



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5717 (Substitute H-1 as discharged)
Sponsor: Representative Lee Gonzales
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to require that \$5 of the \$10 expense charge on tax-delinquent property, and the property tax administration fee paid to the State, be deposited in the Land Reutilization Fund rather than the Delinquent Property Tax Administration Fund. The bill also would authorize the State Treasurer to transfer to the Land Reutilization Fund any balance remaining in the Delinquent Property Tax Administration Fund.

Under the Act, for taxes levied before January 1, 1999, on all descriptions of property with unpaid taxes on the October 1 before the time prescribed for the sale of a tax lien on the property, an additional \$10 must be charged for expenses. If collected, \$5 of that expense charge must be credited to the Delinquent Property Tax Administration Fund to reimburse the State for the cost of publishing the lists of property and other expenses, and \$5 belongs to the general fund of the county to reimburse it for the expense incurred in preparing the list of delinquent property for sale or forfeiture. Under the bill, for an expense charge collected after December 31, 2005, the State's \$5 portion would have to be deposited in the Land Reutilization Fund.

In addition, for taxes levied before 1999, the Act requires that the property tax administration fee paid to the State Treasurer be credited to the Delinquent Property Tax Administration Fund. The bill would require the fee to be credited to the Land Reutilization Fund.

MCL 211.59 & 211.78n

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no effect on local revenue or expenditures. The bill also would not increase or decrease State revenue or expenditures, but would change the distribution of affected revenue at the State level. The change in distribution is expected to have a negligible effect that would decline in the future as revenue to the Delinquent Property Tax Administrative Fund declined.

Date Completed: 12-15-06

Fiscal Analyst: David Zin