

SENATE BILL No. 1185

May 6, 2004, Introduced by Senators CASSIS, GARCIA and McMANUS and referred to the Committee on Finance.

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
5 189, MCL 211.181 to 211.182, and the commercial redevelopment
6 act, 1978 PA 255, MCL 207.651 to 207.668, has been incorrectly
7 reported or omitted for any **of the** previous ~~year, but not to~~
8 ~~exceed the current assessment year and 2 years immediately~~
9 ~~preceding the date the incorrect reporting or omission was~~
10 ~~discovered and disclosed to the state tax commission, the state~~

1 ~~tax commission shall place the corrected assessment value for the~~
2 ~~appropriate years on the appropriate assessment roll. years~~
3 designated under this section, the state tax commission shall
4 issue an order to the local tax collecting unit if the local tax
5 collecting unit has possession of the tax roll being amended or
6 to the county treasurer if the county treasurer has possession of
7 the tax roll being amended requiring the revision of the assessed
8 value and taxable value for each year for which the property was
9 incorrectly reported or omitted. The order of the state tax
10 commission may include the current assessment year and the 2
11 years immediately preceding the date a person liable for the
12 incorrectly reported or omitted taxes notifies the state tax
13 commission that the taxes were incorrectly reported or omitted.
14 If the state tax commission is notified that taxes have been
15 incorrectly reported or omitted by someone other than a person
16 liable for the incorrectly reported or omitted taxes, the order
17 may include the current assessment year and 2 years immediately
18 preceding the latter of the date the incorrect reporting or
19 omission was discovered and disclosed to the state tax commission
20 or the date written notice of the incorrect reporting or omission
21 was provided to the taxpayer. The state tax commission shall
22 issue an order ~~certifying~~ to the treasurer of the local tax
23 collecting unit if the local tax collecting unit has possession
24 of a tax roll for a year for which an assessment change is made
25 or the county treasurer if the county has possession of a tax
26 roll for a year for which an assessment change is made **requiring**
27 **the revision of the assessed value and taxable value and**

1 **certifying** the amount of taxes due as computed by the correct
2 annual rate of taxation for each year except the current year.
3 Taxes computed under this section shall not be spread against the
4 property for a period before the last change of ownership of the
5 property.

6 (2) If an assessment change made under this section results
7 in increased property taxes, the additional taxes shall be
8 collected by the treasurer of the local tax collecting unit if
9 the local tax collecting unit has possession of a tax roll for a
10 year for which an assessment change is made or by the county
11 treasurer if the county has possession of a tax roll for a year
12 for which an assessment change is made. Not later than 20 days
13 after receiving the order certifying the amount of taxes due
14 under subsection (1), the treasurer of the local tax collecting
15 unit if the local tax collecting unit has possession of a tax
16 roll for a year for which an assessment change is made or the
17 county treasurer if the county has possession of a tax roll for a
18 year for which an assessment change is made shall submit a
19 corrected tax bill, itemized by taxing jurisdiction, to each
20 person identified in the order and to the owner of the property
21 on which the additional taxes are assessed, if different than a
22 person named in the order, by first-class mail, address
23 correction requested. Except for real property subject to
24 taxation under 1974 PA 198, MCL 207.551 to 207.572, 1905 PA 282,
25 MCL 207.1 to 207.21, 1953 PA 189, MCL 211.181 to 211.182, and the
26 commercial redevelopment act, 1978 PA 255, MCL 207.651 to
27 207.668, and for real property only, if the additional taxes

1 remain unpaid on the March 1 in the year immediately succeeding
2 the year in which the state tax commission issued the order
3 certifying the additional taxes under subsection (1), the real
4 property on which the additional taxes are due shall be returned
5 as delinquent to the county treasurer. Real property returned
6 for delinquent taxes under this section, and upon which taxes,
7 interest, penalties, and fees remain unpaid after the property is
8 returned as delinquent to the county treasurer, is subject to
9 forfeiture, foreclosure, and sale for the enforcement and
10 collection of the delinquent taxes as provided in sections 78 to
11 79a.

12 (3) ~~Except as otherwise provided in subsection (4), a~~
13 ~~corrected tax bill based on an assessment roll corrected for~~
14 ~~incorrectly reported or omitted personal property that is issued~~
15 ~~after the effective date of the amendatory act that added this~~
16 ~~subsection shall include penalty and interest at the rate of~~
17 ~~1.25% per month or fraction of a month from the date the taxes~~
18 ~~originally could have been paid without interest or penalty. For~~
19 ~~assessments corrected by the state tax commission under this~~
20 ~~section as a result of a person's failure to file the statement~~
21 ~~required under section 19 for property that the local tax~~
22 ~~collecting unit can prove has not been otherwise assessed, a~~
23 ~~corrected tax bill may include a penalty of 10% of the resulting~~
24 ~~tax bill plus interest at the rate provided under section 37 of~~
25 ~~the tax tribunal act, 1973 PA 186, MCL 205.737, from the date the~~
26 ~~taxes originally could have been paid without interest. If the~~
27 ~~state tax commission determines that the failure to file the~~

1 statement required under section 19 was due to reasonable cause,
2 the state tax commission shall waive the penalty. If the tax bill
3 has not been paid within 60 days after the corrected tax bill is
4 issued, interest shall again begin to accrue ~~at the rate of~~
5 ~~1.25% per month or fraction of a month~~ from the date the
6 corrected tax bill is issued at the rate provided under section
7 37 of the tax tribunal act, 1973 PA 186, MCL 205.737.

8 (4) ~~If a person requests that an increased assessment due to~~
9 ~~incorrectly reported or omitted personal property be added to the~~
10 ~~assessment roll under this section before March 1, 2004 with~~
11 ~~respect to statements filed or required to be filed under section~~
12 ~~19 for taxes levied before January 1, 2004, and the corrected tax~~
13 ~~bill issued under this subsection is paid within 30 days after~~
14 ~~the corrected tax bill is issued, that person is not liable for~~
15 ~~any penalty or interest on that portion of the additional tax~~
16 ~~attributable to the increased assessment resulting from that~~
17 ~~request. However, a person who pays a corrected tax bill issued~~
18 ~~under this subsection more than 30 days after the corrected tax~~
19 ~~bill is issued is liable for the penalties and interest imposed~~
20 ~~under subsection (3).~~ For assessments corrected as a result of
21 notification filed with the state tax commission after December
22 31, 2003 and for which a person did not request that an increased
23 assessment due to incorrectly reported or omitted personal
24 property be added to the assessment roll under this section
25 before March 1, 2004, a corrected personal property tax bill that
26 is issued under this section due to reasons other than a person's
27 failure to file the statement required under section 19 shall

1 include interest as provided under section 37 of the tax tribunal
2 act, 1973 PA 186, MCL 205.737, calculated from the date the taxes
3 originally could have been paid without interest or penalty and a
4 penalty of 10% of the increase in the amount of taxes payable
5 because of the corrected assessment. If the state tax commission
6 determines that the incorrect reporting or omission was the
7 result of reasonable cause, the state tax commission shall waive
8 the penalty. If the tax bill has not been paid within 60 days
9 after the corrected tax bill is issued, interest shall again
10 begin to accrue from the date the corrected tax bill is issued at
11 the rate provided under section 37 of the tax tribunal act, 1973
12 PA 186, MCL 205.737.

13 (5) The assessor for a local tax collecting unit may enter
14 into an agreement on behalf of the local tax collecting unit to
15 waive all or a portion of the penalty provided for under
16 subsection (3) for a person who previously had failed to file a
17 statement under section 19. If the resulting tax bill has not
18 been paid within 60 days after the corrected tax bill is issued,
19 interest shall again begin to accrue from the date the corrected
20 tax bill is issued at the rate provided under section 37 of the
21 tax tribunal act, 1973 PA 186, MCL 205.737.

22 (6) ~~—(5)—~~ Except as otherwise provided in this section, the
23 treasurer of the local tax collecting unit or the county
24 treasurer shall disburse the payments of interest received to
25 this state and to a city, township, village, school district,
26 county, and authority, in the same proportion as required for the
27 disbursement of taxes collected under this act. The amount to be

1 disbursed to a local school district, except for that amount of
2 interest attributable to mills levied under section 1211(2) ~~or~~
3 ~~1211e~~ of the revised school code, 1976 PA 451, MCL 380.1211,
4 ~~and 380.1211e,~~ and mills that are not included as mills levied
5 for school operating purposes under section 1211 of the revised
6 school code, 1976 PA 451, MCL 380.1211, shall be paid to the
7 state treasury and credited to the state school aid fund
8 established by section 11 of article IX of the state constitution
9 of 1963. For an intermediate school district receiving state aid
10 under section 56, 62, or 81 of the state school aid act of 1979,
11 1979 PA 94, MCL 388.1656, 388.1662, and 388.1681, of the interest
12 that would otherwise be disbursed to or retained by the
13 intermediate school district, all or a portion, to be determined
14 on the basis of the tax rates being utilized to compute the
15 amount of the state school aid, shall be paid instead to the
16 state treasury and credited to the state school aid fund
17 established by section 11 of article IX of the state constitution
18 of 1963.

19 (7) ~~-(6)-~~ If an assessment change made under this section
20 results in a decreased tax liability, a refund of excess tax
21 payments shall be made by the county treasurer and shall include
22 interest at the rate of 1% per month or fraction of a month for
23 taxes levied before January 1, 1997 and interest at the rate
24 provided under section 37 of the tax tribunal act, 1973 PA 186,
25 MCL 205.737, for taxes levied after December 31, 1996, from the
26 date of the payment of the tax to the date of the payment of the
27 refund. The county treasurer shall charge a refund of excess tax

1 payments under this subsection to the various taxing
2 jurisdictions in the same proportion as the taxes levied.

3 (8) ~~—(7)—~~ A person to whom property is assessed under this
4 section may appeal the state tax commission's order to the
5 Michigan tax tribunal.

6 (9) Failure to file the statement required under section 19
7 by the date required shall not prohibit a person from seeking
8 relief under this section if that person files the statement
9 required under section 19 prior to or contemporaneously with an
10 action seeking relief under this section.