

# Legislative Analysis

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## **JULY AND DECEMBER BOARD OF REVIEW: ALTERNATIVE STARTING DATES**

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### **Senate Bill 209**

**Sponsor: Sen. Ron Jelinek**

**House Committee: Tax Policy**

**Senate Committee: Local, Urban and State Affairs**

**Complete to 3-3-08**

### **A SUMMARY OF SENATE BILL 209 AS PASSED BY THE SENATE 3-28-07**

The bill would amend the General Property Tax Act to permit the governing body of a city or township to authorize alternative starting dates for the July or December Board of Review during the week of the third Monday in July or during the week of the second Monday in December.

Currently, the July board meets on the Tuesday after the third Monday in the month, and the December board meets on the Tuesday after the first Monday.

### **BACKGROUND INFORMATION:**

The General Property Tax Act provides for the establishment of local boards of review to receive and review the tax assessment roll. The March board of review is charged with making corrections to the assessment roll, as appropriate, regarding the names listed, property descriptions, and the assessment and valuation of property. In addition, the March board of review hears taxpayer appeals of property assessments and valuations.

The act also permits the board of review to meet in July and December to correct certain "qualified errors" and hear appeals concerning the poverty exemption (MCL 211.7u), principal residence exemption (MCL 211.7cc), and the qualified agricultural property exemption (MCL 211.7ee). Under the act, the July board of review meets on the Tuesday after the third Monday in the month, and December board of review meets on the Tuesday after the second Monday in the month.

Public Act 194 of 2003 allowed local governments to authorize alternative starting dates for the initial meeting of the March board of review. The change was made to provide flexibility for local units in setting their meeting times, as some local assessors assess property in multiple jurisdictions and found it difficult to attend the board of review meetings when all of the boards met roughly at the same time. Public Act 194 only affected the March board of review, and did not allow for alternative starting dates for the July and December boards of review.

A bill has been introduced in the House (House Bill 4210) that also addresses this issue. Last session, the House passed House Bill 5538 in a form identical to Senate Bill 209 of the current session.

### Qualified Errors

The General Property Tax Act authorizes the July and December Boards of Review to correct certain "qualified errors," which the act defines to refer to the following:

- A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes.
- A mutual mistake of fact.
- An adjustment relative to an incorrect uncapping of property tax assessments (MCL 211.27a).
- An exemption for certain qualified start-up businesses (MCL 211.7hh).
- For board of review determinations in 2006 through 2009, one or more of the following:
  - An error of measurement or calculation of the physical dimensions or components of real property being assessed.
  - An error of omission or inclusion of a part of the real property being assessed.
  - An error regarding the correct taxable status of the real property being assessed.
  - An error made by the taxpayer in preparing a personal property tax statement.

### **FISCAL IMPACT:**

The bill would have no significant impact on the state or local governmental units.

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■ 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.