



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4285 (Substitute S-1 as reported)  
Sponsor: Representative Peter J. Lucido  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

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

- Specify that a person would not be subject to personal liability for any unpaid property tax levied on real property unless the person owned the real property on the tax day for the year in which the unpaid tax was levied.
- Specify that an *in personam* action brought under the Act or a city's charter to enforce personal liability for unpaid taxes would be subject to this provision.
- Provide that, if the person to whom the property tax was assessed did not own the property at the time the tax was levied, the township or city treasurer, or the State Treasurer, could sue any person that did own or occupy the property at the time the unpaid tax was levied and garnish any debtor or debtors of that person.

The bill would be retroactive and would be effective for any unpaid property taxes or special assessments subject to collection under the Act on and after the bill's effective date. The bill also states, "However, this amendatory act is not intended to affect any final determination, not subject to further appeal, of personal liability in a proceeding or case decided by the tax tribunal or a court of this state issued before the date this amendatory act is enacted into law."

MCL 211.47 & 211.89a

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill should have no fiscal impact on State or local government. The bill would prevent lawsuits against a previous owner of property who had paid property taxes in full and who no longer owned the property when taxes subsequently became delinquent. In addition, the bill would prevent personal liability actions against a person who purchased property after the tax day for which taxes were owed. Under current law, an owner in these situations presumably would be able to demonstrate that he or she did not own the property for the tax years in question and had no personal liability for unpaid taxes related to the property.

However, to the extent that a unit of government currently may be able to recover unpaid property taxes from the assets of a person who did not own the property on the tax day for the year in which the unpaid tax was levied, the bill could reduce revenue collections.

Date Completed: 9-21-17

Fiscal Analyst: Elizabeth Pratt