**Section 5000.350 Bonds**

a) General. The Tax Tribunal may require the taxpayer to post a bond equal to 25% of the liability at issue:

1) upon motion of the Department and a showing that:

A) the taxpayer's action is frivolous or legally insufficient; or

B) the taxpayer is acting primarily for the purpose of delaying the collection of tax or prejudicing the ability ultimately to collect the tax; or

2) if, at any time during the proceedings, it is determined by the Tax Tribunal that the taxpayer is not pursuing the resolution of the case with due diligence. If the Tax Tribunal finds in a particular case that the taxpayer cannot procure and furnish a satisfactory surety or sureties for the kind of bond required in subsection (a), the Tax Tribunal may relieve the taxpayer of the obligation of filing the bond, if, upon the timely application for a lien in lieu of a bond, with proof of the taxpayer's inability to procure the surety submitted in the application, the Tax Tribunal is satisfied that any lien imposed would operate to secure the assessment in the manner and to the degree as would a bond.

b) Surety Bonds. If the Tax Tribunal determines that a taxpayer should post a bond, any surety bond must be obtained from a third party and filed with the Tax Tribunal.

c) Liens. If a taxpayer is unable to procure and furnish a satisfactory surety or sureties, the Tax Tribunal may impose a lien or liens in lieu of bond against any real or personal property of the taxpayer in the amount of the required bond. A taxpayer who is required, but unable to procure a bond, must file a sworn statement of assets and liabilities, a title search of any real property to be encumbered, and a UCC search of any personal property to be encumbered with the Tax Tribunal.