



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 349 (as enrolled)
Sponsor: Senator Jim Stamas
Senate Committee: Finance
House Committee: Tax Policy

Date Completed: 11-5-15

RATIONALE

The General Property Tax Act requires county treasurers to send notices of delinquent taxes to particular parties on specified dates. Reportedly, there has been some variation in the interpretation of this requirement by county treasurers, with some believing that notices must be mailed out on the date specified and others believing that it is acceptable to mail the notices on or before the date. Evidently, some treasurers would like to give more notice to delinquent taxpayers, but feel they have to wait until the dates specified in the Act. For this reason, it has been suggested that the Act should provide a window of time for the mailings, instead of a single date.

CONTENT

The bill would amend the General Property Tax Act to require county treasurers to send notices regarding delinquent taxes on or within 60 days of the June 1 and September 1 required dates, instead of on those dates.

The Act requires the county treasurer to send notice to the person to whom a tax bill for property returned for delinquent taxes was last sent or to the person identified as the owner of property returned for delinquent taxes, to a person entitled to notice of the return of delinquent taxes, and to a person to whom a tax certificate for property returned for delinquent taxes was issued, on the June 1 immediately succeeding the date that unpaid taxes are returned to the county treasurer as delinquent. The notice must include all of the following:

- The date property on which unpaid taxes were returned as delinquent will be forfeited to the county treasurer.
- A statement that a person who holds legal interest in the property may lose that interest as a result of the forfeiture and subsequent foreclosure proceeding.
- A legal description or parcel number of the property and the street address, if available.
- The unpaid delinquent taxes, interest, penalties, and fees due on the property.
- A statement that unless those unpaid delinquent taxes, interest, penalties, and fees are paid by the March 31 after a foreclosure judgement is entered in an uncontested case, absolute title to the property will vest in the foreclosing governmental unit.
- A statement of the person's rights of redemption and notice that those rights will expire on the March 31 after a foreclosure judgment is entered in an uncontested case.

The bill would require the notice to be sent on or within 60 days before the June 1 immediately following the date that unpaid taxes were returned to the county treasurer as delinquent.

The Act requires a second notice to be sent to the same individuals on the following September 1. The second notice must include all of the items required in the first notice, as well as a schedule of the additional fees that will accrue on the following October 1 if the unpaid delinquent taxes, interest, penalties, and fees due on the property are not paid. The bill would require the second

notice to be sent on or within 60 days before the September 1 immediately following the date that unpaid taxes were returned to the county treasurer as delinquent.

MCL 211.78b & 211.78c

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would allow county treasurers to send notices at any time within 60 days before the required dates, instead of mailing the notices only on those dates. This flexibility would allow treasurers to mail notice earlier, which would give the people who owe delinquent taxes more time to pay those taxes before increased penalties accrued.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.