

**State Tax Commission Bulletin No. 12 of 2000**  
**August 14, 2000**  
**Changes to Collection Procedures for INCREASES Due to Section 154 Appeals**

TO: Assessors  
Treasurers  
FROM: State Tax Commission (STC)

**RE: PUBLIC ACT 281 OF 2000 REGARDING CHANGES TO THE COLLECTION PROCESS FOR SECTION 154 APPEALS**

Attached is a copy of [Public Act \(PA\) 281 of 2000](#) which was signed by Governor Engler on July 7, 2000 with an effective date of July 10, 2000. The parts of the law which were added or changed by PA 281 of 2000 have been underlined on the copy of the act included with this bulletin.

This act amends section 154 of the General Property Tax Act by providing a change in the collection process when an assessment change due to a Section 154 appeal results in INCREASED property taxes. (Section 154 appeals are appeals to the State Tax Commission when property has been incorrectly reported by a taxpayer or is omitted from the assessment roll.)

**1. The Treasurer Who Collects the INCREASE in Taxes for a Section 154 Appeal.**

**In the past**, when an assessment was increased due to a Section 154 appeal, the increase became a part of the CURRENT year's taxes and was initially collected by the **local treasurer**.

**PA 281 of 2000 provides** that, when an assessment is increased due to a Section 154 appeal, the increased taxes are collected by **the treasurer who has possession of the tax roll for the year of the assessment being changed**.

EXAMPLE: On December 6, 2000 the STC orders an increase in the TV of real property for the years 2000, 1999, and 1998, as a result of a Section 154 appeal.

In this situation, the local unit treasurer collects the 2000 taxes and the county treasurer collects the 1999 and 1998 taxes.

**2. Tax Bill Shall Be Sent Within 20 Days.**

PA 281 of 2000 provides that the tax bill resulting from an INCREASE in taxes due to a Section 154 appeal shall be sent no later than 20 days after receipt of the STC Order certifying the amount of taxes due. The tax bill is sent by either the local unit treasurer or the county treasurer depending on which treasurer has possession of the tax roll for the year of the assessment being changed. This procedure is the same for both real and personal property.

### 3. Increase in Taxes on REAL PROPERTY

PA 281 of 2000 provides that, FOR REAL PROPERTY ONLY, if the additional taxes (resulting from a Section 154 appeal) are not paid as of March 1 of the year following the STC Order, the REAL PROPERTY shall be returned as delinquent to the county treasurer and is subject to forfeiture, foreclosure, and sale as provided by sections 78 to 79a of the General Property Tax Act. **The time period for paying the tax without penalty or interest is the same as the CURRENT year's real property taxes billed on December 1 of the current year.**

**Important Note:** The DELINQUENCY PROVISIONS of PA 281 of 2000 explained in the preceding paragraph DO NOT APPLY to real property subject to taxation under the following acts:

- a. PA 198 of 1974, sometimes referred to as the Industrial Facilities Tax Act.
- b. PA 282 of 1905 which provides for the assessment by the State of certain public utilities.
- c. PA 189 of 1953 which provides for the taxation of users of tax exempt property.
- d. PA 255 of 1978 known as the Commercial Redevelopment Act.

### 1. INCREASE in Taxes on PERSONAL PROPERTY

PA 281 of 2000 does not specifically address the **due date for the billing** when an INCREASE in PERSONAL PROPERTY taxes is ordered by the State Tax Commission (as authorized by section 154).

It is the opinion of the State Tax Commission that an INCREASE in PERSONAL PROPERTY taxes should be administered in the same manner as the increase in real property taxes. That being the case, the bill for increased taxes shall be sent no later than 20 days after receipt of the STC order and the INCREASE in PERSONAL PROPERTY taxes should be collected by the treasurer which has possession of the tax roll **using the same procedures which are used to collect the CURRENT year's personal property taxes billed on December 1 of the current year.**

### 2. No Change in Procedures When a REFUND is Ordered by the STC.

PA 281 of 2000 DOES NOT change the procedures required by Section 154 when an order of the STC results in a DECREASE in taxes.