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BILL



ANALYSIS

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House Bill 5371 (Substitute S-8 as reported)  
Sponsor: Representative Willis Bullard, Jr.  
House Committee: Tax Policy  
Senate Committee: Finance

### **CONTENT**

The bill would amend the General Property Tax Act to provide that an ad valorem special assessment levied on property in 1997 and thereafter would have to be levied on the property's taxable value, as determined under the Act.

Currently, property deeded to the State for nonpayment of property taxes can be redeemed according to the specified procedures. If property to be redeemed has been exempt from taxes levied in any year after foreclosure because it was deeded to the State, the amount to be paid must be computed by applying any special assessment and property taxes to the property's most recent State equalized valuation (SEV). The bill provides that for general property taxes and ad valorem special assessments levied for 1997 and thereafter, the amount to be paid would have to be computed using the most recently established taxable value of the property.

MCL 211.131e et al.

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill specifies that special assessments would have to be based on the taxable value for 1997 and subsequent years. Local units that did not increase millage rates to correspond to the lower tax base would decrease special assessment collections.

Date Completed: 12-10-96

Fiscal Analyst: R. Ross

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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.