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Senate Bill 453 (as introduced 6-15-11)
Sponsor: Senator Bert Johnson
Committee: Finance

(as passed by the Senate)

Date Completed: 9-13-11

CONTENT

The bill would amend the General Property Tax Act to provide for the reassessment and collection of taxes that were rejected or charged back by the State Treasurer or a county treasurer, unless the property were tax exempt, the taxes had been paid, or the taxes had been assessed twice.

Under the Act's provisions for the collection of delinquent taxes, a county treasurer is allowed to reject a tax on land that has been assessed twice, or on any parcel that is so erroneously or defectively described on the tax roll that it cannot be correctly and easily ascertained.

The bill would require a county treasurer, by June 30 each year, to prepare a statement setting forth all rejected taxes, the reasons for the rejection, and a description of the property upon which the taxes were assessed.

If the rejection were approved, after examination, the State Treasurer would have to submit the rejected taxes, through the county treasurer, to the county board of commissioners at the next annual fall session.

If taxes were rejected or charged back by the State Treasurer or county treasurer, the county board of commissioners would have to cause the taxes to be reassessed upon the same property, collected with the taxes of the current year, and treated in the same manner as taxes of the current year, unless the property had not been subject to taxation at the time the taxes were assessed, the taxes had been paid, or there had been a double assessment of the taxes on the property.

Taxes that were rejected or charged back would not be subject to penalties other than those applicable to taxes assessed in the current year.

If the taxes could not be properly assessed upon the same property, the county board of commissioners would have to cause the taxes to be reassessed upon the taxable property of the proper local tax collecting unit.

Proposed MCL 211.57b

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an unknown, and likely negligible, impact on State and local revenue that would depend on the number of properties affected as well as their specific characteristics. Rejected taxes typically represent instances where property has been assessed twice, or the description of the property being assessed is incorrect or unclear, but can also include taxes levied on exempt property. The bill would effectively allow rejected taxes on exempt property to be removed from the tax roll while exempt, presumably eliminating additional instances of rejected taxes on the same property in the future.

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.