



Senate Fiscal Agency  
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BILL  ANALYSIS

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Senate Bill 972 (as enacted)  
Sponsor: Senator Dave Hildenbrand  
Senate Committee: Finance  
House Committee: Tax Policy

**PUBLIC ACT 482 of 2012**

Date Completed: 4-3-13

**RATIONALE**

Some people suggested that taxpayers should be notified when property tax bills have not been paid, before they receive a forfeiture notice from the county. The General Property Tax Act sets forth the tax collection process, and requires township treasurers and other tax collectors to send each taxpayer a statement of the amount due. The statement must be mailed to the taxpayer's last known address on the tax roll or to the taxpayer's designated agent. If the taxes are not paid on time, the local treasurer "returns the property" to the county treasurer for delinquent taxes. The county (or the State, in some cases) then is responsible for collecting the past-due taxes; this process begins with a series of notices to the taxpayer and ultimately may result in foreclosure and sale of the property if the taxes remain unpaid. It was pointed out that a taxpayer might miss making a payment because he or she did not receive the original statement from the local treasurer, or a taxpayer might send a payment that gets lost in the mail. In these situations, the taxpayer might not be aware that his or her taxes are delinquent until the county sends a notice of the delinquency. Alerting taxpayers earlier in the process was suggested.

**CONTENT**

The bill amended the General Property Tax Act to require a tax statement, for the year in which property is returned to the county treasurer for delinquent taxes, to include notice that as of March 1 there were delinquent taxes on the property, and that those taxes were returned to the county treasurer for collection. The statement also

must include contact information for the county treasurer.

This notice and information are not required, however, if a local tax collecting unit, within two weeks before the tax bill is finalized, receives from the county notice that previously delinquent taxes on a parcel of property are no longer delinquent.

The bill took effect on December 28, 2012.

MCL 211.44

**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 will help ensure that property owners find out about unpaid taxes before they hear from the county. The need for notice earlier in the process was illustrated by the experience of a taxpayer who unknowingly missed a single payment, made subsequent payments for several years, and ultimately had to go through delinquency proceedings, according to his testimony before the Senate Finance Committee. Evidently, this occurred because the tax statement from the township was sent to an address at which the taxpayer was no longer receiving mail, and by chance a former business partner eventually sent him the delinquent tax bill. While the facts of this situation might be unique, there are many possible scenarios in which a taxpayer might fail to receive or pay a tax bill and then be

unaware of the delinquency until he or she receives a notice of forfeiture from the county. Some cases might involve dissolved business relationships or marriages, for example, and in others a tax bill or payment might go astray in the mail.

Because the ultimate consequence of a tax delinquency could be foreclosure and sale, the bill provides a mechanism to alert taxpayers to the possibility of a delinquency. Although local treasurers do not know whether tax bills are paid after the treasurers turn delinquencies over to the county, they obviously know that they have returned property to the county for delinquent taxes. By requiring a local treasurer to include this information, as well as contact information for the county treasurer, on the taxpayer's next statement (unless the local treasurer receives recent notice from the county that taxes are no longer delinquent), the bill will give the taxpayer an opportunity to follow up at the county level. The taxpayer then can make any missed payments and prevent the forfeiture process from continuing.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill will likely have a negligible impact on State and local unit revenue, but might increase local unit expenses by an unknown amount. The bill will not change the liability a taxpayer will face, but provides for an additional notice about delinquent liabilities.

Fiscal Analyst: David Zin

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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.