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JULY BOARD OF REVIEW

House Bill 4260 (Substitute H-1) First Analysis (2-16-00)

Sponsor: Rep. Michael Green
Committee: Tax Policy

THE APPARENT PROBLEM:

The General Property Tax Act requires a local unit of government to convene a board of review in July and December to address clerical errors and mutual mistakes of fact made in property tax assessments, tax rates, or tax computations. (The boards of review can also address claims for poverty exemptions, homestead property tax exemptions and qualified agricultural property exemptions.) The act says the meetings for such purposes are to be held on the Tuesday following the second Monday in December and, for summer property taxes, on Tuesday following the third Monday in July. The act is understood to only allow the July board of review meeting in jurisdictions that levy summer property taxes. There are occasions, however, when taxpayers and tax officials in local units without summer levies would like to correct errors on tax bills without waiting for the December board of review. Legislation has been introduced that would allow (but not require) a local unit that does not levy summer taxes the option of holding a July board of review.

THE CONTENT OF THE BILL:

The bill would amend the General Property Tax Act to permit a local board of review to meet on the Tuesday following the third Monday in July even when there was not a levy of summer property taxes.

MCL 211.53b

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill would have not have any direct state or local fiscal impact. (HFA fiscal note dated 2-14-00)

ARGUMENTS:

For:

The bill would simply permit a July board of review meeting to be held in local units that do not levy summer taxes. This is a sensible improvement in the

administration of property taxes in that it will allow mistakes to be corrected on tax rolls in a timely manner.

POSITIONS:

The Department of Treasury has indicated support for the bill. (2-15-00)

The Michigan Townships Association supports the bill. (2-15-00)

The Michigan Assessor's Association has indicated support for the bill. (2-15-00)

The Michigan Chamber of Commerce has indicated support for the bill. (2-15-00)

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Analyst: C. Couch

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