



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

House Bill 5621 (Substitute H-1 as reported without amendment)

Sponsor: Representative Kate Ebli

House Committee: Tax Policy

Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to continue to include certain errors as a "qualified error" eligible for correction, and revise the year in which a correction may be made.

Under the Act, if a qualified error has occurred, it must be verified by the local assessing officer and approved by the board of review. If the qualified error results in an overpayment or underpayment, a rebate must be made to the taxpayer or the taxpayer must be notified and make payment.

For board of review determinations in 2006 through 2009, the definition of "qualified error" included 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.

Under the bill, those errors would continue to constitute qualified errors.

Currently, as a rule, a correction for a qualified error may be made in the year in which the error was made or in the following year. Under the bill, instead, a correction could be made for the current year and the immediately preceding year only.

MCL 211.53b

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would likely reduce both local property revenue and the School Aid Fund, and increase School Aid Fund expenditures, by an unknown but likely minimal amount. The exact amount would depend upon the specific characteristics of the properties affected by the bill. Under current law, fewer events will meet the definition of "qualified error" beginning in 2010, and the bill would eliminate that sunset. To the extent the bill resulted in lower property tax revenue to local school districts, School Aid Fund expenditures would need to increase in order to maintain per-pupil funding guarantees.

Date Completed: 1-14-10

Fiscal Analyst: David Zin