

CITY INCOME TAX ACT (EXCERPT)
Act 284 of 1964

141.686a Authority to impose a lien for taxes.

Sec. 86a. (1) Notwithstanding section 86, a city that has entered into an agreement with the department pursuant to section 9 of chapter 1 may recover the tax with interest and penalties without a judgment or order from a court of competent jurisdiction by imposing a lien as provided under this section. A lien imposed pursuant to this section is a lien in favor of the city against all property and rights of property, both real and personal, tangible and intangible, owned at the time the lien attaches, or afterwards acquired by any person liable for the tax, to secure the payment of the tax. The lien shall attach to the property from and after the date that any report or return on which the tax is levied is required to be filed and shall continue for 7 years after the date of attachment. The lien may be extended for another 7 years by refiling under subsection (2) if the refiling is done within 6 months prior to the expiration date of the original 7-year period.

(2) The lien imposed by this section shall take precedence over all other liens and encumbrances, except bona fide liens recorded before the date the lien under this ordinance is recorded. However, bona fide liens recorded before the lien under this ordinance is recorded shall take precedence only to the extent of disbursements made under a financing arrangement before the forty-sixth day after the date of the tax lien recording or before the person making the disbursements had actual knowledge of a tax lien recording under this ordinance, whichever is earlier. A lien shall be recorded and discharged in the same manner required for a state tax lien under the state tax lien registration act, 1968 PA 203, MCL 211.681 to 211.687.

(3) A purchaser or succeeding purchaser of property, from a taxpayer in other than the ordinary course of business, against which a lien has been properly recorded as provided under subsection (2) is personally liable for the unpaid taxes that are due on the lien. The purchaser's liability is limited to the value of the property less any proceeds that were applied to balances due on secured interests which are superior to the lien recorded under subsection (2).

History: Add. 2018, Act 456, Imd. Eff. Dec. 21, 2018;—Am. 2023, Act 195, Eff. Feb. 13, 2024.