

# Legislative Analysis



## TAX PAYMENT OR APPORTIONMENT PRIOR TO LAND DIVISION

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

### House Bill 5802 (proposed substitute H-2)

**Sponsor: Rep. James A. Lower**

**Committee: Tax Policy**

**Complete to 12-4-18**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5802 would amend the Land Division Act to require one or both of the following as a condition for approval of an application to divide land under the act:

- The payment of all property taxes and special assessments due on a parcel or tract of land.
- The apportionment of unpaid property taxes and special assessments by the assessor or supervisor of the municipality.

Section 109 of the act currently requires that a local or county official who has authority to approve or disapprove a proposed division of land must approve a complete application for division if certain conditions are met, such as those concerning the size, shape, or accessibility of the resulting parcels.

The bill would add the requirement that one of the following two conditions be met:

- All property taxes and special assessments due on the parcel or tract proposed to be divided have been paid for the five years preceding the date of the application.
- If all property taxes or special assessments due on the parcel or tract have not been paid for the five years preceding the date of the application, the unpaid property taxes and special assessments have been apportioned by the assessor or supervisor.

Payment of the taxes would be established by a certificate from the county treasurer of the county where the land is located. The county treasurer would collect a fee of at least \$5 for the certification. If the application were made on or after March 1 and before the applicable local treasurer had made his or her return of current delinquent taxes, the county treasurer would include a notation that the return of current delinquent taxes was not available when the certification was made. Such a notation could not be the basis for disapproving an application.

Unpaid property taxes or special assessments that have been apportioned would be considered a lien against the parcels or tracts as apportioned and would be treated in the same manner as property taxes and special assessments of the year of the original assessment for the purpose of collection and sale for delinquent taxes.

The bill would require the assessor to provide the person who filed for the land division a certificate of approval of the proposed division, if granted. Further, if a parcel were divided, the bill would prohibit the register of deeds from recording a deed that conveyed a parcel resulting from the division unless the deed were accompanied by a certificate of approval.

In addition to the current law requirement that the deed contain a statement as to whether the right to make further divisions exempt from the platting requirements is proposed to be conveyed, the bill would require that a parcel of unplatted land could not be sold unless the deed contained a statement as to whether the deed was a division.

The bill would take effect 90 days after being enacted.

MCL 560.109

**FISCAL IMPACT:**

To the extent that there are outstanding property taxes over the five preceding years on a parcel designated to be divided into smaller parcels and the parties chose the option of paying off unpaid property taxes or special assessments to facilitate the land division, there would presumably be an increase in state and local property tax revenue. Because the parcels to which the bill would apply cannot be identified, the impact on property tax revenue cannot be determined. The alternative option of apportioning unpaid property taxes and special assessments would result in an unknown fiscal impact on state and local property tax revenues.

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