

**CITY OF CHARLOTTE**

**COUNCIL POLICY**

SUBJECT	POLICY NO.	APP. DATE	PAGE
<b>PROPERTY TRANSFER AFFIDAVIT PENALTY WAIVER</b>	<b>2018-01</b>	<b>05/14/2018</b>	<b>1 of 2</b>

**1. PURPOSE**

The purpose of this policy is to establish compliance with the provisions of state statute requiring action by the governing body to waive the collection of penalties for failure to timely file a property transfer affidavit with the Assessor.

**2. AUTHORITY**

This policy is adopted pursuant to the provisions of MCL 211.27b(5).

**3. BACKGROUND**

In late 2017, the Michigan State Tax Commission published guidelines for conducting its next cycle of Assessing Minimal Audit Requirements, a review of the practices of assessing officers and departments to determine compliance with standards intended to insure compliance with state laws and regulations related to the assessing of real and personal property. The new cycle will include a determination as to whether assessors are levying penalties for failure to timely file a property transfer affidavit or such penalties have been waived by the local governing body.

Property transfer affidavits are notifications to the assessing department that real property has been sold. An assessing department is interested in receiving this information to insure that its records of property ownership are accurate and to obtain information used in completing its sales studies.

State law requires the filing of property transfer affidavits within 45 days following the sale. Penalties for residential sales are \$5 per day up to a maximum of penalty of \$200. For industrial or commercial real property with a sales price of \$100 million or less, the penalty is \$20 per day up to a maximum of \$1,000. The penalty for transfers of commercial or industrial properties over \$100 million is \$20,000.

Failure to file a property transfer affidavit is rare and the City has never imposed a penalty. In instances in which the property transfer affidavit has not been filed within the required 45 days, the assessor has been successful in obtaining compliance after notification in almost all instances. Lack of compliance with the requirement to file a property transfer affidavit within the required 45 days has not had a significant negative impact on the assessor's ability to adequately perform sales studies or maintain assessing records.

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City staff has determined that waiving the imposition of the penalty would not negatively affect the public health, safety or welfare.

**4. WAIVER OF PENALTY**

Pursuant to the provisions of MCL 211.27b(5), the penalty for failure to file a property transfer affidavit is hereby waived.

**5. EFFECTIVE DATE**

This policy shall become effective upon its approval by the City Council.

**6. SUNSET DATE**

This policy shall sunset four years following its effective date.