



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 5725 (as reported without amendment)
Sponsor: Representative Brian Palmer
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the plant rehabilitation and industrial facilities Act (commonly called P.A. 198) to specify that the industrial facility tax would become a lien on real property on the date the tax was levied, except as provided below; and to delete the requirement that a certificate of nonpayment of the tax be filed in order for the tax to become a lien on real property.

Under the bill, the treasurer of a county, township, city, or village could designate the tax day provided for in Section 2 of the General Property Tax Act as the date on which industrial facility taxes would become a lien on the real or personal property assessed. The treasurer could do so by filing an affidavit in the office of the register of deeds for the county in which the real or personal property was located, attesting that one or more of the following had occurred:

- The owner or person otherwise assessed had filed a bankruptcy petition.
- A secured lender had brought an action to foreclose on or to enforce an interest secured by the real or personal property assessed.
- For personal property only, the owner, the person otherwise assessed, or another person had liquidated or was attempting to liquidate the property.
- The real or personal property was subject to receivership under State or Federal law.
- The owner or person otherwise assessed had assigned the real or personal property for the benefit of his or her creditors.
- The property had been seized or purchased by Federal, State, or local authorities.
- There had been commenced a judicial action that could impair the ability of the taxing authority to collect any tax due in the absence of a lien on the real or personal property.

MCL 207.563

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have a negligible fiscal impact on State and local government.

Date Completed: 12-6-04

Fiscal Analyst: David Zin