

Act No. 143
Public Acts of 1995
Approved by the Governor
July 9, 1995
Filed with the Secretary of State
July 10, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Rep. Bullard

ENROLLED HOUSE BILL No. 4843

AN ACT to amend section 40 of Act No. 206 of the Public Acts of 1893, entitled as amended "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection therewith; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal certain acts and parts of acts in anywise contravening any of the provisions of this act," as amended by Act No. 279 of the Public Acts of 1994, being section 211.40 of the Michigan Compiled Laws; and to add section 40a.

The People of the State of Michigan enact:

Section 1. Section 40 of Act No. 206 of the Public Acts of 1893, as amended by Act No. 279 of the Public Acts of 1994, being section 211.40 of the Michigan Compiled Laws, is amended and section 40a is added to read as follows:

Sec. 40. Notwithstanding any provisions in the charter of any city or village to the contrary, all taxes become a debt due to the township, city, village, or county from the owner or person otherwise assessed on the tax day provided for in sections 2 and 13. The amounts assessed for state, county, village, or township taxes on any interest in real property shall become a lien on the real property on December 1, on a day provided for by the charter of a city or village, or on the day provided for in section 40a. The lien for those amounts, and for all interest and charges on those amounts, shall continue until paid. Each tax statement and receipt for taxes on real property sent or given by any county, township, city, or village treasurer shall contain a printed, stamped, or written statement setting forth the date of the commencement and ending of the fiscal year of each taxing unit of government during which general taxes included on the tax statement or receipt will defray the costs of governmental services rendered by that local governmental unit. All personal taxes levied or assessed for state, county, village, or township taxes are also a first lien, prior, superior, and paramount, on all personal property of the persons assessed on December 1, on a day provided for by the charter of a city or village, or on the day provided for in section 40a. The lien for those amounts, and for all interest and charges on those amounts, shall continue until paid. The tax liens take precedence over all other claims, encumbrances, and liens on that personal property, whether created by chattel mortgage, title retaining contract, execution, any final process of a court, attachment, replevin, judgment, or otherwise. A transfer of personal property assessed for taxes does not divest or destroy the lien, except where the personal property is actually sold in the regular course of retail trade. The personal property taxes levied or assessed by any city or village are a first lien, prior, superior, and paramount to any

other claims, liens, or encumbrances of any kind upon the personal property assessed as provided in this act, any provisions in the charter of cities or villages to the contrary notwithstanding.

Sec. 40a. (1) The treasurer of a county, township, city, or village may designate the tax day provided in section 2 as the date on which real or personal property taxes become a lien on the real or personal property assessed by filing an affidavit in the office of the register of deeds for the county in which the real or personal property is located attesting that 1 or more of the following events have occurred:

(a) The owner or person otherwise assessed has filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 U.S.C. 101 to 1330.

(b) A secured lender has brought an action to foreclose on or to enforce an interest secured by the real or personal property assessed.

(c) For personal property only, the owner, the person otherwise assessed, or other person has liquidated or is attempting to liquidate the personal property assessed.

(d) The real or personal property assessed is subject to receivership under state or federal law.

(e) The owner or person otherwise assessed has assigned the real or personal property assessed for the benefit of his or her creditors.

(f) The real or personal property assessed has been seized or purchased by federal, state, or local authorities.

(g) A judicial action has been commenced that may impair the ability of the taxing authority to collect any tax due in the absence of a lien on the real or personal property assessed.

(2) The affidavit provided for in subsection (1) shall include all of the following:

(a) The year for which the taxes due were levied.

(b) The date on which the taxes due were assessed.

(c) The name of the owner or person otherwise assessed who is identified in the tax roll.

(d) The tax identification number of the real or personal property assessed.

Section 2. This amendatory act shall take effect upon the expiration of 90 days after the date of its enactment.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.