

## FAILURE TO RECORD TRANSFER OF PROPERTY OWNERSHIP

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**Senate Bill 175 (S-1) as passed by the Senate**

**Sponsor: Sen. Sylvia A. Santana**

**House Committee: Tax Policy**

**Senate Committee: Finance, Insurance, and Consumer Protection**

**Complete to 11-7-23**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

Senate Bill 175 would amend the General Property Tax Act to increase the fines for certain individuals that fail to file a transfer of property ownership with the local assessing officer.

Currently, the act requires that a buyer, grantee, or other transferee in the transfer of ownership of a property notify the local assessing officer of the transfer within 45 days and prescribes certain penalties for failing to do so. Among these is a penalty of \$5 per day, up to a maximum of \$200, for a failure to notify the assessor of a transfer of property other than industrial or commercial real property.

Under the bill, the maximum fine would be increased to double the amount of additional taxes that would have been levied if the transfer of ownership had been property recorded on the date of transfer, except if the property is the owned and occupied as a principal residence. For principal residences, the maximum fine would remain \$200.

#### Penalties as a lien

The bill would also provide that the penalties levied for a failure to record a transfer of ownership would be a lien against the property if it is still owned by the person that failed to notify the assessing officer of the transfer. If the property were subsequently transferred to a person that did properly notify the assessing officer, the penalties would be levied as a personal liability on the person that failed to record the previous transfer, rather than against the property. In these cases, the penalties would be collected and distributed in the same manner as penalties levied against a property.

The bill would also allow the governing body of the local tax collecting unit to waive the penalties in excess of the additional taxes or interest and penalties assessed on those taxes by resolution if penalties are levied against the personal liability of the person.

MCL 211.27b

### FISCAL IMPACT:

The bill would have no fiscal impact on state government and likely would increase local revenues from penalties by an unknown amount that would vary by local jurisdiction.

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