

# SENATE BILL No. 280

March 17, 2011, Introduced by Senators CASWELL, BRANDENBURG, COLBECK, CASPERSON, EMMONS, MEEKHOF, PROOS, GREEN, BOOHER and KAHN and referred to the Committee on Finance.

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 years after that tax becomes  
3 delinquent, the ~~township or city~~ treasurer **OF THE LOCAL TAX**  
4 **COLLECTING UNIT** shall prepare a statement showing all of the  
5 following:

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

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

1 (c) The amount assessed against each person that remains  
2 uncollected, together with all fees, penalties, and interest due  
3 under this act or under a city **OR TOWNSHIP** charter.

4 (2) The original copy of the statement prepared pursuant to  
5 subsection (1) shall be filed with the ~~circuit court of the county~~  
6 ~~in which the township or city is located~~ **GOVERNING BODY OF THE**  
7 **LOCAL TAX COLLECTING UNIT**, together with a petition. ~~Two or more~~  
8 ~~township or city treasurers may file a joint petition under this~~  
9 ~~section.~~

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

11 (a) That the taxes upon personal property as shown in the  
12 statement have remained unpaid for more than 5 years after they  
13 were returned to the county treasurer as delinquent.

14 (b) That the taxes have remained delinquent despite the fact  
15 that the ~~township or city~~ treasurer **OF THE LOCAL TAX COLLECTING**  
16 **UNIT** or his or her predecessors in office exercised due diligence  
17 in an effort to collect the taxes.

18 (c) The taxes are, to the ~~township or city~~ **LOCAL TAX**  
19 **COLLECTING UNIT** treasurer's best knowledge and information,  
20 uncollectible.

21 (4) The petition shall request that a date, not less than 30  
22 nor more than 45 days after the date of filing the petition, be set  
23 for a hearing on the petition and that the ~~court enter a judgment~~  
24 ~~in favor of the township or city, striking~~ **GOVERNING BODY OF THE**  
25 **LOCAL TAX COLLECTING UNIT, BY RESOLUTION ADOPTED BY A MAJORITY OF**  
26 **THE MEMBERS ELECTED TO AND SERVING, STRIKE** those taxes from the tax  
27 rolls of the ~~county and township or city~~ **LOCAL TAX COLLECTING UNIT**

1 AND OF THE COUNTY IN WHICH THE LOCAL TAX COLLECTING UNIT IS  
2 LOCATED. If a ~~judgment is entered in favor of the township or city,~~  
3 ~~the~~ RESOLUTION IS ADOPTED UNDER THIS SUBSECTION, ALL OF THE  
4 FOLLOWING SHALL OCCUR:

5 (A) THE taxes in the statement shall cease to constitute an  
6 asset of the ~~township or city~~ LOCAL TAX COLLECTING UNIT, the county  
7 in which the ~~township or city~~ LOCAL TAX COLLECTING UNIT is located,  
8 and any school district or other taxing entity in which the  
9 personal property was located at the time it was assessed for  
10 taxes.

11 (B) THE DEBT CREATED UNDER THIS ACT OR UNDER ANY CITY OR  
12 TOWNSHIP CHARTER OF THE PERSON ASSESSED FOR THOSE TAXES TO THE  
13 LOCAL TAX COLLECTING UNIT SHALL, FROM THE DATE OF ADOPTION OF THE  
14 RESOLUTION UNDER THIS SUBSECTION, ASSUME THE STATUS OF A DEBT  
15 AGAINST WHICH THE STATUTE OF LIMITATIONS HAS RUN.

16 (5) The ~~township or city~~ treasurer OF THE LOCAL TAX COLLECTING  
17 UNIT shall, not less than 10 days before the date ~~set by the~~  
18 ~~ircuit court for~~ OF the hearing UNDER SUBSECTION (4), notify the  
19 county treasurer and the clerk or secretary of any school district  
20 in which any personal property may have been located at the time it  
21 was assessed for taxes that a petition was filed with the ~~ircuit~~  
22 ~~court~~ GOVERNING BODY OF THE LOCAL TAX COLLECTING UNIT under this  
23 section, that the statement required under this section was  
24 prepared, and the date set for the hearing on the petition.

25 ~~Within 15 days after the hearing on the petition, the~~  
26 ~~court shall enter a judgment that as to all items or personal taxes~~  
27 ~~set forth in the statement of uncollected taxes filed with the~~

1 ~~court for which the township or city treasurer and his or her~~  
2 ~~predecessors in office have exercised due diligence in an effort to~~  
3 ~~collect the taxes upon that personal property, those taxes shall be~~  
4 ~~stricken from the tax rolls of the county and of the township or~~  
5 ~~city and shall cease to constitute an asset of the township or~~  
6 ~~city, the county in which the township or city is located, and any~~  
7 ~~school district in which the personal property was located at the~~  
8 ~~time it was assessed for taxes, and that the debt created by the~~  
9 ~~provisions of this act or by any city charter of the person~~  
10 ~~assessed for those taxes to the township or city shall, from the~~  
11 ~~date of entry of the judgment, assume the status of a debt against~~  
12 ~~which the statute of limitations has run.~~

13       (6) ~~(7)~~—A copy of the judgment **RESOLUTION ADOPTED UNDER**  
14 **SUBSECTION (4)** shall be served upon the county clerk, the clerk of  
15 the ~~township or city~~ **LOCAL TAX COLLECTING UNIT**, and the clerk or  
16 secretary of each school district located in the ~~township or city~~  
17 **LOCAL TAX COLLECTING UNIT**.

18       (7) ~~(8)~~—In a county in which the county treasurer collects  
19 delinquent personal property taxes as provided in section 56, the  
20 county treasurer shall undertake and carry out all of the  
21 proceedings to strike delinquent personal property taxes from the  
22 county tax rolls as provided in this section.