



**House
Legislative
Analysis
Section**

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**CHANGE MANDATORY HOURS FOR
LOCAL TREASURERS**

**House Bill 5947 as enrolled
Public Act 641 of 2002
Second Analysis (1-2-03)**

**Sponsor: Rep. Paul N. DeWeese
Committee: Local Government and
Urban Policy**

THE APPARENT PROBLEM:

The General Property Tax Act currently requires a local treasurer to be in his or her office to receive taxes from 9:00 to 5:00 on each Friday in the month of December. The act allows for exceptions to this requirement in case Christmas Eve, Christmas Day, New Year's Eve, or another day designated by the township (or other local unit of government) as a holiday for local government employees falls on a Friday; in this case, the treasurer must receive taxes on the day immediately preceding the holiday. According to a representative of the Michigan Townships Association, this requirement is a vestige from a time when property tax bills were sent out on December 1 and due the following January 10. Perhaps more importantly, it is a vestige from a time in which people generally did not have daily mail service, checking accounts, phones, or cars. Without these amenities it made sense to require local treasurers to be in their offices to receive taxes at specific times on specific days between the time when bills were delivered and when they were due. With winter property taxes due in February, some people believe that the requirement has outlived whatever rationale it once had. Legislation has been introduced that would eliminate this requirement and require instead that a local treasurer be in his or her office from 9:00 to 5:00 to receive taxes on the day they are due.

THE CONTENT OF THE BILL:

House Bill 5947 would amend the General Property Tax Act to require that a "township treasurer" remain in his or her office from 9 a.m. to 5 p.m. to receive taxes on the last day that the taxes are due and payable before being returned as delinquent and, unless the township had an arrangement with a local financial institution to receive taxes on behalf of the treasurer and to forward that payment to the township on the next business day, on at least one business day between December 25 and December 31. If it had

such an arrangement, the township would have to provide timely notification of which financial institutions would receive taxes for the township and which days the treasurer would be in the office to receive taxes. Also, the bill would eliminate the requirement that the treasurer be in his or her office from 9:00 to 5:00 to collect taxes on each Friday, or preceding day in case a holiday falls on a Friday, in the month of December.

(Although the section of the act being amended specifies that this requirement would apply to a "township treasurer," section 107 of the act states: "For purposes of this act, reference to supervisor, township treasurer, and board of review includes assessing and collecting officers and boards whose duty it is to review an assessment roll. The word township may include city, ward, village, or, if in relation to property tax collection functions, any other local property tax collecting unit." Thus, it appears that a treasurer of a township, city, ward, or village would be equally subject to the bill's requirements.)

MCL 211.44

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill is expected to have no significant fiscal impact. (4-25-02)

ARGUMENTS:

For:

Signed into law earlier this year, Public Acts 243 and 244 of 2002 were expected to result in over 900 additional local governments collecting property taxes during the summer. Collecting taxes in both summer and winter doubles the professional

House Bill 5947 (1-2-03)

responsibilities of many treasurers, who have generally not seen a doubling of their salaries. Many treasurers were concerned that they would be required to be in the office every Friday from 9:00 to 5:00 for several weeks preceding the due date for summer taxes, just as they are currently required to be in December. Although Public Acts 243 and 244 did not create such a requirement, it seems an appropriate time to acknowledge that the General Property Tax Act's requirement that local treasurers be in their office on each Friday in December is archaic, unnecessary, and burdensome.

The requirement made sense at a time when most people hand delivered their taxes and when taxes were due in January. Since most people mail their taxes now, the only time that it is crucial for the treasurer to be in the office is days on which taxes are actually due, when some people actually do show up with payment in hand. Local treasurers already understand that they should be in the office on such days, so they do not regard such a requirement as onerous. The bill would require local treasurers to be in their office from 9 to 5 on one business day between December 25 and December 31 because some people like to pay certain taxes before the year's end, though a local government could make an arrangement with a bank to receive the payment on the government's behalf.

Although the requirement to be in the office on Fridays in December applies to all local treasurers, it is especially burdensome for township treasurers, many of whom are part-time employees anyway. They can think of many more productive uses of their time during the holiday season, and given the increase in duties resulting from the new summer property tax collection, it seems appropriate to relieve them of this unnecessary burden.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.