

TESTIMONY MICHIGAN HOUSE TAX POLICY COMMITTEE, Wednesday, June 21, 2023

Michigan Association Of County Treasurers SUPPORTS SB 55

Thank you Madam Chair Neeley and Members of the House Tax Policy Committee. I am Catherine McClary, Treasurer of Washtenaw County and Co-Chair of the Legislative Committee for the Michigan Association of County Treasurers (MACT). It is a pleasure to be here today before Chair Neeley's Committee. Deb Cherry, Treasurer of Genesee County and a former legislator, speaks so highly of Representative Neeley and her service to Michigan and Flint's people.

The Michigan Association of County Treasurers wholeheartedly supports SB 55 to provide for a one-year retroactive application of the poverty exemption for families who are eligible. This small action will prevent tax foreclosures in our communities. Treasurer Cherry and I represent large, but different counties based on demographics. Across the state, including our smaller counties, County Treasurers agree this small measure, adopting a retroactive poverty exemption as provided for in SB 55, will benefit all of our residents.

Many Treasurers don't encounter the families we need to help until they are already in their second year of tax delinquency. Some of them are eligible for a poverty exemption – and would have been eligible the year before – but didn't know about it. By catching up their real property taxes with a poverty exemption, we can keep families in their homes, keep their kids in their schools with the same teacher and peers. We aren't uprooting people, foreclosing on people, evicting people, and having a larger homeless problem. Our efforts to prevent tax foreclosure improves neighborhoods by eliminating the blight of a foreclosed home and it maintains the property values, so tax revenues continue to come into the schools, cities, townships, and counties.

Michigan State University did a study during the Great Recession and discovered that property values drop within a radius of several blocks whenever a property is foreclosed. This bill will mitigate the problem of reduced property values. Other studies in Michigan and the United States during the Great Recession showed that physical and mental health problems increased with foreclosure: the documentation shows that there are more heart attacks when a foreclosure is pending and more Emergency Room visits, which is costly to a community.

Please vote for SB 55 out of Committee and please encourage your colleagues to vote for it on the Floor of the House. It passed the Senate unanimously, 37–0, and we look forward to this law being implemented.

Thank you and I'm willing to take any questions, should the Chair permit.

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