

HOUSE BILL No. 5420

January 22, 2004, Introduced by Reps. Steil, Nofs, Murphy and LaJoy 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~~ 2 years after that tax becomes
3 delinquent, the township or city treasurer shall prepare a
4 statement showing all of the following:

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

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

9 (c) The amount assessed against each person that remains
10 uncollected, together with all fees, penalties, and interest due

1 under this act or under a city charter.

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

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

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

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

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

17 (4) The petition shall request that a date, not less than 30
18 nor more than 45 days after the date of filing the petition, be
19 set for a hearing on the petition and that the court enter a
20 judgment in favor of the township or city, striking those taxes
21 from the tax rolls of the county and township or city. If a
22 judgment is entered in favor of the township or city, the taxes
23 in the statement shall cease to constitute an asset of the
24 township or city, the county in which the township or city is
25 located, and any school district or other taxing entity in which
26 the personal property was located at the time it was assessed for
27 taxes.

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

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

25 (7) A copy of the judgment shall be served upon the county
26 clerk, the clerk of the township or city, and the clerk or
27 secretary of each school district located in the township or

1 city.

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