

Legislative Analysis



ALTERNATE BOARD OF REVIEW MEMBERS

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House Bill 5313 as enrolled
Public Act 143 of 2006
Sponsor: Rep. Howard Walker
House Committee: Tax Policy
Senate Committee: Finance

First Analysis (8-22-06)

BRIEF SUMMARY: The bill would amend the General Property Tax Act to permit townships (and cities, if applicable) to appoint up to two alternate members to the Board of Review.

FISCAL IMPACT: The bill would have no fiscal impact on the state and no significant impact on local units of government.

THE APPARENT PROBLEM:

The General Property Tax Act provides for the establishment of township boards of review to receive and review the tax assessment roll.¹ Under the act, the board of review consists of three, six, or nine electors of the township appointed by the township board of trustees, with at least two-thirds of the board of review being property taxpayers of the township. The act further requires local boards of review to meet to hear assessment appeals and approve the assessment roll at certain specified times in March, July, and December of each year. The board of review meets in March to make corrections to the assessment roll, as appropriate, regarding the names listed, property descriptions, and the assessment and valuation of property. The March board of review also hears taxpayer appeals of assessments and valuations. The act further permits the board of review to meet in July or December to correct certain "qualified errors" and hear appeals concerning the poverty exemption, principal residence exemption, and the qualified agricultural property exemption.

Many local boards of review consist of only three members, and on occasion, emergencies arise where one or two of the members cannot attend the board's meeting. Without a quorum, the board of review cannot officially take any action, thereby leaving many taxpayer disputes unresolved. It has been suggested that alternate members be appointed, to serve on the local boards of review when a regular member is absent or abstains because of a conflict of interest.

¹ Under the act, the size, compensation, and manner of appointment of the board of review of a city may be prescribed by city charter. In the absence of or in lieu of a charter provision, the city commission may, by ordinance, establish the city board of review in the same manner and for the same purposes as township boards of review.

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act to permit a township board of trustees to appoint to the township board of review up to two alternate members who could serve as regular members of the board in the absence of a regular member or when a regular member abstains from a decision because of a conflict of interest. The alternate member would have to meet the same eligibility criteria as other regular members of the board of review, including a requirement that the alternate member be a property taxpayer within the township and take the constitutional oath of office within 10 days after appointment. Further, the spouse, parents, siblings, or children of the assessor could not serve as an alternate member.

MCL 211.28

ARGUMENTS:

For:

The General Property Tax Act contains relatively few provisions regarding what happens when members of a board of review are absent from meetings or when a board of review cannot officially take action because of a lack of quorum. Section 32 of the act provides, in part, that when a member is absent, the township supervisor or another board member shall notify the absent member, and further requires the absent member to "attend without delay." The act does not contain any guidance on what to do when a member does not show up as required, or when the board can meet if it lacks a quorum at its July or December meetings. This is particularly troublesome because when the board of review does not hold the meeting required by statute, the taxpayer is often left with little recourse. Certain issues (such as an agricultural property exemption or a principal residence exemption not appearing on the tax roll) may be remedied at a later meeting, but other issues may not. Further, the lack of a meeting creates some confusion as to whether and when a dispute may be appealed to Michigan Tax Tribunal. For certain property tax disputes, the tax tribunal acquires jurisdiction if the matter is first protested before the local board of review and is subsequently appealed to the tribunal within 30 days. The tax tribunal has, in the past, allowed appeals in these situations to be filed with tribunal. However, many taxpayers may not be aware of that option. Also, because there is no decision by the board of review, there is no date by which an appeal may be filed to the tax tribunal. This creates a problem if an appeal is not filed in a reasonably timely manner. To that end, the bill provides local governments with flexibility in establishing their boards of review, which provides greater assurance that disputes will be heard.

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