

HOUSE BILL No. 4359

March 18, 2003, Introduced by Reps. Steil, Meyer, Stakoe, Caswell, Drolet, Brandenburg, Ward, Voorhees, LaJoy, Huizenga, Wojno and Hart and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 56a (MCL 211.56a), as amended by 1998 PA
435.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 56a. (1) If a tax levied on personal property remains
2 uncollected for more than 5 years after that tax becomes
3 delinquent, the ~~township or city~~ treasurer **of the local tax**
4 **collecting unit** shall prepare a statement showing all of the
5 following:

6 (a) The taxes levied upon personal property that remain
7 unpaid.

8 (b) The names of the persons against whom those taxes were
9 assessed.

10 (c) The amount assessed against each person that remains

1 uncollected, together with all fees, penalties, and interest due
2 under this act or under a city charter.

3 (2) The original copy of the statement prepared pursuant to
4 subsection (1) shall be filed with the ~~circuit court of the~~
5 ~~county in which the township or city is located~~ **governing body**
6 **of the local tax collecting unit**, together with a petition. ~~Two~~
7 ~~or more township or city treasurers may file a joint petition~~
8 ~~under this section.~~

9 (3) The petition shall state all of the following:

10 (a) That the taxes upon personal property as shown in the
11 statement have remained unpaid for more than 5 years after they
12 were returned to the county treasurer as delinquent.

13 (b) That the taxes have remained delinquent despite the fact
14 that the ~~township or city~~ treasurer **of the local tax collecting**
15 **unit** or his or her predecessors in office exercised due diligence
16 in an effort to collect the taxes.

17 (c) The taxes are, to the ~~township or city~~ **local tax**
18 **collecting unit** treasurer's best knowledge and information,
19 uncollectible.

20 (4) The petition shall request that a date, not less than 30
21 nor more than 45 days after the date of filing the petition, be
22 set for a hearing on the petition and that the ~~court enter a~~
23 ~~judgment in favor of the township or city, striking~~ **governing**
24 **body of the local tax collecting unit, by resolution adopted by a**
25 **majority of the members elected to and serving, strike** those
26 taxes from the tax rolls of the ~~county and township or city~~
27 **local tax collecting unit and of the county in which the local**

1 **tax collecting unit is located.** If a ~~judgment is entered in~~
2 ~~favor of the township or city, the~~ **resolution is adopted under**
3 **this subsection, all of the following shall occur:**

4 **(a) The** taxes in the statement shall cease to constitute an
5 asset of the ~~township or city~~ **local tax collecting unit**, the
6 county in which the ~~township or city~~ **local tax collecting unit**
7 is located, and any school district or other taxing entity in
8 which the personal property was located at the time it was
9 assessed for taxes.

10 **(b) The debt created under this act or under any city or**
11 **township charter of the person assessed for those taxes to the**
12 **local tax collecting unit shall, from the date of adoption of the**
13 **resolution under this subsection, assume the status of a debt**
14 **against which the statute of limitations has run.**

15 (5) The ~~township or city~~ **treasurer of the local tax**
16 **collecting unit** shall, not less than 10 days before the date ~~set~~
17 ~~by the circuit court for~~ **of the hearing under subsection (4),**
18 notify the county treasurer and the clerk or secretary of any
19 school district in which any personal property may have been
20 located at the time it was assessed for taxes that a petition was
21 filed with the ~~circuit court~~ **governing body of the local tax**
22 **collecting unit** under this section, that the statement required
23 under this section was prepared, and the date set for the hearing
24 on the petition.

25 ~~(6) Within 15 days after the hearing on the petition, the~~
26 ~~court shall enter a judgment that as to all items or personal~~
27 ~~taxes set forth in the statement of uncollected taxes filed with~~

1 ~~the court for which the township or city treasurer and his or her~~
2 ~~predecessors in office have exercised due diligence in an effort~~
3 ~~to collect the taxes upon that personal property, those taxes~~
4 ~~shall be stricken from the tax rolls of the county and of the~~
5 ~~township or city and shall cease to constitute an asset of the~~
6 ~~township or city, the county in which the township or city is~~
7 ~~located, and any school district in which the personal property~~
8 ~~was located at the time it was assessed for taxes, and that the~~
9 ~~debt created by the provisions of this act or by any city charter~~
10 ~~of the person assessed for those taxes to the township or city~~
11 ~~shall, from the date of entry of the judgment, assume the status~~
12 ~~of a debt against which the statute of limitations has run.~~

13 (6) ~~-(7)-~~ A copy of the ~~judgment~~ **resolution adopted under**
14 **subsection (4)** shall be served upon the county clerk, the clerk
15 of the ~~township or city~~ **local tax collecting unit**, and the
16 clerk or secretary of each school district located in the
17 ~~township or city~~ **local tax collecting unit.**

18 (7) ~~-(8)-~~ In a county in which the county treasurer collects
19 delinquent personal property taxes as provided in section 56, the
20 county treasurer shall undertake and carry out all of the
21 proceedings to strike delinquent personal property taxes from the
22 county tax rolls as provided in this section.