



**House
Legislative
Analysis
Section**

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WRONGFUL LIENS

**House Bill 4312
Sponsor: Rep. Eric Bush
Committee: Tax Policy**

Complete to 2-21-95

A SUMMARY OF HOUSE BILL 4312 AS INTRODUCED 2-7-95

One of the features of Public Act 13 of 1993, which was part of a two-bill package labeled "the taxpayer bill of rights", was the requirement that the Department of Treasury act within certain specified deadlines to remove liens against taxpayers once the tax liability had been satisfied or the determination had been made that the filing of the lien had been improper. House Bill 4312 would amend the revenue act to further address the issue of liens recorded against taxpayers by mistake. Generally, it would require the Department of Treasury, in certain cases, to acknowledge in an official document that the lien should not have been recorded against the taxpayer. Specifically, the bill would require the following.

-- When the Department of Treasury had received money to satisfy a tax liability or had received information canceling the liability but subsequently recorded a lien to satisfy that same tax liability, the department, upon request and the determination by the department that the lien had been filed and recorded in error, would have to issue a certificate of withdrawal stating that the recorded lien had been filed in error. The certificate would have to be issued "with all due haste" but not more than three business days after the department had determined the lien had been erroneously recorded. The same would be required of a release of a warrant or warrant-notice of levy issued and served in error.

-- In cases in which the department determined, upon request, that the taxpayer named on a recorded lien did not have an interest in certain properties owned by another, the department would have to file a certificate of nonattachment clearly indicating that the taxpayer named on the recorded lien did not have any interest in the property or rights of property of the other person. A similar provision would apply to a warrant or warrant-notice of levy.

MCL 205.29a

House Bill 4312 (2-21-95)