



HOUSE BILL No. 4491

February 28, 1995, Introduced by Rep. Law and referred to the Committee on Tax Policy.

A bill to amend sections 43, 47, and 87b of Act No. 206 of the Public Acts of 1893, entitled as amended "The general property tax act," sections 43 and 47 as amended by Act No. 253 of the Public Acts of 1994 and section 87b as amended by Act No. 189 of the Public Acts of 1994, being sections 211.43, 211.47, and 211.87b of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 43, 47, and 87b of Act No. 206 of the
2 Public Acts of 1893, sections 43 and 47 as amended by Act No. 253
3 of the Public Acts of 1994 and section 87b as amended by Act
4 No. 189 of the Public Acts of 1994, being sections 211.43,
5 211.47, and 211.87b of the Michigan Compiled Laws, are amended to
6 read as follows:

1 Sec. 43. (1) The supervisor of each township, immediately
2 upon authorization to raise money by taxation pursuant to an
3 election held under section 36 or on or before the November 5 in
4 each year, shall notify the township treasurer of the amount of
5 the state, county, school, and public transportation authority
6 taxes ~~as~~ AND THE STATE EDUCATION TAX apportioned to his or her
7 township.

8 (2) The treasurer, immediately upon authorization to raise
9 money by taxation pursuant to an election held under section 36
10 or on or before the third day immediately preceding the day the
11 taxes to be collected become a lien, shall give to the county
12 treasurer a bond running to the county in the actual amount of
13 state, county, and school taxes, except school taxes collected
14 through a city treasurer, AND THE STATE EDUCATION TAX with suffi-
15 cient sureties to be approved by the supervisor of the township
16 and the county treasurer, conditioned that he or she will pay
17 over to the county treasurer as required by law all state and
18 county taxes, pay over to the respective school treasurers all
19 school taxes AND THE STATE EDUCATION TAX that he or she collects
20 during each year of his or her term of office, and duly and
21 faithfully perform all the other duties of the office of
22 treasurer. If a corporate surety bond is provided, the bond
23 shall be approved only by the county treasurer. If the bond is
24 furnished by a surety company authorized to transact business
25 under the laws of this state, it is sufficient that the bond is
26 equal to 40% of the amount of state, county, and school taxes AND
27 THE STATE EDUCATION TAX. If the bond is furnished by a surety

1 company, the premium and cost of the bond given to the county
2 shall be paid by the county treasurer from the general fund of
3 the county against which the premium and cost is made a charge.
4 However, the county treasurer having paid the premium may bill
5 each district school board afforded protection by the bond that
6 portion of the premium charge as is allocated to the school taxes
7 AND THE STATE EDUCATION TAX and the school district treasurers
8 shall pay that allocated premium charge as determined by the
9 county treasurer for the protection of school taxes AND THE STATE
10 EDUCATION TAX from available school district funds. If the
11 county treasurer and township supervisor determine that the bond
12 of the township treasurer recorded with the township clerk and on
13 file with the township supervisor is adequate and sufficient to
14 safeguard the proper accounting of state, county, and school
15 taxes AND THE STATE EDUCATION TAX as required by law, the town-
16 ship treasurer ~~shall~~ IS not ~~be~~ required to file with the
17 county treasurer the bond provided for in this section. The
18 county treasurer shall deliver to the supervisor on or before the
19 day the taxes to be collected become a lien a signed statement of
20 approval of the bond. Upon the receipt of the signed statement
21 and on or before the day the taxes to be collected become a lien,
22 the supervisor shall deliver to the township treasurer the tax
23 roll of this township. The county treasurer shall file and
24 safely keep the bond in his or her office and shall give to the
25 township treasurer a receipt stating that the required bond was
26 received, which receipt the township treasurer shall deliver to
27 the supervisor on or before the day the taxes to be collected

1 become a lien. After the delivery of the receipt and on or
2 before the day the taxes to be collected become a lien, the
3 supervisor shall deliver to the township treasurer the tax roll
4 of the township.

5 (3) Except as provided in subsections (4) and (5), tax col-
6 lections shall be delivered pursuant to the following schedule:

7 (a) Within 10 business days after the first and fifteenth
8 day of each month, the township or city treasurer shall account
9 for and deliver to the county treasurer the total amount of state
10 and county tax collections on hand on the first and fifteenth day
11 of each month; to the school district treasurers the total amount
12 of school tax collections AND STATE EDUCATION TAX COLLECTIONS on
13 hand on the first and fifteenth day of each month; and to the
14 public transportation authorities the total amount of public
15 transportation authority tax collections on hand the first and
16 fifteenth day of each month. If the intermediate school district
17 and community college district provide for direct payment pursu-
18 ant to subsection (9), the township or city treasurer shall also
19 account for and deliver to the intermediate school district and
20 the community college district the total respective amounts of
21 school tax collections on hand the first and fifteenth day of
22 each month. This subdivision ~~shall~~ DOES not apply to the month
23 of March.

24 (b) Within 10 business days after the last day of February,
25 the township or city treasurer shall account for and deliver to
26 the county treasurer at least 90% of the total amount of state
27 and county tax collections on hand on the last day of February;

1 to the school district treasurers at least 90% of the total
2 amount of school tax collections AND STATE EDUCATION TAX
3 COLLECTIONS on hand on the last day of February; and to the
4 public transportation authorities at least 90% of the total
5 amount of public transportation authority tax collections on hand
6 on the last day of February. If the intermediate school district
7 and community college district provide for direct payment pursu-
8 ant to subsection (9), the township or city treasurer shall also
9 account for and deliver to the intermediate school district and
10 community college district at least 90% of the total respective
11 amounts of school tax collections on hand on the last day of
12 February.

13 (c) A final adjustment and delivery of the total amount of
14 tax collections on hand for the county, community college dis-
15 tricts, intermediate school districts, school districts, and
16 public transportation authorities shall be made not later than
17 April 1 of each year.

18 (4) Instead of following the schedule prescribed in subsec-
19 tion (3), the township or city serving as the tax collecting unit
20 and the local governmental unit for which the tax collections are
21 made may enter into an agreement to establish an alternative
22 schedule for delivering tax collections.

23 (5) A township that has a state equalized valuation of
24 \$15,000,000.00 or less shall account for and deliver to the
25 county treasurer, the school district treasurers, and the public
26 transportation authorities and, if the intermediate school
27 district and community college district provide for direct

1 payment pursuant to subsection (9), the intermediate school
2 district treasurers and community college treasurers the taxes
3 collected up to and including January 10, within 10 business days
4 after January 10. However, a township treasurer subject to this
5 subsection shall at no time have on hand collections of state,
6 county, community college, intermediate school district if appli-
7 cable pursuant to subsection (9), school district, STATE
8 EDUCATION, and public transportation authority taxes in excess of
9 25% of the amount of the taxes apportioned to the township and,
10 when collections on hand reach ~~this percentage~~ 25% OF THE
11 AMOUNT OF THE TAXES APPORTIONED TO THE TOWNSHIP, the township
12 treasurer shall immediately account for and turn over the total
13 amount of state and county tax collections on hand to the county
14 treasurer, the total respective amounts of school tax collections
15 AND STATE EDUCATION TAX COLLECTIONS on hand to the respective
16 treasurers, and the total respective amounts of public transpor-
17 tation authority tax collections on hand to the respective public
18 transportation authorities. The township treasurer shall notify
19 the secretary or superintendent of each community college dis-
20 trict, intermediate school district, and school district applica-
21 ble and each of the applicable public transportation authorities
22 of the total amount of taxes paid to the respective treasurer or
23 authority, which notification shall show the different funds for
24 which the taxes were collected.

25 (6) Except as may be provided under section 1613 of THE
26 SCHOOL CODE OF 1976, Act No. 451 of the Public Acts of 1976,
27 being section 380.1613 of the Michigan Compiled Laws, when a

1 county treasurer is collecting the school district or
2 intermediate school district levy, the county treasurer shall
3 account for and deliver to the appropriate local governmental
4 unit treasurer the tax collections received by the county trea-
5 surer within 10 business days after the county treasurer receives
6 the funds.

7 (7) The county treasurer shall account for and deposit in
8 the county library fund for the use of the county library board,
9 county tax collections received pursuant to a tax levied under
10 section 1 of Act No. 138 of the Public Acts of 1917, being sec-
11 tion 397.301 of the Michigan Compiled Laws, within 10 business
12 days after the county treasurer receives the funds.

13 (8) The county treasurer shall account for and deliver to
14 the boards of each metropolitan transportation authority the
15 county tax collections for transportation authority purposes
16 received by the county treasurer within 10 business days after
17 the county treasurer receives the funds.

18 (9) For taxes that become a lien in December 1984 or after
19 1984, an intermediate school district board or the board of
20 trustees of a community college may provide that a local tax col-
21 lecting treasurer shall account for and deliver tax collections
22 directly to the respective intermediate school district or commu-
23 nity college treasurer pursuant to the schedule contained in
24 subsections (3), (4), and (5) for delivery of the respective
25 taxes to the county treasurer. A resolution shall be adopted at
26 least 60 days before the day taxes to be collected become a lien
27 and shall specify the period for which the resolution is

1 effective. Copies of the resolution shall be transmitted to each
2 local tax collecting treasurer and county treasurer within the
3 intermediate school district or community college district.

4 ~~(10) By the fifteenth day of each month, the county trea-~~
5 ~~surer shall account for and deliver to the state the collections~~
6 ~~under the state education tax act, Act No. 331 of the Public Acts~~
7 ~~of 1993, being sections 211.901 to 211.906 of the Michigan~~
8 ~~Compiled Laws, on hand on the last day of the preceding month.~~
9 ~~By the first day of each month, the county treasurer shall~~
10 ~~account for and deliver to the state the collections under the~~
11 ~~state education tax act, Act No. 331 of the Public Acts of 1993,~~
12 ~~on hand on or before the fifteenth day of the immediately preced-~~
13 ~~ing month. The county treasurer may retain the interest earned~~
14 ~~on the money collected under Act No. 331 of the Public Acts of~~
15 ~~1993 while held by the county treasurer, as reimbursement for the~~
16 ~~cost incurred by the county in collecting and transmitting the~~
17 ~~tax imposed by that act. The money retained by the county trea-~~
18 ~~surer under this section shall be deposited in the treasury of~~
19 ~~the county in which the tax is collected to the credit of the~~
20 ~~general fund.~~

21 (10) ~~(11)~~ A treasurer who willfully neglects or refuses to
22 perform a duty required by subsections (3) to (8) is subject to
23 the penalty prescribed in section 119(1).

24 (11) ~~(12) Except as otherwise provided by subsection (10),~~
25 ~~interest~~ INTEREST earned by a city, township, or county on col-
26 lections of taxes levied on or after November 5, 1985 before the
27 tax collections are accounted for and delivered to the respective

1 taxing units pursuant to this section shall also be accounted for
2 and delivered to the respective taxing units on a pro rata
3 basis. Interest earned by a city, township, or county on collec-
4 tions of taxes levied before November 5, 1985 before those col-
5 lections were accounted for and delivered to the respective
6 taxing units in compliance with the requirements of this section
7 is not subject to claim and retroactive collection by those
8 taxing units. However, interest earned on collections of taxes
9 levied on or after November 5, 1985 and before December 1, 1987
10 are not subject to claim and retroactive collection unless a
11 claim has been filed in a court of competent jurisdiction before
12 March 1, 1988. This subsection does not apply to interest or
13 penalties imposed by law or charter and does not nullify or pro-
14 hibit any agreements made between a collecting unit and a taxing
15 unit regarding the earned interest.

16 (12) ~~(13)~~ If there is an agreement for an alternative
17 schedule for delivering tax collections or for interest earned
18 under subsections (4) and ~~(12)~~ (11), the collection of the
19 state education tax is subject to those provisions of that
20 agreement.

21 (13) ~~(14)~~ As used in this section:

22 (a) "Metropolitan transportation authority" means an author-
23 ity created under the metropolitan transportation authorities act
24 of 1967, Act No. 204 of the Public Acts of 1967, being sections
25 124.401 to ~~+24.425-~~ 124.426 of the Michigan Compiled Laws.

1 (b) "Public transportation authority" means an authority
2 created under Act No. 55 of the Public Acts of 1963, being
3 sections 124.351 to 124.359 of the Michigan Compiled Laws.

4 (C) "STATE EDUCATION TAX" MEANS THE TAX LEVIED PURSUANT TO
5 THE STATE EDUCATION TAX ACT, ACT NO. 331 OF THE PUBLIC ACTS OF
6 1993, BEING SECTIONS 211.901 TO 211.906 OF THE MICHIGAN COMPILED
7 LAWS.

8 Sec. 47. (1) If a person, firm, or corporation neglects or
9 refuses to pay a tax on property assessed to that person, firm,
10 or corporation, ~~the township or city treasurer, as the case may~~
11 ~~be, shall, or for~~ INCLUDING the state education tax levied under
12 the state education tax act, Act No. 331 of the Public Acts of
13 1993, being sections 211.901 to 211.906 of the Michigan Compiled
14 Laws, the ~~state treasurer may also,~~ TOWNSHIP OR CITY TREASURER,
15 AS THE CASE MAY BE, SHALL collect the tax by seizing the personal
16 property of that person, firm, or corporation in this state, in
17 an amount sufficient to pay the tax, the fees, and the charges,
18 for subsequent sale of the property, and no property is exempt.
19 The treasurer may sell the property seized, in an amount suffi-
20 cient to pay the taxes and all charges, at public auction in the
21 place where seized or in the township or city of which he or she
22 is treasurer. ~~or for the state treasurer, anywhere in the~~
23 ~~state.~~ The treasurer shall give public notice of the auction at
24 least 5 days before the sale by posting written or printed
25 notices in 3 public places in the township, village, or city
26 where the sale is to be made. The sale may be adjourned from
27 time to time if the treasurer considers it necessary. If the

1 property is seized and advertised, the sale may take place at any
 2 time within 6 days after the expiration of the warrant of sale.
 3 If it is necessary to sell personal property that brings more
 4 than the amount of taxes and charges, the balance shall be
 5 returned to the person, firm, or corporation from whose posses-
 6 sion the property was taken. However, if the ~~state seizes and~~
 7 ~~sells~~ SEIZURE AND SALE OF property ~~and the sale~~ brings more
 8 than the amount of the state education tax and charges due, the
 9 ~~state~~ BALANCE shall ~~distribute the balance~~ BE DISTRIBUTED on
 10 a pro rata basis to any other local taxing units to which delin-
 11 quent personal property taxes on that property remain unpaid. If
 12 the property ~~so~~ seized cannot be sold for want of bidders, and
 13 in that case only, the treasurer shall return a statement of that
 14 fact and the tax shall be returned as unpaid.

15 (2) Notwithstanding or in lieu of subsection (1), the town-
 16 ship or city treasurer, in the name of the township, village, or
 17 city ~~, or the state treasurer in the name of the state~~ may sue
 18 the person, firm, or corporation to whom the tax is assessed and
 19 garnishee any debtor or debtors of that person, firm, or
 20 corporation. The tax roll ~~shall be~~ IS prima facie evidence of
 21 the debt sought to be recovered.

22 (3) If a person, firm, or corporation having possession of
 23 the personal property of any other person, firm, or corporation
 24 is assessed for that property and is obliged to pay the taxes on
 25 the property, the person, firm, or corporation paying the taxes
 26 may recover in a civil action from the person, firm, or

1 corporation for whose benefit the taxes were paid, the money paid
2 with the applicable interest.

3 Sec. 87b. (1) The county board of commissioners of any
4 county may create a delinquent tax revolving fund that, at the
5 option of the county treasurer, may be designated as the "100%
6 tax payment fund". Upon the establishment of the fund, all
7 delinquent taxes, except taxes on personal property, due and pay-
8 able to the taxing units in the county, except those units that
9 collect their own delinquent taxes after March 1 by charter or
10 otherwise, are due and payable to the county. The primary obli-
11 gation to pay to the county the amount of taxes and the interest
12 on the taxes shall rest with the local taxing units. ~~and the~~
13 ~~state for the state education tax under the state education tax~~
14 ~~act, Act No. 331 of the Public Acts of 1993, being sections~~
15 ~~211.901 to 211.906 of the Michigan Compiled Laws.~~ If the delin-
16 quent taxes that are due and payable to the county are not
17 received by the county for any reason, the county has full right
18 of recourse against the taxing unit ~~or to the state for the~~
19 ~~state education tax~~ to recover the amount of the delinquent
20 taxes and interest at the rate of 1% per month or fraction of a
21 month until repaid to the county by the taxing unit. However, if
22 the county borrows to provide funds for those payments, the
23 interest rate shall not exceed the highest interest rate paid on
24 that borrowing. A resolution or agreement previously executed or
25 adopted to this effect is validated and confirmed. ~~For delin-~~
26 ~~quent state education taxes, the county may offset uncollectible~~
27 ~~delinquent taxes against collections of the state education tax~~

1 ~~received by the county and owed to the state under this act.~~ The
2 fund shall be segregated into separate funds or accounts for each
3 year's delinquent taxes.

4 (2) If a delinquent tax revolving fund is established, the
5 county treasurer shall be the agent for the county and, without
6 further action by the county board of commissioners, may enter
7 into contracts with other municipalities, the state, or private
8 persons, firms, or corporations in connection with any transac-
9 tion relating to the fund or any borrowing made by the county
10 pursuant to section 87c or 87d, including all services necessary
11 to complete this borrowing.

12 (3) The county treasurer shall pay from the fund any or all
13 delinquent taxes that are due and payable to the county and any
14 school district, intermediate school district, community college
15 district, city, township, special assessment district, the state,
16 or any other political unit for which delinquent tax payments are
17 due within 20 days after sufficient funds are deposited within
18 the delinquent tax revolving fund or, if the county treasurer is
19 treasurer for a county with a population greater than 1,500,000
20 persons, within 30 days after sufficient funds are deposited
21 within the delinquent tax revolving fund. In a county with a
22 delinquent tax revolving fund where the county does not borrow
23 pursuant to section 87c, 87d, or 89, if the county treasurer does
24 not make payment of the delinquent taxes to the local units
25 within 10 days after the completion of county settlement with all
26 local units pursuant to section 55, the county shall pay interest
27 on the unpaid delinquent taxes from the date of actual county

1 settlement at the rate of 12% per annum for the number of days
2 involved.

3 (4) Except as provided in subsection (5), the county trea-
4 surer shall pay from the fund directly to a school district its
5 share of the fund when a single school district exists within a
6 political unit.

7 (5) If a local taxing unit has borrowed money in anticipa-
8 tion of collecting taxes for any school district or other munici-
9 pality and the county treasurer has been ~~so~~ notified in writ-
10 ing, the county treasurer shall pay to the local taxing unit the
11 shares of the fund for that school district or municipality. For
12 purposes of this subsection, "local taxing unit" means a city,
13 village, or township.

14 (6) The interest charges, penalties, and county property tax
15 administration fee rates established under this act shall remain
16 in effect and ~~shall be~~ ARE payable to the county delinquent tax
17 revolving fund.

18 (7) Any surplus in the fund may be transferred to the county
19 general fund by appropriate action of the county board of
20 commissioners.

21 (8) A county board of commissioners may borrow money to
22 create a delinquent tax revolving fund as provided in section 87c
23 or 87d, or both.

24 (9) This section ~~shall~~ DOES not supersede section 87 but
25 is an alternative method for paying delinquent taxes to local
26 units. However, where this section is used by a county, section
27 87 shall not be used.

1 Section 2. This amendatory act shall not take effect unless
2 Senate Bill No. _____ or House Bill No. 4492 (request
3 no. 04155'95 a) of the 88th Legislature is enacted into law.