

Legislative Analysis



TAX TRIBUNAL CASES: ALLOW INFORMAL SETTLEMENT CONFERENCES

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4913

Sponsor: Rep. Marty Knollenberg
1st House Committee: Tax Policy
2nd House Committee: Judiciary

Complete to 9-15-09

A SUMMARY OF HOUSE BILL 4913 AS INTRODUCED 5-12-09

The bill would amend the Tax Tribunal Act to require informal settlement conferences to be held at the request of a taxpayer who has filed a petition with the Tax Tribunal. The Tribunal hears cases on property tax issues (assessments, valuations, rates, special assessments, allocation, or equalization).

Under the bill, once a petition has been filed with the Tax Tribunal, the petitioner could request an informal settlement conference. If a petitioner did so, the assessing agency would have to schedule such a conference within 60 days, with the conference to be held at the office of the assessor for the assessing agency.

At the informal settlement conference, the petitioner and assessing agency could enter into a binding written agreement to dismiss the petitioner's appeal, and the agreement would be filed with the Tax Tribunal. If the petitioner and the assessing agency do not agree, the appeal would continue as otherwise provided in the act.

MCL 205.735b

FISCAL IMPACT:

The bill would have no budgetary impact on the Michigan Tax Tribunal. To the extent the bill results in more tax disputes being resolved through an informal conference, the bill could potentially enable the MTT to more quickly work through its backlog of approximately 20,000 cases. To the extent this occurs, the bill could result in reduced litigation costs for parties to an MTT case, as well as lower interest payments paid by the state and local units of government arising from the dispute.

Currently, Section 21 (MCL 205.21) of the Revenue Act, 1941 PA 122, authorizes taxpayers to settle non-property tax disputes with the Department of Treasury through an informal conference. Additionally, Section 7cc (MCL 211.7cc) of the General Property Tax Act, 1893 PA 206, allows taxpayers to resolve a dispute concerning principal residence exemptions (for owner-occupied homes) through an informal conference with the Department of Treasury.

Legislative Analyst: Chris Couch
Fiscal Analyst: Mark Wolf

■ 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.