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CITY OF GRAND RAPIDS

AGENDA ACTION REQUEST

Item Number: 7

DATE: February 11, 2025

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Molly Clarin, Chief Financial Officer

FROM: John Globensky, City Treasurer
City Treasurer's Office

SUBJECT: **Resolution to strike the outstanding 2019 Personal Property Taxes from the delinquent tax roll. The amounts to a write-off not to exceed \$54,448.12 of personal property taxes of which, \$15,000.14 is related to City of Grand Rapids' millages.**

I am attaching a resolution that the Treasurer's Office would like placed on the Fiscal Committee agenda. This resolution permits the City Treasurer to have the Kent County Treasurers Association file proceedings and take such court action to strike the City's \$15,000.14 of uncollected 2019 personal property taxes from our tax rolls. In addition, this resolution provides authorization for the City Clerk to execute the "Waiver and Consent" statement needed as part of the civil proceeding utilized for obtaining approval to write off uncollected taxes.

As you are aware, this statement is used in conjunction with the petition that, according to MCL 211.56a, allows our office to present the unpaid 2019 personal property taxes to the circuit court in Kent County with other local unit taxes so that said amounts can be struck from the tax rolls. State law places the responsibility for collection of the personal property taxes billed for multiple levying units on the City Treasurer's Office staff. The uncollected for all local units total \$54,448.12 out of the \$17,524,142.44 initially levied in 2019. There are 159 remaining assessed taxpayers on the 2019 tax rolls out of the 2,516 accounts billed.

Special mention should be made of the excellent collection job provided to the City by Ms. Margo Yakes, our Public Accounts Collector. The uncollected balances are this low in large part because of her efforts. Accounts listed will subsequently be collected as some judgments allow payment terms that extend past the timeframe for writing off the taxes, and specific collection actions are pending.

The City can and will continue collection efforts for the 2019 Delinquent Personal Property taxes until June 30, 2025. All the information provided above is dated December 31, 2024, as dictated by the write-off process and to give time to gain approvals from the local taxing authorities and final approval by the 17th Circuit Court. If no additional monies were collected, \$54,448.12 would be deemed uncollectible, broken down to \$15,000.14 (City) and \$39,447.98 (owed to other local units).

The General Property Tax Act states that the City Treasurer shall make duplicate statements showing taxes upon personal property remaining unpaid in the sixth year after the tax levy and present the arguments in a petition to the circuit court. The local unit treasurers in Kent County present the statements as a single proceeding to the circuit court in a cooperative manner that saves the expense of performing the duties as individual tax collecting units and the time of circuit court staff. The combined summaries of various unpaid personal property tax rolls will allow one circuit court action to provide for a decree in favor of the townships and cities that said taxes should be struck from the tax rolls of the county, townships, or cities.

Please review this matter and contact me at ext. 3285 if you have any questions.

Thank you.

John M. Globensky

Grand Rapids City Treasurer

cc: Anita Hitchcock, City Attorney
Joel Hondorp, City Clerk
Roberta Cahill, Deputy City Treasurer
Margo Yakes, Public Accounts Collector

Your FISCAL COMMITTEE recommends the adoption of the following resolution to strike the outstanding 2019 Personal Property Taxes from the delinquent tax roll. The amounts to a write-off not to exceed \$54,448.12 of personal property taxes of which, \$15,000.14 is related to City of Grand Rapids' millages.

RESOLVED:

1. That the City Treasurer be authorized to have the Kent County Treasurers Association file proceedings and take such court action as shall be necessary to strike from the City and Schools and County tax rolls uncollectible personal property taxes for the year 2019; and,
2. That the City Clerk is authorized to execute the waiver for the notice of the hearing and the entry of the judgment on the petition to strike the 2019 personal property taxes from the City, Schools, and County tax rolls in a form approved by the City Attorney.

CORRECT IN FORM

DEPARTMENT OF LAW