

Legislative Analysis



MAKE DELINQUENT PROPERTY TAXES A PERSONAL LIABILITY IN CERTAIN CASES

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House Bill 5609

Sponsor: Rep. Matt Huuki

Committee: Tax Policy

Complete to 5-29-12

A SUMMARY OF HOUSE BILL 5609 AS INTRODUCED 5-9-12

The bill would amend the General Property Tax Act to make delinquent property taxes a personal liability of a person who has transferred the property on which the taxes are owed to a member of a federally recognized Indian tribe, thus making the property exempt under federal law from forfeiture, foreclosure, and sale under state law.

This would apply in cases in which the taxes were returned as delinquent and were due on the property at the time of the transfer to the member of the federally recognized Indian tribe. The taxes would become a personal liability of the person transferring the property, and that person would be subject to the collection of the delinquent taxes.

MCL 211.78p

FISCAL IMPACT:

The bill could increase revenue to affected local units by removing an existing incentive for property owners to let property taxes become delinquent on property in anticipation of transferring some or all of the property to a member of a federally-recognized Indian tribe. According to a resolution passed by the Baraga County Board of Commissioners on May 14, 2012, the bill would prevent the loss of about \$130,000 in property tax revenue from one parcel. However, additional property tax losses, due to the incentive, would also be prevented.

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