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UNCOLLECTIBLE PERSONAL PROPERTY TAXES

House Bill 4359

Sponsor: Rep. Glenn Steil, Jr.

Committee: Tax Policy

Complete to 4-4-03

A SUMMARY OF HOUSE BILL 4359 AS INTRODUCED 3-18-03

The bill would amend the General Property Tax Act to allow the governing board of a local tax collecting unit to strike uncollectible personal property taxes from its tax rolls and the county tax rolls. Currently, the process requires action by the circuit court. The local governing board could strike the taxes by a resolution adopted by a majority of members elected and serving.

As now, this would apply to taxes that have remained unpaid more than five years after they were returned to the county treasurer as delinquent. The local treasurer would have to file a petition regarding such taxes with the local governing body stating that the taxes had remained delinquent despite the fact that the treasurer (or his or her predecessors) had exercised due diligence in an effort to collect the taxes and stating that the taxes were, to the treasurer's best knowledge and information, uncollectible. The petition would request a public hearing on the petition not less than 30 nor more than 45 days after the filing of the petition. The treasurer would have to notify the county treasurer and the clerk or secretary of the school board of an affected district of the hearing on the petition not less than 10 days before the date set for the hearing. If the local governing body adopted the resolution striking the taxes, the taxes would cease to be an asset of the local unit, the county, the school district, or any other taxing entity in which the personal property was located. Further, the bill would specify that the debt created under the act or under a city or township charter of a person assessed for the taxes would assume the status of a debt against which the statute of limitations had run.

MCL 211.56a

Analyst: C. Couch

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