

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION

4th Floor Treasury Building
Lansing, Michigan 48922 Telephone 517 373-0500

COMMISSION MEMBERS

THEODORE P. MANSOUR
LEROY J. NELSON
ROBERT O. VANDERMARK

TO: Assessing Officers

FROM: State Tax Commission

A handwritten signature in dark ink, appearing to be "JEB", written over the "FROM:" line.

Attached is a copy of Attorney General's Opinion Number 6555 dated December 21, 1988.

The Opinion is self-explanatory.

A copy of our approved real property statement is attached.

Attachments

STATE OF MICHIGAN

FRANK J. KELLEY, ATTORNEY GENERAL

TAX ASSESSORS:

Authority to require owner of real property to provide written statement of purchase price and conditions of acquisition of property

City and township assessors may require the owner of real property to submit a written statement detailing the purchase price and the conditions of the acquisition of the real property.

Opinion No. 6555

Honorable James Mick Middaugh
State Representative
The Capitol
Lansing, Michigan 48909

DEC 21 1988

You have requested my opinion whether a local assessing officer (a city or township assessor) has the authority to require a property owner to submit a written statement detailing the purchase price of the real property and the conditions of its acquisition.

The General Property Tax Act, 1893 PA 206, § 18, MCL 211.18; MSA 7.18, provides, in pertinent part:

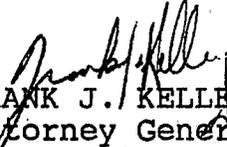
"Whenever a supervisor, assessing officer or county tax or equalization department, provided for in section 34 of this act, or whenever the state tax commission deems it necessary in the proper administration of this act to require from any person a written statement under oath of real property assessable to such person, it shall notify the person, and every such person, natural or legal, shall make such statement."

The written statement shall be "in such form and of such content as may be prescribed by the state tax commission." 1893 PA 206, § 19, MCL 211.19; MSA 7.19.

The purpose of the statute is to secure information upon which assessing officers may make a fair assessment of property. Bowman v Montcalm Circuit Judge, 129 Mich 608, 610; 89 NW 334 (1902).

OAG, 1983-1984, No 6167, p 149 (July 8, 1983), concluded that the State Tax Commission had the authority to require the submittal of a written statement of the terms and conditions attending a sale of real property. While the opinion did not specifically address the authority of local assessors to require such a submission, it is clear that § 18 of 1893 PA 206, supra, bestows such authority upon city and township assessors.

It is my opinion, therefore, that city and township assessors may require the owner of real property to submit a written statement detailing the purchase price and the conditions of the acquisition of the real property.


FRANK J. KELLEY
Attorney General

CONFIDENTIAL

REAL PROPERTY STATEMENT

This form is issued under authority of the General Property Tax Act, (S.C. 211.23 on reverse side.) Filing is mandatory. Failure to file is punishable by fine and/or imprisonment.

PLEASE FILE THIS STATEMENT ON OR BEFORE:	MAIL THIS STATEMENT TO:
Name and Address	

TO BE COMPLETED BY THE ASSESSING OFFICER OR COUNTY EQUALIZATION DEPARTMENT

COUNTY	CITY/TOWNSHIP	ASSESSMENT ROLL PARCEL CODE NUMBER
ADDRESS OF PROPERTY		
PROPERTY DESCRIPTION		

TO BE COMPLETED BY THE BUYER

SALE PRICE	DATE OF PURCHASE OR SALE
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TYPE OF PURCHASE OR SALE (See reverse side for explanation.)

1. <input checked="" type="checkbox"/> Cash	4. <input type="checkbox"/> New Mortgage*	6. <input type="checkbox"/> Combination of 1-6 or other.
2. <input type="checkbox"/> Land Contract	5. <input type="checkbox"/> Mortgage Assumption*	Explain _____
3. <input type="checkbox"/> Purchase Money Mortgage to Sellers	6. <input type="checkbox"/> Second Mortgage*	_____

*Specify Type of Mortgage

<input type="checkbox"/> Conventional	<input type="checkbox"/> FHA	<input type="checkbox"/> VA	<input type="checkbox"/> FmHA
<input type="checkbox"/> Wraparound or Blended Rate	<input type="checkbox"/> MSHDA	<input type="checkbox"/> Variable Rate	<input type="checkbox"/> Buydown

Down Payment	Amount Financed	Interest Rate	Monthly Payment Do Not Include Taxes or Insurance	Amortization Terms Years or Months	Balloon Payment Due Date	Seller Buydown or Points Paid if Included in the Sales Price	
\$	\$		\$			%	\$
Secondary Financing							

ARE THE BUYER AND SELLER RELATIVES OR BUSINESS PARTNERS?
 NO YES — Explain: _____

WAS THERE ANY PERSONAL PROPERTY INCLUDED IN THE LISTED SALE PRICE? NO YES — Explain Below

Describe Personal Property	Estimated Cash Value of Personal Property

DO YOU BELIEVE THE SALE PRICE INDICATES THE ACTUAL MARKET VALUE OF THE PROPERTY AT THE TIME OF SALE? YES NO — Explain Below

If you answered No above, why do you feel the sale price was higher than the price should have been?

Did you purchase the property at public auction? YES NO
 If you answered yes above: Was the auction held by a governmental agency? YES NO
 Was the auction part of a bankruptcy proceeding YES NO

CERTIFICATION — I hereby declare that the above is a complete and true statement.

Signature of Owner (Buyer)	Date
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EXPLANATION OF TYPES OF PURCHASE OR SALE

- Cash Purchaser pays total price in cash.
- Land Contract Agreement to transfer title to the property after terms of the contract have been fulfilled.
- Purchase Money
- Mortgage to Seller .. The buyer executes a mortgage to the seller, the title to the property is transferred to the buyer at the time of the sale.
- New Mortgage The buyer executes a new or original mortgage on the property for the amount borrowed usually to a bank or Savings and Loan Company.
- Mortgage Assumption . Buyer is allowed to assume the balance and terms of the seller's existing mortgage.
- Second Mortgage The buyer executes a second mortgage to seller or third party for an amount over and above that of the first mortgage.

EXPLANATION OF TYPES OF MORTGAGES

- CONVENTIONAL — A mortgage loan at the current market interest rate and terms which is not insured by FHA or guaranteed by VA or FmHA Adm.
- FHA — Mortgage insured by the Federal Housing Administration.
- VA — Mortgage guaranteed by the Veterans Administration.
- FmHA — Farmers Home Administration, provides financing to farmers and other borrowers who are unable to secure loans elsewhere.
- MSHDA — Michigan State Housing Development Authority, provides financing at lower than market rates to qualified borrowers.
- WRAPAROUND OR BLENDED RATE — Refinancing technique involving the creation of a subordinate mortgage that includes the balance due on the existing mortgage plus the amount of a new secondary or junior lien (usually at a lower interest rate than the current market rate).
- ARM or VARIABLE RATE — Mortgage that allows for a periodic adjustment of the interest rate.
- BUYDOWN — Payment advanced to a lender by an individual (usually builder, seller, etc.) to reduce the monthly mortgage payments for all or part of the term.
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EXCERPTS FROM THE GENERAL PROPERTY TAX ACT DEFINING THE POWERS AND DUTIES OF THE LOCAL ASSESSOR AND COUNTY EQUALIZATION DEPARTMENT FROM SECTIONS 211.18, 211.19, 211.21 and 211.23 OF THE MICHIGAN COMPILED LAWS

- Sec. 18 Whenever a supervisor, assessing officer or county tax or equalization department, provided for in section 34 of this act, . . . deems it necessary in the proper administration of this act to require from any person a written statement under oath of real property assessable to such person, it shall notify the person, and every such person, natural or legal, shall make such statement.
- Sec. 19 The written statement under oath, provided for in Section 18, shall be in such form and of such content as may be prescribed by the state tax commission and shall be completed and delivered to the supervisor or assessor on or before February 20 each year.
- Sec. 21 In every case when any person or member of any firm or officer of any corporation shall wilfully neglect or refuse to make out and deliver a true and correct sworn statement, . . . or shall answer falsely or refuse to answer questions concerning his property or property under his control, as required by this act, such person shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment in the county jail not less than 30 days nor more than 6 months, or by fine not less than 100 dollars nor more than 1,000 dollars, or by both such fine and imprisonment in the discretion of the court. And it shall be the duty of the supervisor, assessing officer, . . . whenever he is satisfied that any person liable to make such assessing statement is justly liable to such penalty, to report the case to the prosecuting attorney of the county and make proper complaint for such prosecution.
- Sec. 23 All the statements herein required to be made and received by the supervisor or assessor shall be filed by him, and shall be presented to the board of review hereinafter provided for, or provided for in any act incorporating any village or city, for the use of said board, and after the assessment is reviewed and completed by such board of review, all of the statements shall be deposited in the office of the township or city clerk, and shall be preserved until after the next assessment is made and completed, after which they may be destroyed upon the order of the township board or city or village council, but no such statement shall be used for any other purpose except the making of an assessment for taxes as herein provided, or for enforcing the provisions of this act, and any officer or person who shall make or allow to be made wilfully or knowingly, any other or unlawful use of any such statement, shall be liable to the person making such statement for all damages resulting from such unauthorized or unlawful use of such statement. All the statements received by the supervisor or assessor shall be made available to the county tax or equalization department mandatorily established under section 34 of this act and use of such statements by such county tax or equalization department shall be deemed a use for the purpose of enforcing the provisions of this act.
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