

**SUBSTITUTE FOR
HOUSE BILL NO. 4948**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 154 (MCL 211.154), as amended by 2003 PA 247.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 154. (1) If the state tax commission determines that
2 property subject to the collection of taxes under this act,
3 including property subject to taxation under 1974 PA 198, MCL
4 207.551 to 207.572, 1905 PA 282, MCL 207.1 to 207.21, 1953 PA 189,
5 MCL 211.181 to 211.182, and the commercial redevelopment act, 1978
6 PA 255, MCL 207.651 to 207.668, has been incorrectly reported or
7 omitted for any previous year, but not to exceed the current
8 assessment year and 2 years immediately preceding the date the
9 incorrect reporting or omission was discovered and disclosed to the

1 state tax commission, the state tax commission shall place the
2 corrected assessment value for the appropriate years on the
3 appropriate assessment roll. The state tax commission shall issue
4 an order certifying to the treasurer of the local tax collecting
5 unit if the local tax collecting unit has possession of a tax roll
6 for a year for which an assessment change is made or the county
7 treasurer if the county has possession of a tax roll for a year for
8 which an assessment change is made the amount of taxes due as
9 computed by the correct annual rate of taxation for each year
10 except the current year. Taxes computed under this section shall
11 not be spread against the property for a period before the last
12 change of ownership of the property.

13 (2) If an assessment change made under this section results in
14 increased property taxes, the additional taxes shall be collected
15 by the treasurer of the local tax collecting unit if the local tax
16 collecting unit has possession of a tax roll for a year for which
17 an assessment change is made or by the county treasurer if the
18 county has possession of a tax roll for a year for which an
19 assessment change is made. Not later than 20 days after receiving
20 the order certifying the amount of taxes due under subsection (1),
21 the treasurer of the local tax collecting unit if the local tax
22 collecting unit has possession of a tax roll for a year for which
23 an assessment change is made or the county treasurer if the county
24 has possession of a tax roll for a year for which an assessment
25 change is made shall submit a corrected tax bill, itemized by
26 taxing jurisdiction, to each person identified in the order and to
27 the owner of the property on which the additional taxes are

1 assessed, if different than a person named in the order, by first-
2 class mail, address correction requested. Except for real property
3 subject to taxation under 1974 PA 198, MCL 207.551 to 207.572, 1905
4 PA 282, MCL 207.1 to 207.21, 1953 PA 189, MCL 211.181 to 211.182,
5 and the commercial redevelopment act, 1978 PA 255, MCL 207.651 to
6 207.668, and for real property only, if the additional taxes remain
7 unpaid on the March 1 in the year immediately succeeding the year
8 in which the state tax commission issued the order certifying the
9 additional taxes under subsection (1), the real property on which
10 the additional taxes are due shall be returned as delinquent to the
11 county treasurer. Real property returned for delinquent taxes under
12 this section, and upon which taxes, interest, penalties, and fees
13 remain unpaid after the property is returned as delinquent to the
14 county treasurer, is subject to forfeiture, foreclosure, and sale
15 for the enforcement and collection of the delinquent taxes as
16 provided in sections 78 to 79a.

17 (3) Except as otherwise provided in subsection (4), a
18 corrected tax bill based on an assessment roll corrected for
19 incorrectly reported or omitted personal property that is issued
20 after the effective date of the amendatory act that added this
21 subsection shall include penalty and interest at the rate of 1.25%
22 per month or fraction of a month from the date the taxes originally
23 could have been paid without interest or penalty. If the tax bill
24 has not been paid within 60 days after the corrected tax bill is
25 issued, interest shall again begin to accrue at the rate of 1.25%
26 per month or fraction of a month.

27 (4) If a person requests that an increased assessment due to

1 incorrectly reported or omitted personal property be added to the
2 assessment roll under this section before March 1, 2004 with
3 respect to statements filed or required to be filed under section
4 19 for taxes levied before January 1, 2004, and the corrected tax
5 bill issued under this subsection is paid within 30 days after the
6 corrected tax bill is issued, that person is not liable for any
7 penalty or interest on that portion of the additional tax
8 attributable to the increased assessment resulting from that
9 request. However, a person who pays a corrected tax bill issued
10 under this subsection more than 30 days after the corrected tax
11 bill is issued is liable for the penalties and interest imposed
12 under subsection (3).

13 (5) Except as otherwise provided in this section, the
14 treasurer of the local tax collecting unit or the county treasurer
15 shall disburse the payments of interest received to this state and
16 to a city, township, village, school district, county, and
17 authority, in the same proportion as required for the disbursement
18 of taxes collected under this act. The amount to be disbursed to a
19 local school district, except for that amount of interest
20 attributable to mills levied under section 1211(2) or 1211c of the
21 revised school code, 1976 PA 451, MCL 380.1211 and 380.1211c, and
22 mills that are not included as mills levied for school operating
23 purposes under section 1211 of the revised school code, 1976 PA
24 451, MCL 380.1211, shall be paid to the state treasury and credited
25 to the state school aid fund established by section 11 of article
26 IX of the state constitution of 1963. For an intermediate school
27 district receiving state aid under section 56, 62, or 81 of the

1 state school aid act of 1979, 1979 PA 94, MCL 388.1656, 388.1662,
2 and 388.1681, of the interest that would otherwise be disbursed to
3 or retained by the intermediate school district, all or a portion,
4 to be determined on the basis of the tax rates being utilized to
5 compute the amount of the state school aid, shall be paid instead
6 to the state treasury and credited to the state school aid fund
7 established by section 11 of article IX of the state constitution
8 of 1963.

9 (6) If an assessment change made under this section results in
10 a decreased tax liability, a refund of excess tax payments shall be
11 made by the county treasurer and shall include interest at the rate
12 of 1% per month or fraction of a month for taxes levied before
13 January 1, 1997 and interest at the rate provided under section 37
14 of the tax tribunal act, 1973 PA 186, MCL 205.737, for taxes levied
15 after December 31, 1996, from the date of the payment of the tax to
16 the date of the payment of the refund. The county treasurer shall
17 charge a refund of excess tax payments under this subsection to the
18 various taxing jurisdictions in the same proportion as the taxes
19 levied.

20 (7) A person to whom property is assessed under this section
21 may appeal the state tax commission's order to the Michigan tax
22 tribunal.

23 (8) **THE NAME AND ADDRESS OF A BUSINESS OR INDIVIDUAL BEING**
24 **AUDITED UNDER THIS ACT IS NOT SUBJECT TO DISCLOSURE UNDER THE**
25 **FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, FOR**
26 **A PERIOD OF 1 YEAR FROM THE DATE OF THE NOTICE OF THE AUDIT UNLESS**
27 **THE STATE TAX COMMISSION ENTERS AN ORDER UNDER SUBSECTION (1)**

1 CERTIFYING AN ASSESSMENT CHANGE FOR THAT BUSINESS OR INDIVIDUAL. AN
2 EMPLOYEE, FORMER EMPLOYEE, AUTHORIZED REPRESENTATIVE, OR FORMER
3 AUTHORIZED REPRESENTATIVE OF A LOCAL TAX COLLECTING UNIT OR OF THIS
4 STATE SHALL NOT DISCLOSE THE NAME OR ADDRESS OF A BUSINESS OR
5 INDIVIDUAL BEING AUDITED UNDER THIS ACT FOR A PERIOD OF 1 YEAR FROM
6 THE DATE OF THE NOTICE OF THE AUDIT UNLESS THE STATE TAX COMMISSION
7 ENTERS AN ORDER UNDER SUBSECTION (1) CERTIFYING AN ASSESSMENT
8 CHANGE FOR THAT BUSINESS OR INDIVIDUAL. AN EMPLOYEE, FORMER
9 EMPLOYEE, AUTHORIZED REPRESENTATIVE, OR FORMER AUTHORIZED
10 REPRESENTATIVE OF A LOCAL TAX COLLECTING UNIT OR OF THIS STATE MAY
11 DISCLOSE THE NAME OR ADDRESS OF A BUSINESS OR INDIVIDUAL BEING
12 AUDITED UNDER THIS ACT IF THE DISCLOSURE IS NECESSARY FOR THE
13 PROPER ADMINISTRATION OF THIS ACT OR ANOTHER ACT ADMINISTERED BY
14 THE DEPARTMENT OF TREASURY, IF REQUIRED BY COURT ORDER OR IF THE
15 STATE TAX COMMISSION ENTERS AN ORDER UNDER SUBSECTION (1)
16 CERTIFYING AN ASSESSMENT CHANGE FOR THAT BUSINESS OR INDIVIDUAL. AS
17 USED IN THIS SUBSECTION, "AUTHORIZED REPRESENTATIVE" MEANS A
18 PERSON, CORPORATION, NONPROFIT CORPORATION, PARTNERSHIP, LIMITED
19 LIABILITY COMPANY, OR OTHER ENTITY SELECTED BY A LOCAL TAX
20 COLLECTING UNIT OR THIS STATE TO PERFORM AUDITS UNDER THIS ACT ON
21 BEHALF OF THE LOCAL TAX COLLECTING UNIT OR THIS STATE.