

**SUBSTITUTE FOR  
HOUSE BILL NO. 4860**

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 27b (MCL 211.27b), as amended by 1996 PA 476.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 27b. (1) If the buyer, grantee, or other transferee in  
2 the immediately preceding transfer of ownership of property does  
3 not notify the appropriate assessing office as required by section  
4 ~~27a(8)~~**27A(10)**, the property's taxable value shall be adjusted  
5 under section 27a(3) and all of the following shall be levied:

6       (a) Any additional taxes that would have been levied if the  
7 transfer of ownership had been recorded as required under this act  
8 from the date of transfer.

9       (b) Interest and penalty from the date the tax would have been  
10 originally levied.

1 (C) FOR PROPERTY CLASSIFIED UNDER SECTION 34C AS EITHER  
2 INDUSTRIAL REAL PROPERTY OR COMMERCIAL REAL PROPERTY, A PENALTY IN  
3 THE FOLLOWING AMOUNT:

4 (i) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (ii), IF THE  
5 SALE PRICE OF THE PROPERTY TRANSFERRED IS \$100,000,000.00 OR LESS,  
6 \$20.00 PER DAY FOR EACH SEPARATE FAILURE BEGINNING AFTER THE 45  
7 DAYS HAVE ELAPSED, UP TO A MAXIMUM OF \$1,000.00.

8 (ii) IF THE SALE PRICE OF THE PROPERTY TRANSFERRED IS MORE THAN  
9 \$100,000,000.00, \$20,000.00 AFTER THE 45 DAYS HAVE ELAPSED.  
10 HOWEVER, IF THE APPROPRIATE ASSESSING OFFICE DETERMINES THAT THE  
11 FAILURE TO NOTIFY THE ASSESSING OFFICE WITHIN 45 DAYS AFTER THE  
12 PROPERTY'S TRANSFER OF OWNERSHIP WAS DUE TO REASONABLE CAUSE AND  
13 NOT THE WILLFUL NEGLIGENCE OF THE BUYER, GRANTEE, OR OTHER TRANSFEREE,  
14 THE PENALTY UNDER SUBPARAGRAPH (i) SHALL BE IMPOSED. IF THE  
15 APPROPRIATE ASSESSING OFFICE MAKES A DETERMINATION THAT THE FAILURE  
16 TO NOTIFY THE ASSESSING OFFICE WITHIN 45 DAYS AFTER THE PROPERTY'S  
17 TRANSFER OF OWNERSHIP WAS A RESULT OF THE WILLFUL NEGLIGENCE OF THE  
18 BUYER, GRANTEE, OR OTHER TRANSFEREE, THAT ASSESSING OFFICE SHALL  
19 PROMPTLY SEND THAT BUYER, GRANTEE, OR OTHER TRANSFEREE WRITTEN  
20 NOTICE, BY CERTIFIED MAIL, OF THAT DETERMINATION. A BUYER, GRANTEE,  
21 OR OTHER TRANSFEREE WHO IS ASSESSED THE PENALTY UNDER THIS  
22 SUBPARAGRAPH MAY APPEAL THAT DETERMINATION TO THE MICHIGAN TAX  
23 TRIBUNAL.

24 (D) ~~(e) A~~ FOR REAL PROPERTY OTHER THAN REAL PROPERTY  
25 CLASSIFIED UNDER SECTION 34C AS INDUSTRIAL REAL PROPERTY OR  
26 COMMERCIAL REAL PROPERTY, A penalty of \$5.00 per day for each  
27 separate failure beginning after the 45 days have elapsed, up to a

1 maximum of \$200.00.

2 (2) The appropriate assessing officer shall certify for  
3 collection to the treasurer of the local tax collecting unit if the  
4 local tax collecting unit has possession of the tax roll or the  
5 county treasurer if the county has possession of the tax roll any  
6 additional taxes due under subsection (1)(a) and any penalty due  
7 under subsection (1)(c) **OR (D)**.

8 (3) The treasurer of the local tax collecting unit if the  
9 local tax collecting unit has possession of the tax roll or the  
10 county treasurer if the county has possession of the tax roll shall  
11 collect any taxes, interest, and penalty due pursuant to this  
12 section, and shall immediately prepare and submit a corrected tax  
13 bill for any additional taxes due under subsection (1)(a) and any  
14 interest and penalty due under subsection (1)(b). A penalty due  
15 under subsection (1)(c) **OR (D)** may be collected with the  
16 immediately succeeding regular tax bill.

17 (4) Any taxes, interest, and penalty collected pursuant to  
18 subsection (1)(a) and (b) shall be distributed in the same manner  
19 as other delinquent taxes, interest, and penalties are distributed  
20 under this act. Any penalty collected under subsection (1)(c) **OR**  
21 **(D)** shall be distributed to the local tax collecting unit.

22 (5) The governing body of a local tax collecting unit may  
23 waive, by resolution, the penalty levied under subsection (1)(c) **OR**  
24 **(D)**.

25 (6) If the taxable value of property is increased under this  
26 section, the appropriate assessing officer shall immediately notify  
27 by first-class mail the owner of that property of that increase in

1 taxable value. A buyer, grantee, or other transferee may appeal any  
2 increase in taxable value or the levy of any additional taxes,  
3 interest, and penalties under subsection (1) to the Michigan tax  
4 tribunal within 35 days of receiving the notice of the increase in  
5 the property's taxable value. An appeal under this subsection is  
6 limited to the issues of whether a transfer of ownership has  
7 occurred and correcting arithmetic errors. A dispute regarding the  
8 valuation of the property is not a basis for appeal under this  
9 subsection.

10 (7) If the taxable value of property is adjusted under  
11 subsection (1), the assessing officer making the adjustment shall  
12 file an affidavit with all officials responsible for determining  
13 assessment figures, rate of taxation, or mathematical calculations  
14 for that property within 30 days of the date the adjustment is  
15 made. The affidavit shall state the amount of the adjustment and  
16 the amount of additional taxes levied. The officials with whom the  
17 affidavit is filed shall correct all official records for which  
18 they are responsible to reflect the adjustment and levy.

19 **(8) NOTIFICATION OF A TRANSFER OF OWNERSHIP PROVIDED AS**  
20 **REQUIRED UNDER SECTION 27A(10) OR A LEVY OF ADDITIONAL TAXES,**  
21 **INTEREST, AND PENALTY UNDER THIS SECTION SHALL NOT BE CONSIDERED A**  
22 **DETERMINATION OF OR EVIDENCE OF THE CLASSIFICATION OF THE PROPERTY**  
23 **TRANSFERRED AS REAL OR PERSONAL PROPERTY.**