

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.27b Failure to notify assessing office; adjustment; taxes, interest, and penalties; personal liability.

Sec. 27b. (1) If the buyer, grantee, or other transferee in the immediately preceding transfer of ownership of property does not notify the appropriate assessing office as required by section 27a(10), the property's taxable value must be adjusted under section 27a(3) and, subject to subsection (9), all of the following must be levied:

(a) Any additional taxes that would have been levied if the transfer of ownership had been recorded as required under this act from the date of transfer.

(b) Interest and penalty from the date the tax would have been originally levied.

(c) For property classified under section 34c as either industrial real property or commercial real property, a penalty in the following amount:

(i) Except as otherwise provided in subparagraph (ii), if the sale price of the property transferred is \$100,000,000.00 or less, \$20.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of \$1,000.00.

(ii) If the sale price of the property transferred is more than \$100,000,000.00, \$20,000.00 after the 45 days have elapsed. However, if the appropriate assessing office determines that the failure to notify the assessing office within 45 days after the property's transfer of ownership was due to reasonable cause and not the willful neglect of the buyer, grantee, or other transferee, the penalty under subparagraph (i) must be imposed. If the appropriate assessing office makes a determination that the failure to notify the assessing office within 45 days after the property's transfer of ownership was a result of the willful neglect of the buyer, grantee, or other transferee, that assessing office shall promptly send that buyer, grantee, or other transferee written notice, by certified mail, of that determination. A buyer, grantee, or other transferee who is assessed the penalty under this subparagraph may appeal that determination to the Michigan tax tribunal.

(d) For real property other than real property classified under section 34c as industrial real property or commercial real property, a penalty of \$5.00 per day for each separate failure beginning after the 45 days have elapsed, up to a maximum of 1 of the following, as applicable:

(i) For property owned and occupied as a principal residence, \$200.00. As used in this subparagraph, "principal residence" means that term as defined in section 7dd.

(ii) For all other property, \$4,000.00.

(2) The appropriate assessing officer shall certify for collection to the treasurer of the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll any additional taxes due under subsection (1)(a) and any penalty due under subsection (1)(c) or (d).

(3) The treasurer of the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall collect any taxes, interest, and penalty due pursuant to this section, and shall immediately prepare and submit a corrected tax bill for any additional taxes due under subsection (1)(a) and any interest and penalty due under subsection (1)(b). A penalty due under subsection (1)(c) or (d) may be collected with the immediately succeeding regular tax bill.

(4) Any taxes, interest, and penalty collected pursuant to subsection (1)(a) and (b) must be distributed in the same manner as other delinquent taxes, interest, and penalties are distributed under this act. Any penalty collected under subsection (1)(c) or (d) must be distributed to the local tax collecting unit.

(5) The governing body of a local tax collecting unit may waive, by resolution, the penalty levied under subsection (1)(c) or (d).

(6) If the taxable value of property is increased under this section, the appropriate assessing officer shall immediately notify by first-class mail the owner of that property of that increase in taxable value. A buyer, grantee, or other transferee may appeal any increase in taxable value or the levy of any additional taxes, interest, and penalties under subsection (1) to the Michigan tax tribunal within 35 days of receiving the notice of the increase in the property's taxable value. An appeal under this subsection is limited to the issues of whether a transfer of ownership has occurred and correcting arithmetic errors. A dispute regarding the valuation of the property is not a basis for appeal under this subsection.

(7) If the taxable value of property is adjusted under subsection (1), the assessing officer making the adjustment shall file an affidavit with all officials responsible for determining assessment figures, rate of taxation, or mathematical calculations for that property within 30 days of the date the adjustment is made. The affidavit must state the amount of the adjustment and the amount of additional taxes levied. The officials with whom the affidavit is filed shall correct all official records for which they are responsible to reflect the

adjustment and levy.

(8) Notification of a transfer of ownership provided as required under section 27a(10) or a levy of additional taxes, interest, and penalty under this section must not be considered a determination of or evidence of the classification of the property transferred as real or personal property.

(9) The levy described in subsection (1) is a lien against the property only if the property is still owned by the buyer, grantee, or other transferee that failed to notify the appropriate assessing office as required by section 27a(10). If the property has subsequently been transferred to a buyer, grantee, or other transferee who did notify the appropriate assessing office as required by section 27a(10), the amounts described in subsection (1)(a) to (d) must not be levied on the property and must instead be treated as the personal liability of the prior buyer, grantee, or other transferee that failed to notify the appropriate assessing office as required by section 27a(10) of the prior transfer. Subject to subsection (10), the official described in subsection (3) shall collect those amounts and distribute them in the manner described in subsection (4). The governing body of a local tax collecting unit may waive, by resolution, the personal liability of the prior buyer, grantee, or other transferee for the amounts described in subsection (1)(c) or (d).

(10) The state treasurer, or an authorized representative of the state treasurer, shall serve as the collection agent for the amounts described in subsection (1)(a) to (d), when those amounts are treated as a personal liability as described in subsection (9), upon the request of the official described in subsection (3). The state shall retain up to 20% of any amounts recovered for its collection fee. The state treasurer, or an authorized representative of the state treasurer, shall distribute the recovered amounts, net of collection fees, to the official making the request. The recovered amounts received by the official described in subsection (3) must be distributed in the manner described in subsection (4). The state treasurer, or an authorized representative of the state treasurer, shall administer collections described in this subsection under section 25 of 1941 PA 122, MCL 205.25.

History: Add. 1994, Act 415, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 476, Imd. Eff. Dec. 26, 1996;—Am. 2012, Act 382, Imd. Eff. Dec. 19, 2012;—Am. 2024, Act 97, Eff. Apr. 2, 2025.

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