



HOUSE BILL No. 4312

February 7, 1995, Introduced by Reps. Bush, DeHart, Perricone, McManus, Ryan, Kaza, McBryde, Anthony, Alley, Jaye, Hammerstrom, Hill, Gilmer, Horton and Pitoniak and referred to the Committee on Tax Policy.

A bill to amend section 29a of Act No. 122 of the Public Acts of 1941, entitled as amended

"An act to establish a revenue division of the department of treasury; to prescribe its powers and duties as the revenue collection agency of the state; to prescribe certain powers and duties of the state treasurer; to create the position and to define the powers and duties of the state commissioner of revenue; to provide for the transfer of powers and duties now vested in certain other state boards, commissions, departments and offices; to prescribe certain duties of and require certain reports from the department of treasury; to provide procedures for the payment, administration, audit, assessment, levy of interests or penalties on, and appeals of taxes and tax liability; to provide an appropriation; to abolish the state board of tax administration; and to declare the effect of this act,"

as added by Act No. 13 of the Public Acts of 1993, being section 205.29a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 29a of Act No. 122 of the Public Acts of
2 1941, as added by Act No. 13 of the Public Acts of 1993, being

1 section 205.29a of the Michigan Compiled Laws, is amended to read
2 as follows:

3 Sec. 29a. (1) If the department files for recording a lien
4 imposed pursuant to this act against property or rights of prop-
5 erty under the state tax lien registration act, Act No. 203 of
6 the Public Acts of 1968, being sections 211.681 to 211.687 of the
7 Michigan Compiled Laws, to satisfy a tax liability and the
8 department determines that the tax liability out of which the
9 lien arose is satisfied, the department shall file for recording
10 a ~~certificate of discharge, release, or nonattachment~~
11 regarding the property or rights of property, as applicable,
12 under Act No. 203 of the Public Acts of 1968 not more than 20
13 business days after funds to satisfy the tax liability out of
14 which the lien arose have been applied to the taxpayer's
15 account.

16 (2) If the department files for recording a lien imposed
17 pursuant to this act against property or rights of property under
18 Act No. 203 of the Public Acts of 1968 to satisfy a tax liability
19 and UPON REQUEST the department determines that the ~~lien is~~
20 ~~recorded or filed against property or rights of property to which~~
21 ~~the state does not have a lien under section 29~~ TAXPAYER NAMED
22 ON THE RECORDED LIEN DOES NOT HAVE ANY INTEREST IN CERTAIN PROP-
23 ERTIES OWNED BY ANOTHER PERSON, the department shall file for
24 recording a certificate of ~~discharge, release, or nonattachment~~
25 regarding the property or rights of property, as applicable,
26 under Act No. 203 of the Public Acts of 1968 with all due haste
27 but not more than 3 business days after the department determines

1 that the lien is recorded or filed against property or rights of
2 property to which the state does not have a lien INTEREST under
3 section 29. THE DEPARTMENT SHALL CLEARLY INDICATE ON THE CERTIF-
4 ICATE OF NONATTACHMENT THAT THE TAXPAYER NAMED ON THE RECORDED
5 LIEN DOES NOT HAVE ANY INTEREST IN THE PROPERTY OR RIGHTS OF
6 PROPERTY OF THE OTHER PERSON.

7 (3) If a warrant or warrant-notice of levy is issued and
8 served upon a person to levy on property or rights of property to
9 satisfy a tax liability and the department determines that the
10 tax liability out of which the warrant or warrant-notice of levy
11 arose is satisfied, the department shall serve a release of levy
12 regarding the property or rights of property on the person who
13 was served the warrant or warrant-notice of levy not more than 10
14 business days after funds to satisfy the tax liability out of
15 which the warrant or warrant-notice of levy arose have been
16 applied to the taxpayer's account.

17 (4) If a warrant or warrant-notice of levy is issued and
18 served upon a person to levy on property or rights of property to
19 satisfy a tax liability and the department determines that the
20 property or rights of property are not subject to levy under sec-
21 tion 25(1) or (5), the department shall serve a release of levy
22 regarding the property or rights of property on the person who
23 was served the warrant or warrant-notice of levy with all due
24 haste but not more than 3 business days after the department
25 determines that the property or rights of property are not
26 subject to levy under section 25(1) or (5). THE DEPARTMENT SHALL
27 CLEARLY INDICATE ON THE RELEASE OF LEVY THAT THE PROPERTY OR

1 RIGHTS OF PROPERTY WERE NOT SUBJECT TO LEVY UNDER SECTION 25(1)
2 OR (5).

3 (5) If a person is required to pay a fee to the department,
4 a bank, or other financial institution as the result of an erro-
5 neous recording or filing of a lien as described in
6 subsection (2), or an erroneous issuance and service of a warrant
7 or warrant-notice of levy as described in subsection (4), the
8 department shall reimburse the fee to that person.

9 (6) IF THE DEPARTMENT RECEIVES MONEY TO SATISFY THE TAX
10 LIABILITY OR RECEIVES INFORMATION THAT WOULD CANCEL THE TAX
11 LIABILITY AND SUBSEQUENTLY RECORDS A LIEN UNDER ACT NO. 203 OF
12 THE PUBLIC ACTS OF 1968 TO SATISFY THAT SAME TAX LIABILITY, THE
13 DEPARTMENT, UPON REQUEST AND UPON A DETERMINATION BY THE DEPART-
14 MENT THAT THE LIEN WAS FILED AND RECORDED IN ERROR, WITH ALL DUE
15 HASTE, BUT NOT MORE THAN 3 BUSINESS DAYS AFTER THE DEPARTMENT
16 DETERMINES THAT IT HAS ERRONEOUSLY RECORDED A LIEN, SHALL ISSUE A
17 CERTIFICATE OF WITHDRAWAL THAT STATES THAT THE RECORDED LIEN WAS
18 FILED IN ERROR.

19 (7) IF THE DEPARTMENT RECEIVES MONEY TO SATISFY THE TAX
20 LIABILITY OR RECEIVES INFORMATION THAT WOULD CANCEL THE TAX
21 LIABILITY AND SUBSEQUENTLY ISSUES A WARRANT OR WARRANT-NOTICE OF
22 LEVY PURSUANT TO THIS ACT TO SATISFY THAT SAME TAX LIABILITY, THE
23 DEPARTMENT, UPON REQUEST AND UPON A DETERMINATION BY THE DEPART-
24 MENT THAT THE WARRANT-NOTICE OF LEVY WAS ISSUED IN ERROR, WITH
25 ALL DUE HASTE, BUT NOT MORE THAN 3 BUSINESS DAYS AFTER THE
26 DEPARTMENT DETERMINES THAT THE WARRANT-NOTICE WAS ISSUED IN

1 ERROR, SHALL ISSUE A RELEASE OF LEVY THAT STATES THAT THE WARRANT
2 OR WARRANT-NOTICE OF LEVY WAS ISSUED AND SERVED IN ERROR.