

# Legislative Analysis



## **TAX PAYMENT CERTIFICATION PRIOR TO LAND DIVISION**

Phone: (517) 373-8080  
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**House Bill 4055 (proposed substitute H-1)**  
**Sponsor: Rep. Bradley Slagh**  
**Committee: Local Government and Municipal Finance**  
**Complete to 2-27-19**

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

### **SUMMARY:**

House Bill 4055 would amend the Land Division Act to require one or both of the following as a condition for approval of any proposed division of a parcel or tract of land under the act:

- The payment of all property taxes and special assessments due on the parcel or tract.
- The apportionment of unpaid property taxes and special assessments by the assessing officer overseeing the division.

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 that one of the two following conditions must also be met:

- All property taxes and special assessments due on a soon-to-be-divided tract of land for the preceding five years must be paid, as established by a certificate from the treasurer of the county in which the parcel is located. If the date of the application is on or after March 1 of that year and before the treasurer of the local tax collecting unit has made his or her return of current delinquent taxes, then the county treasurer would have to include on his or her certificate a notation that the return of current delinquent taxes was not available for examination. The official with authority over the application for land division would be prohibited from disapproving any application due to the presence of such a notation on a certificate. The county treasurer would collect a certification fee of at least \$5 for carrying out the examination process.
- Alternatively, if the property taxes or special assessments due on the parcel or tract to be divided have not been paid, the unpaid property taxes or special assessments would have to be apportioned among the subdivided parcels or tracts by the township or city assessing officer overseeing the division. The apportioned property taxes or special assessments would be a lien against the apportioned parcels or tracts 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 under the General Property Tax Act.

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 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.

Legislative Analyst: Nick Kelly  
Fiscal Analyst: Jim Stansell

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.