

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5587 (as reported without amendment)
Sponsor: Representative Nancy Cassis
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to provide that unpaid taxes levied on certain buildings and improvements located on leased land would have to be collected in the same manner as unpaid taxes levied on personal property. The bill would apply to taxes levied after December 31, 2001.

The bill provides that if taxes levied on qualified real property remained unpaid on February 15, the unpaid taxes would have to be collected in the same manner as unpaid taxes levied on personal property are collected under the Act. "Qualified real property" would mean buildings and improvements located upon leased real property that were assessed as real property (except buildings and improvements exempt from personal property tax as part of an eligible distressed area), if the value of the buildings or improvements were not otherwise included in the assessment of the real property.

The bill specifies that unpaid taxes on qualified real property could not be returned as delinquent to a county treasurer for forfeiture, foreclosure, and sale. If a county treasurer discovered that unpaid taxes on qualified real property had been returned as delinquent for forfeiture, foreclosure, and sale, the county treasurer would have to return the unpaid taxes to the appropriate local tax collecting unit for collection as if the taxes were unpaid personal property taxes.

Under the Act, a local treasurer must demand from the owners payment for personal property taxes unpaid after February 15. If the taxes remain unpaid, the treasurer may seize the personal property and sell it in an amount sufficient to pay the taxes.

MCL 211.44

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have minimal fiscal impact on local government.

Date Completed: 5-22-02

Fiscal Analyst: David Zin