



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 4446 (Substitute H-3 as discharged)  
Sponsor: Representative Margaret O'Brien  
House Committee: Tax Policy  
Senate Committee: Finance

**CONTENT**

The bill would amend the General Property Tax Act to revise provisions under which a bank, land contract vendor, credit union, or other lending institution may retain the principal residence exemption on foreclosed property. (The following references to a "bank" include the other entities.) The bill would do the following:

- Extend the provisions to property a bank owned as a result of forfeiture of a recorded interest, or through deed or conveyance in lieu of a foreclosure or forfeiture.
- Provide that a bank would retain the exemption at the same percentage of exemption that the property previously had.
- Allow the property to be occupied by the person who claimed the exemption immediately before the foreclosure or forfeiture.
- Specify that the bank could retain the exemption for not more than three years.
- Specify that the amount the bank must pay equal to the school operating taxes that otherwise would be collected "is an amount that is not captured by any authority as tax increment revenues".

The bill also would amend other provisions to reflect previous amendments that changed the deadline for a property owner to file an affidavit claiming the principal residence exemption, and added a second deadline.

MCL 211.7cc

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The bill would reduce local school operating revenue by an unknown, and likely minimal, amount. If the bill did not reduce per-pupil funding guarantees, it also would increase School Aid Fund expenditures by an unknown, and likely minimal, amount. The actual amounts of both the revenue loss and increased School Aid Fund expenditures would depend on the specific characteristics of the affected property.

Date Completed: 12-13-12

Fiscal Analyst: David Zin