



Senate Fiscal Agency  
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Senate Bill 150 (as reported without amendment)  
Sponsor: Senator Stephanie Chang  
Committee: Finance, Insurance, and Consumer Protection

## **CONTENT**

The bill would amend the Tax Tribunal Act to allow the Residential Property and Small Claims Division ("Small Claims Division") of the Michigan Tax Tribunal to conduct hearings and rehearings telephonically, by videoconferencing, or in person.

Under the Act, the Small Claims Division of the Tribunal has jurisdiction over a proceeding in which residential property is exclusively involved or one involving an appeal of any other tax over which the tribunal has jurisdiction if the amount of the tax in dispute is \$20,000 or less, adjusted annually for inflation. (In 2023, the amount-in-dispute threshold is \$28,003 or less.)

Except as otherwise provided, the Small Claims Division must meet in the county in which the property in question is located or in a contiguous county. A petitioner-appellant must not have to travel more than 100 miles from the location of the property in question to the hearing site, except that a rehearing by a Tribunal member must be at a site determined by the Tribunal. Under the bill, these provisions would apply only to in-person hearings. The bill would allow the Small Claims Division to conduct hearings and rehearings telephonically, by videoconferencing, or in person.

In addition, by leave of the Tribunal and with the mutual consent of all parties, a Small Claims Division proceeding may take place at a location mutually agreed upon by all parties or may take place using amplified telephonic or video conferencing equipment. Instead, under the bill, upon request of one of the parties, an in-person hearing could take place at a location mutually agreed upon by all parties.

MCL 205.762

## **BRIEF RATIONALE**

Generally, Small Claims Division hearings are an informal hearing process to resolve appeals filed with the Michigan Tax Tribunal. These hearings last about 30 minutes and parties typically represent themselves. Following the COVID-19 pandemic, small claims hearings moved to virtual meetings. According to testimony, the ability to meet virtually removed barriers such as travel times and cost for participants of the hearings, and so it has been suggested that the Act be modified to allow virtual Small Claims hearings to continue.

Legislative Analyst: Eleni Lionas

## **FISCAL IMPACT**

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

Date Completed: 5-18-23

Fiscal Analyst: Elizabeth Raczkowski