



**House  
Legislative  
Analysis  
Section**

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**PERSONAL PROPERTY TAX SEIZURES**

House Bill 4239 (Substitute H-2)  
First Analysis (10-8-87)

**RECEIVED**

Sponsor: Rep. Lynn Owen  
Committee: Taxation

**OCT 22 1987**

Mich. State Law Library

H.B. 4239 (10-8-87)

***THE APPARENT PROBLEM:***

The General Property Tax Act requires a taxing unit to seize the personal property of a delinquent taxpayer and sell it at public auction to collect the person's taxes. Treasurers are also authorized, "if otherwise unable to collect a tax on personal property", to sue a delinquent taxpayer for the taxes. Tax specialists say that taken together the provisions have the effect of making a taxing unit's failure to attempt to seize property a defense to a civil suit. This creates an obstacle for local units that would prefer to use lawsuits to collect taxes rather than seize property.

***THE CONTENT OF THE BILL:***

Under the bill, if a taxpayer neglected or refused to pay a tax on personal property, the city or township treasurer would be required to seize the personal property for sale at public auction as is the case now. However, the bill would say that notwithstanding the seizure requirement, a treasurer could sue the taxpayer and garnishee any debtor of the taxpayer. (The bill would specify that the seizure of personal property would only apply in cases in which taxes were owed on personal property and not in cases, as the language permits now, involving real property.)

MCL 211.47

***FISCAL IMPLICATIONS:***

There is no information at present.

***ARGUMENTS:***

***For:***

The bill would remove an impediment to local units collecting delinquent personal property taxes through civil suits.

***POSITIONS:***

The Michigan Townships Association supports the bill.  
(10-7-87)