

HOUSE BILL No. 6241

June 17, 2008, Introduced by Reps. Walker, Palsrok, LaJoy and Booher 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, and by adding section 20.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 20. IF THE TOTAL AMOUNT OF TAXABLE VALUE IN ALL**
2 **STATEMENTS SUBMITTED UNDER SECTION 19 IS LESS THAN \$4,000.00, A**
3 **LOCAL TAX COLLECTING UNIT MAY BY RESOLUTION ELECT NOT TO COLLECT**
4 **TAXES LEVIED ON THAT PERSONAL PROPERTY.**

5 Sec. 56a. (1) If a tax levied on personal property remains
6 uncollected for more than 5-2 years after that tax becomes
7 delinquent, the township or city treasurer shall prepare a
8 statement showing all of the following:

1 (a) The taxes levied upon personal property that remain
2 unpaid.

3 (b) The names of the persons against whom those taxes were
4 assessed.

5 (c) The amount assessed against each person that remains
6 uncollected, together with all fees, penalties, and interest due
7 under this act or under a city charter.

8 (2) The original copy of the statement prepared pursuant to
9 subsection (1) shall be filed with the circuit court of the county
10 in which the township or city is located together with a petition.
11 Two or more township or city treasurers may file a joint petition
12 under this section.

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

14 (a) That the taxes upon personal property as shown in the
15 statement have remained unpaid for more than ~~5~~2 years after they
16 were returned to the county treasurer as delinquent.

17 (b) That the taxes have remained delinquent despite the fact
18 that the township or city treasurer or his or her predecessors in
19 office exercised due diligence in an effort to collect the taxes.

20 (c) The taxes are, to the township or city treasurer's best
21 knowledge and information, uncollectible.

22 (4) The petition shall request that a date, not less than 30
23 nor more than 45 days after the date of filing the petition, be set
24 for a hearing on the petition and that the court enter a judgment
25 in favor of the township or city, striking those taxes from the tax
26 rolls of the county and township or city. If a judgment is entered
27 in favor of the township or city, the taxes in the statement shall

1 cease to constitute an asset of the township or city, the county in
2 which the township or city is located, and any school district or
3 other taxing entity in which the personal property was located at
4 the time it was assessed for taxes.

5 (5) The township or city treasurer shall, not less than 10
6 days before the date set by the circuit court for the hearing,
7 notify the county treasurer and the clerk or secretary of any
8 school district in which any personal property may have been
9 located at the time it was assessed for taxes that a petition was
10 filed with the circuit court under this section, that the statement
11 required under this section was prepared, and the date set for the
12 hearing on the petition.

13 (6) Within 15 days after the hearing on the petition, the
14 court shall enter a judgment that as to all items or personal taxes
15 set forth in the statement of uncollected taxes filed with the
16 court for which the township or city treasurer and his or her
17 predecessors in office have exercised due diligence in an effort to
18 collect the taxes upon that personal property, those taxes shall be
19 stricken from the tax rolls of the county and of the township or
20 city and shall cease to constitute an asset of the township or
21 city, the county in which the township or city is located, and any
22 school district in which the personal property was located at the
23 time it was assessed for taxes, and that the debt created by the
24 provisions of this act or by any city charter of the person
25 assessed for those taxes to the township or city shall, from the
26 date of entry of the judgment, assume the status of a debt against
27 which the statute of limitations has run.

1 (7) A copy of the judgment shall be served upon the county
2 clerk, the clerk of the township or city, and the clerk or
3 secretary of each school district located in the township or city.

4 (8) In a county in which the county treasurer collects
5 delinquent personal property taxes as provided in section 56, the
6 county treasurer shall undertake and carry out all of the
7 proceedings to strike delinquent personal property taxes from the
8 county tax rolls as provided in this section.