



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



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

House Bill 5824 (as passed by the House)
House Bill 5825 (as passed by the House)
Sponsor: Representative Jim Ellison (H.B. 5824)
Representative Gregory Markkanen (H.B. 5825)
House Committee: Local Government and Municipal Finance
Ways and Means
Senate Committee: Finance

Date Completed: 12-2-20

CONTENT

House Bill 5825 would amend the General Property Tax Act to do the following:

- Specify that, beginning April 6, 2020, and continuing through the balance of the 2020 tax year only, the modifications listed in the bill would apply to the collection of taxes under the Act for property taxes levied in 2020.
- Specify that the bill would not provide for a rehearing or consideration by a July board of review of a property tax matter that was previously denied by a March board of review.
- Specify that the time extensions provided in the bill would be automatic.

House Bill 5824 would amend the General Property Tax Act to specify that deadlines pertaining to the equalization of assessment rolls would be subject to the one-time extensions provided for in House Bill 5825.

The bills are tie-barred. House Bill 5825 also states that it "is intended to apply retroactively effective beginning April 6, 2020".

House Bill 5825

Under the bill, notwithstanding any provision of the Act or local charter provision or ordinance to the contrary, beginning April 6, 2020, and continuing through the balance of the 2020 tax year only, the modifications described below would apply to the collection of taxes under the Act for property taxes levied in 2020.

The requirements of Sections 30 and 30a (which pertain to reviews of assessments by boards of review) would be subject to all of the following modifications:

- Any review of assessments by a city or township board of review that had been completed by the bill's effective date would have to be considered to have been timely completed.
- A completed assessment roll for 2020 that had been delivered to the director of a county tax or equalization department by the bill's effective date would have to be considered to have been timely delivered.
- If the director of a county tax or equalization department did not receive a certified assessment roll from a board of review, the county would have to equalize based on the assessment roll prepared by the assessor.

The requirements of Section 34 (which pertains to meetings of county boards of commissioners to determine equalized values) would be subject to both of the following:

- The county board of commissioners in each county would have to meet by not later than May 15, 2020, to determine county equalized value; a meeting would have to be conducted in a manner consistent with Executive Orders 2020-75 and 2020-77, or any executive orders on the same subjects that could follow.
- The director of the tax or equalization department in each county would have to transmit a certified copy of the tabular statement to the State Tax Commission on or before May 18, 2020.

(Executive Orders 2020-75 and 2020-77 authorized public bodies to meet remotely and suspended a number of commercial and individual activities, respectively, in response to the COVID-19 pandemic.)

The protest and dispute provisions set forth in the Act would be subject to all of the following modifications:

- Boards of review that were not able to complete the duties would have to meet on the Tuesday following the third Monday in July to hear protests.
- In addition to reviews of qualified errors, boards of review meeting in July also would have to meet to hear any matters, including protests, that were properly before a March board of review; boards of review would have to issue decisions on these matters by September 1, 2020.
- An owner of assessable property that disputed the classification of a particular parcel would have to notify the assessor and could protest the assigned classification to the board of review acting in July.
- An owner could appeal a classification decision of the board of review acting in July by filing a written petition with the State Tax Commission by September 1, 2020.

Boards of review meeting in July would have to do the following:

- Provide notice of their meetings in the manner prescribed under the Open Meetings Act as modified by any applicable executive orders related to the COVID-19 pandemic that were in effect when notice was required.
- Allow a resident taxpayer to file a protest before the board of review by letter without a personal appearance by the taxpayer or taxpayer's agent.

The bill would not provide for a rehearing or reconsideration by a July board of review of a protest, request, or other property tax matter that was previously denied by a March board of review.

The time extensions provided in the bill would be automatic and taxpayers and local officials would be entitled to them without filing any additional forms with, or otherwise contacting, the Department of Treasury, State Tax Commission, or State Tax Tribunal.

House Bill 5824

Under the Act, at the regular meeting of the boards of commissioners of the several counties held on the Tuesday following the second Monday in April each year, the boards of commissioners must equalize the assessment rolls in the manner provided by law. The equalization must be completed before the first Monday in May.

The director of the tax or equalization department of each county must prepare a tabular statement from the aggregates of the rolls of the number of acres of land and the value of the personal property and each classification of real property in each township and city as assessed, and also the aggregate valuation of the personal property and each classification of real property appearing on each roll as equalized by the county board of commissioners. The director of the tax or equalization department must make a certified copy of the tabular statement, signed by the chairperson and clerk of the county board of commissioners and the director of the tax or equalization department, and transmit it to the Secretary of the State Tax Commission on or before the first Monday in May, who must present the statement to the State Board of Equalization immediately following its organization.

Under the bill, the deadlines provided above would be subject to the one-time extensions provided in House Bill 5825.

MCL 209.5 (H.B. 5824)
Proposed MCL 211.33a (H.B. 5825)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bills would have no fiscal impact on the State or local government. The bills would codify extensions that were granted in Executive Order 2020-87, so the changes in the bill reflect current practice.

Fiscal Analyst: Ryan Bergan

SAS\S1920\s5824sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.