



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 373 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Roger Kahn, M.D.
Committee: Local, Urban and State Affairs

Date Completed: 5-7-09

RATIONALE

The General Property Tax Act requires the assessor of each township, village, and city to notify property owners of an increase in the tentative State equalized valuation (SEV) or the tentative taxable value of their property. To alert property owners more effectively, it has been suggested that the notice should include conspicuous language indicating that a change in value has occurred and how they may appeal the assessment.

CONTENT

The bill would amend the General Property Tax Act to require a notice of an increase in the tentative SEV or the tentative taxable value for the year given to a property owner, to begin with the words "notice of change in taxable and assessed value of your property and information regarding your appeal rights". The words would have to be in the largest point type in the notice.

The notice also would have to include information on the process for appealing assessments.

The Act requires an assessing officer to make an assessment of all the property in the State liable to taxation in all townships, villages, and cities. The assessor must give to each owner or person or people listed on the assessment roll of a property a notice by first-class mail of an increase in the tentative SEV or the tentative taxable value of the property for the year. The notice must specify each parcel of property, the tentative taxable value for the current year, and the taxable value for the immediately preceding year.

In addition, the notice must specify the time and place of the meeting of the board of review as well as the difference between the property's tentative taxable value in the current year and the property's taxable value in the immediately preceding year.

Under the bill, the notice also would have to include the information described above.

MCL 211.24c

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

Although an assessment notice currently shows a change in SEV or the tentative taxable value and contains information regarding the board of review, this might be unclear to the recipient. The bill's requirement that a notice include a large, visible headline drawing attention to its purpose, and the mechanism to contest the assessment, would help inform property owners.

Opposing Argument

Assessment notices already are cluttered and difficult to read because they must include certain information required by law. The additional language the bill would require could increase the confusion. Also, adding more language to the form could be problematic logistically for local governments. Under the existing format, the notice is a tri-fold, one-page document that, once folded, can be "self-mailing". If

the information included in the notice spilled onto a second page as a result of the proposed language, some local units would face complications in the mailing process. Furthermore, the notice already includes information about the appeals process. If the notice had to include a specific headline highlighting that fact, perhaps a more concise phrase could be used.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State government. The bill would negligibly increase local unit expenses by potentially requiring changes to the affected notices.

Fiscal Analyst: David Zin

A0910\sb373a

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.