



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5912 (as reported without amendment)
Sponsor: Representative Aric Nesbitt
House Committee: Energy Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to exclude from a foreclosure judgment certain personal property owned by oil and gas companies, utility companies, pipeline companies, and others.

The Act requires a foreclosure judgment entered by a circuit court to specify that all existing recorded and unrecorded interests in the property are extinguished, except a visible or recorded easement or right-of-way, private deed restrictions, interests of a lessee or an assignee of an interest of a lessee under a recorded oil or gas lease, interests in oil or gas in that property that are owned by a person other than the owner of the surface that have been preserved as provided in Public Act 42 of 1963 (commonly called the Dormant Minerals Act), or restrictions or other governmental interests imposed under the Natural Resources and Environmental Protection Act, if all forfeited delinquent taxes, interest, penalties, and fees are not paid by specified deadlines.

The bill would add to these exceptions interests in property assessable as personal property under Section 8(g) of the General Property Tax Act, which includes personal property of oil and natural gas companies, electric companies, waterworks companies, pipeline companies transporting oil or gas, transportation companies, interests in underground rock strata used for gas storage, rights-of-way and easements, and related items of personal property.

MCL 211.78k

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. The bill would clarify that the ownership interests of specific types of personal property, including certain mining, utility, and transportation personal property, are not extinguished by tax foreclosure affecting the real property on which the personal property is located. Section 8(g) of the Act, which defines these types of personal property, already states, "None of the property assessable as personal property under this subdivision shall be affected by any assessment or tax levied on the real property through or over which the personal property is laid, placed, or located, nor shall any right of way, easement, or other interest in real property, assessable as personal property under this subdivision, be extinguished or otherwise affected in case the real property subject to assessment is sold in the exercise of the taxing power."

Date Completed: 12-8-16

Fiscal Analyst: Elizabeth Pratt