

# HOUSE BILL No. 5860

(As amended by the Senate, May 23, 2002)

April 9, 2002, Introduced by Rep. Birkholz and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 42a (MCL 211.42a), as amended by 1994 PA  
415.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 42a. (1) Subject to this section, a local tax collect-  
2       ing unit may use a computerized data base SYSTEM as the tax roll  
3       if ~~the~~ ANY OF THE FOLLOWING APPLY:  
4       (A) THE local unit obtains written authorization from the  
5       state tax commission. ~~and the state treasurer.~~  
6       (B) THE TREASURER OF THE COUNTY IN WHICH THE LOCAL TAX COL-  
7       LECTING UNIT IS LOCATED OBTAINS WRITTEN AUTHORIZATION FROM THE  
8       STATE TAX COMMISSION FOR THE USE BY THE COUNTY TREASURER OR LOCAL  
9       TAX COLLECTING UNITS WITHIN THE COUNTY OF AN APPROVED  
10       COMPUTERIZED DATA BASE SYSTEM AS THE TAX ROLL. THIS SUBDIVISION SHALL NOT  
      BE CONSTRUED TO PROHIBIT A LOCAL TAX COLLECTING UNIT FROM SEEKING  
      AUTHORIZATION FROM THE STATE TAX COMMISSION TO USE A COMPUTERIZED DATA  
      BASE SYSTEM DEVELOPED BY THE LOCAL TAX COLLECTING UNIT.

**HB 5860, As Passed Senate, June 6, 2002**

2

1 (C) THE STATE TAX COMMISSION FAILS TO AUTHORIZE OR DENY  
2 WITHIN 120 DAYS A WRITTEN REQUEST FROM A COUNTY TREASURER OR A  
3 LOCAL TAX COLLECTING UNIT UNDER THIS SUBSECTION TO USE A COMPUT-  
4 ERIZED DATA BASE SYSTEM AS THE TAX ROLL.

5 (2) The state tax commission ~~and the state treasurer~~ shall  
6 authorize the use of a computerized data base SYSTEM as the tax  
7 roll if the local tax collecting unit OR THE COUNTY TREASURER  
8 demonstrates that the proposed system has the capacity to enable  
9 ~~the~~ A local unit to comply and the local unit complies with all  
10 of the following requirements:

11 (a) An original precollection tax roll shall be printed from  
12 the computerized data base and warranted by the assessor. That  
13 printed precollection tax roll shall be maintained by the asses-  
14 sor until the expiration of the redemption period provided in  
15 section ~~74 following the May tax sale~~ 78K FOLLOWING THE ENTRY  
16 OF A JUDGMENT FORECLOSING PROPERTY FORFEITED FOR DELINQUENT TAXES  
17 UNDER SECTION 78G, OR THE RESOLUTION OF ALL PENDING APPEALS,  
18 WHICHEVER IS LATER.

19 (b) A separate computer printout of all parcel splits and  
20 combinations, including sufficient information to document the  
21 accuracy of the splits or combinations, shall be prepared and  
22 maintained by the assessor until the expiration of the redemption  
23 period provided in section ~~74 following the May tax sale~~ 78K  
24 FOLLOWING THE ENTRY OF A JUDGMENT FORECLOSING PROPERTY FORFEITED  
25 FOR DELINQUENT TAXES UNDER SECTION 78G, OR THE RESOLUTION OF ALL  
26 PENDING APPEALS, WHICHEVER IS LATER.

**HB 5860, As Passed Senate, June 6, 2002**

1           (c) A separate computer printout of all corrections and  
2 adjustments to the precollection tax roll authorized by action of  
3 the board of review, state tax commission, or tax tribunal,  
4 including sufficient information to document the accuracy of all  
5 corrections and adjustments, shall be prepared and maintained by  
6 the assessor until the expiration of the redemption period pro-  
7 vided in section ~~74 following the May tax sale~~ 78K FOLLOWING  
8 THE ENTRY OF A JUDGMENT FORECLOSING PROPERTY FORFEITED FOR DELIN-  
9 QUENT TAXES UNDER SECTION 78G, or the resolution of all pending  
10 appeals, whichever is later.

11           (d) The local tax collecting treasurer and the assessor  
12 shall produce a final computer printed settlement tax roll to  
13 certify taxes collected to the county treasurer under  
14 section 55. The assessor shall certify that taxable values,  
15 state equalized valuations, adjusted valuations, and the spread  
16 of taxes and adjusted taxes are correctly recorded in the settle-  
17 ment tax roll. The local tax collecting treasurer shall certify  
18 delinquent taxes and certify that all tax collections are posted  
19 on the settlement tax roll. Those certifications and the settle-  
20 ment tax roll shall be transmitted to the county treasurer. The  
21 affidavit attached to the settlement tax roll shall include docu-  
22 mentation that authorizes and reports all changes in the precol-  
23 lection tax roll.

24           (e) The treasurer of the local tax collecting unit shall  
25 prepare and maintain a journal of the collections totaled and  
26 reconciled to the amount of actual collections daily.

**HB 5860, As Passed Senate, June 6, 2002**

1 (f) A payment of the tax shall be posted to the computerized  
2 data base SYSTEM using a transaction or receipt number with the  
3 date of payment. A posting on the computerized data base SYSTEM  
4 is considered the entry of the fact and date of payment in an  
5 indelible manner on the tax roll as required by section 46(2).

6 (g) The computerized data base system has internal and  
7 external security procedures sufficient to assure the integrity  
8 of the system.

9 (h) The local tax collecting unit is capable of making  
10 available a posted computer printed tax roll.

11 (i) The computerized data base system is compatible with the  
12 system used by the county treasurer for the collection of delin-  
13 quent taxes.

14 (3) Not later than May 1 of the third year following the  
15 year in which ~~the~~ A local tax collecting unit begins using a  
16 computerized data base SYSTEM as the tax roll after approval  
17 under subsection (1) and every 3 years thereafter, the local tax  
18 collecting unit shall certify to the state tax commission ~~and~~  
19 ~~the department of treasury~~ that the requirements of this section  
20 are being met.

21 (4) A COUNTY TREASURER OR local tax collecting unit that  
22 provides a computer terminal for public viewing of the tax roll  
23 is considered having the tax roll available for public  
24 inspection.

25 (5) If at any time the state treasurer or the state tax com-  
26 mission believes that ~~the~~ A local tax collecting unit is no  
27 longer in compliance with subsection (2), the state treasurer or

**HB 5860, As Passed Senate, June 6, 2002**

5

1 the state tax commission shall provide written notice to ~~the~~  
2 THAT local tax collecting unit. The notice shall specify the  
3 reasons that use of the computerized data base SYSTEM as the  
4 original tax roll is no longer in compliance with  
5 subsection (2). The local TAX COLLECTING unit has not less than  
6 60 days to provide evidence that the LOCAL TAX COLLECTING unit is  
7 in compliance with subsection (2) or that action to correct non-  
8 compliance has been implemented. If, after the expiration of 60  
9 days, the state tax commission or the state treasurer believes  
10 that the local tax collecting unit is not taking satisfactory  
11 steps to correct a condition of noncompliance, the state tax com-  
12 mission upon its own motion may, and upon the request of the  
13 state treasurer shall, withdraw approval of the use of the com-  
14 puterized data base SYSTEM as the original tax roll. Proceedings  
15 of the STATE TAX commission under this subsection shall be in  
16 accordance with rules for other proceedings of the commission  
17 promulgated under the administrative procedures act of 1969, ~~Act~~  
18 ~~No. 306 of 1969, being sections 24.201 to 24.328 of the Michigan~~  
19 ~~Compiled Laws~~ 1969 PA 306, MCL 24.201 TO 24.328, and shall not  
20 be considered a contested case.