

Legislative Analysis



TAX PAYMENT PRIOR TO LAND DIVISION

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

House Bill 5802 as introduced
Sponsor: Rep. James A. Lower
Committee: Tax Policy
Complete to 9-3-18

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

SUMMARY:

House Bill 5802 would amend the Land Division Act to add the payment of property taxes due on a parcel or tract of land as a condition for approval of an application to divide that land under the act.

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 condition that all property taxes due on the parcel or tract proposed to be divided have been paid for the five years preceding the date of the application. 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.

The bill would take effect 90 days after being enacted into law.

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, there would presumably be an increase in state and local property tax revenue, since it would be necessary to remove the obligation before the parcel could be divided. Because the parcels to which the bill would apply cannot be identified, the impact on property tax revenue cannot be determined.

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