit with the register of deeds attesting that one or more of the following had occurred: the property owner or other person assessed had filed a bankruptcy petition under the Federal Bankruptcy Code; a secured lender had brought an action to foreclose on or to enforce an interest secured by the real or personal property; for personal property, the owner or another person had liquidated or was attempting to liquidate the property; the property was subject to receivership under State or Federal law; the owner or other person assessed had assigned the property for the benefit of his or her creditors; the property had been seized or purchased by Federal, State, or local authorities; or someone had commenced a judicial action that could impair the ability of the taxing authority to collect the taxes in the absence of a lien.

The bill would take effect after 90 days following the date of its enactment.

MCL 211.40 et al.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 6-14-95

Fiscal Analyst: R. Ross