SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5810

A bill to amend 1893 PA 206, entitled "The general property tax act,"
(MCL 211.1 to 211.155) by adding section 44f.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 44f. (1) There is created in the department of treasury a
summer 2020 property tax advance payment program, to be
administered by the department, under which each county in this
state shall provide eligible taxing authorities that have levied
summer 2020 property taxes on property located in the county with
advance payment of those summer 2020 property taxes that are due
and payable on property for which the collection of those taxes has
been deferred under section 44e. All of the following apply to this
program:
(a) To be eligible for receipt of an advance payment, a taxing authority must levy a summer 2020 property tax on property located in a local tax collecting unit that submits an application for that payment to the county's treasurer in a form and manner prescribed by the department of treasury by not later than September 11, 2020. The application must be accompanied by copies of all deferment-application statements and affidavits properly submitted to the local tax collecting unit pursuant to section 44e(2)(b) and the associated summer 2020 property tax bills for those applications.

(b) Based on applications properly submitted to the county treasurer under subdivision (a), the county shall do 1 of the following:

(i) Arrange for the financing of the payment described in subdivision (d) from any source available to the county, including, but not limited to, a delinquent tax revolving fund established by the county under this act for payment of summer 2020 property taxes returned as delinquent under section 78a.

(ii) By not later than September 18, 2020, submit to the department of treasury an application for short-term state financing described in subdivision (c) for the payment described in subdivision (d). The application must be submitted in a form and manner prescribed by the department of treasury and must include, in addition to any other information the department considers necessary, information sufficient to determine, by parcel identification number, each parcel of property in the county for which advance payment of deferred summer 2020 property taxes is sought, the total amount of the payments sought for each parcel, an itemization of that total amount into individual amounts to be paid to each eligible taxing authority, and the total amount sought for
all parcels in the county.

(c) For those counties proceeding under subdivision (b)(ii), by not later than November 13, 2020, the department of treasury shall provide short-term state financing for advance payments to be made by each county to eligible taxing authorities that levied summer 2020 property taxes on property in the county, to the extent those payments are supported by documentation required under subdivisions (a) and (b). Funds necessary to support the short-term state financing under this subdivision may be obtained from any appropriate source, including, but not limited to, notes or bonds issued by the Michigan finance authority created by Executive Reorganization Order No. 2010-2, MCL 12.194.

(d) Whether a county proceeds under subdivision (b)(i) or (ii), the county shall, by not later than December 1, 2020, make advance payments to eligible taxing authorities that levied summer 2020 property taxes on property located in the county for the full amount of those summer 2020 property taxes that were properly deferred under section 44e.

(e) The short-term state financing described in subdivision (c) is an interest-free loan provided to a county that proceeds under subdivision (b)(ii). The county shall repay this state the full amount of the loan from any source available to the county, including, but not limited to, a delinquent tax revolving fund established by the county under this act for payment of summer 2020 property taxes returned as delinquent under section 78a, by not later than the earlier of the following dates:

(i) The date that section 87b(3) would have required payment of delinquent summer 2020 property taxes from the county's delinquent tax revolving fund to the various taxing authorities had there been
no advance payment of those taxes to those taxing authorities
pursuant to the advance payment program under this section.

(ii) June 1, 2021.

(2) If a local tax collecting unit subsequently receives
payment of summer 2020 property taxes for which an advance payment
was provided under subsection (1)(d), the local tax collecting unit
shall transmit that payment to the county.

(3) A county's advance payment of deferred summer 2020
property taxes under subsection (1)(d) is not made on behalf of the
property's owner and those taxes remain due and payable from the
property's owner, and unless those taxes have been paid by or on
behalf of the property's owner by not later than the last day that
summer 2020 property taxes are due and payable before being
returned as delinquent to the county treasurer under section 78a,
the local tax collecting unit in which the property is located
shall return those taxes as delinquent to the county treasurer
under section 78a and the property will be subject to forfeiture,
foreclosure, and sale for the enforcement and collection of those
delinquent taxes as provided in sections 78 to 79a. Upon the return
of those delinquent taxes, the primary obligation to pay to the
county the amount of those delinquent taxes and any interest due on
those delinquent taxes rests with the local taxing authorities and
this state for the state education tax under the state education
tax act, 1993 PA 331, MCL 211.901 to 211.906, as provided in
section 87b, and if those delinquent taxes are not received by the
county on behalf of the local taxing authorities and this state for
any reason, the county has full right of recourse against the local
taxing authorities or this state for the state education tax under
the state education tax act, 1993 PA 331, MCL 211.901 to 211.906,
to recover the amount of the delinquent taxes and any interest due
on those delinquent taxes, as also provided in section 87b.

(4) As used in this section:

(a) "Eligible taxing authority" means any state or local
governmental entity that is authorized to levy a summer 2020
property tax collected under this act by a local tax collecting
unit that meets both of the following:

(i) Has deferred the collection of those summer 2020 property
taxes based on deferment-application statements and affidavits
properly filed under section 44e(2)(b).

(ii) Has properly submitted the application described in
subsection (1)(a).

(b) "Summer 2020 property tax" means that term as defined in
section 44e.

Enacting section 1. This amendatory act does not take effect
unless House Bill No. 5761 of the 100th Legislature is enacted into
law.