

Legislative Analysis



TAX TRIBUNAL JURISDICTION

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House Bill 5854

Sponsor: Rep. Fulton Sheen

Committee: Tax Policy

Complete to 3-28-06

A SUMMARY OF HOUSE BILL 5854 AS INTRODUCED 3-14-06

The Tax Tribunal Act generally requires that before the Michigan Tax Tribunal (MTT) acquires jurisdiction of an assessment dispute concerning the valuation of property or an exemption, the assessment must first be protested before the March Board of Review in the local unit of government. Appeals of the Board of Review's decision to the MTT must be made by June 30.

House Bill 5854 would allow some business property assessment disputes to go directly to the Tax Tribunal.

The bill would provide that for disputes initiated in 2007 – 2009 and involving business property—property classified as commercial (real or personal), industrial (real or personal), developmental real property, or utility personal property—the MTT would acquire jurisdiction over an assessment dispute concerning assessed value, taxable value, or exempt status, if the assessment is first protested before the March Board of Review **or if a notice of intent to appeal is filed with or sent to the local assessor by April 1.** (If assessor's office isn't open on the first, the notice would have to be filed or sent by the next business day.) The notice would have to "reasonably identify" the property subject to the dispute.

For disputes involving other types of property classifications – agricultural, residential, and timber-cutover – the MTT would acquire jurisdiction in the same manner as under current law.

MCL 205.735 and 205.737

FISCAL IMPACT:

There is no measurable fiscal impact on the State of Michigan or its local units of government. The bill is designed to make the operations of the local Boards of Review and the Tax Tribunal more efficient, but it is unclear whether this increased efficiency will result in a true savings of State or local expenditures. Such a savings would only occur if the State or local staffing level were to decrease as a result of this legislation.

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