



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 209 (as passed by the Senate)  
Sponsor: Senator Ron Jelinek  
Committee: Local, Urban and State Affairs

(as enacted)

Date Completed: 3-27-07

### **RATIONALE**

A concern has been raised regarding board of review meeting dates. Under the General Property Tax Act, a board of review in a city or township is required to meet twice a year for the purpose of approving qualified errors in the assessment of property. At these meetings, the local assessor discusses the qualified errors that he or she has verified and requests the board to approve them. Most often, a qualified error is a mistake made by an assessor in the valuation of property that results in an excessive property tax bill. After the error is approved by the board of review, the city or township may issue a corrected tax bill. (The term "qualified error" is defined below.)

Evidently, in rural areas of the State, two or more townships or cities often pool resources and share an assessor. Under normal circumstances, an assessor is able to work for multiple small municipalities at the same time, as each small city or township has a relatively low number of assessments. The Act, however, requires each board of review to hold a meeting on the same day to approve qualified errors. As a result, a shared assessor frequently is unable to attend every meeting for which he or she is responsible. Some people believe that the presence of an assessor at these meetings is critical to the success of the property tax process and that a more flexible meeting schedule should be authorized.

### **CONTENT**

**The bill would amend the General Property Tax Act to authorize the governing body of a city or township to adopt an ordinance or resolution**

**allowing alternative meeting dates during which a property tax board of review could approve qualified errors.**

Under the Act, after a local assessing officer has verified a qualified error in the assessment of a taxpayer's property, a board of review must meet to approve it. The meeting must take place on Tuesday following the second Monday in December and, for summer property taxes, on Tuesday following the third Monday in July. If summer taxes are not levied, a board of review may meet on Tuesday following the third Monday in July.

The bill would authorize the governing body of a city or township to adopt an ordinance or resolution allowing alternative meeting dates during the week of the second Monday in December and/or during the week of the third Monday in July.

(Under the Act, "qualified error" means one or more of 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 exemption as a qualified start-up business or an adjustment in the taxable value of a property following transfer of ownership.

For board of review determinations in 2006 through 2009, a "qualified error" also may be one or more of the following:

- An error of measurement or calculation of the physical dimensions or components of the 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 the statement of assessable personal property required under the Act.)

MCL 211.53b

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

The bill would accommodate cities and townships that share a single assessor in rural parts of the State, where it is common for one property assessor to do assessments for multiple municipalities. Because all boards of review are required to meet on the same day to approve qualified errors, it can be impossible for an assessor to attend the meeting in each community for which he or she assesses property. It is important that an assessor attend board of review meetings to explain his or her findings regarding qualified errors on behalf of taxpayers. It is also important for some areas to be able to share this resource. This bill would allow both of these things to happen.

### **Supporting Argument**

Under the Act, March meetings of boards of review, during which a taxpayer may challenge his or her assessment, are required to be held on a particular day, but a city or township may authorize alternative dates. The bill would apply the same flexibility to the December and July meeting dates, and therefore would make the law consistent.

### **Opposing Argument**

Currently, boards of review meet on two specific dates to approve qualified errors. The bill would make meeting dates uncertain and more difficult for a taxpayer to follow. Transparency and taxpayer involvement are goals of the process and this bill would make it more difficult to achieve them.

**Response:** Because the purpose of the meetings that the bill would affect is qualified error approval, it is not important that their dates be consistent from year to

year. Most taxpayers do not attend these meetings, as the assessor deals with qualified errors on behalf of the taxpayers. At this point in the process, the taxpayer and the assessor already have agreed to the error and the assessor is much more capable of explaining it to a board than the taxpayer is. The situation would be worse for a taxpayer if an assessor were unable to attend the qualified error meeting.

Legislative Analyst: Craig Laurie

## **FISCAL IMPACT**

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

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.