



Senate Fiscal Agency
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House Bill 4882 (Substitute H-1 as reported without amendment)
Sponsor: Representative Phil M. Cavanagh
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to do the following:

- Allow a foreclosing governmental unit to create a delinquent property tax installment payment plan for the principal residence of a financially distressed person.
- Allow the governmental unit to remove the property from a foreclosure petition if the person agreed to participate in the plan and made the initial payment required under it.
- Require additional interest to be waived if the person successfully completed the payment plan.
- Require the property to be included in the next foreclosure petition, and provide that additional interest would apply, if the person did not successfully complete the payment plan.

"Financially distressed person" would mean a person who is eligible to have property to which he or she holds title withheld from a foreclosure petition based on substantial financial hardship, and who is not delinquent in satisfying a delinquent property tax installment payment plan for any other property within the foreclosing governmental unit.

MCL 211.78h et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an unknown but likely minimal fiscal impact on State and local property tax revenue. The impact would depend on the frequency with which a foreclosing governmental unit offered an installment payment plan for delinquent taxes to an eligible financially distressed person, and the amount of repayment received under an installment plan compared to the possible proceeds of a foreclosure sale, which would be delayed or prevented by use of the repayment plan. The foreclosing governmental unit also would forego possible additional interest payments from a taxpayer who successfully completed the installment plan.

Date Completed: 12-4-14

Fiscal Analyst: Elizabeth Pratt