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SFA

BILL ANALYSIS

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House Bill 4192 (Substitute H-1 as passed by the House)
Sponsor: Representative Stephen Ehardt
House Committee: Local Government and Urban Policy
Senate Committee: Finance

Date Completed: 2-26-02

CONTENT

The bill would amend Public Act 33 of 1951, which provides for police and fire protection in townships, incorporated villages, and cities with a population under 15,000, to do the following:

- Allow delinquent fees for certain fire and ambulance services to be entered as a special assessment on the tax roll against the property of people responsible for payment.**
- Provide that the special assessment would constitute a lien.**
- Provide that unpaid special assessments could be returned as delinquent to the county treasurer and would be subject to collection and enforcement in the same manner as other delinquent taxes.**
- Allow a tax collecting officer to use other specified means to collect a delinquent fee.**

Under the Act, the legislative body of a municipality providing emergency police or fire service or the legislative bodies of municipalities acting jointly to provide such a service may authorize, by ordinance, the collection of fees for the service. The township board of a township or the county board of commissioners of a county providing emergency ambulance and inhalator service alone or jointly with another municipality may authorize by ordinance the collection of fees for the service.

Under the bill, an ordinance adopted for fire service or for emergency ambulance and inhalator service could authorize the legislative body of a municipality or the county board of commissioners of a county, as applicable, annually to certify fees for the service that were delinquent for three months or more to the proper tax collecting officer, to be entered as a special assessment on the next tax roll against the "designated property" owned by the "person responsible for payment of the fee for service". (The "designated property" would be the real property for which fire service was provided or at which emergency ambulance or inhalator services were provided. "Emergency ambulance and inhalator service" would include medical first response life support services provided by a fire department. "Fire service" would mean firefighting services and would not include medical first response life support. The "person responsible for payment of the fee for service" would be, for fire service, an owner of the designated property; or for emergency ambulance and inhalator service, an owner of the designated property, if the person who received the service were an owner or a dependent of an owner.)

A property tax collecting officer could not enter, and a special assessment could not be levied against, property owned by a person not responsible for payment of the fee for service.

Before placing a special assessment on the tax roll, the municipality or the county, as applicable, would have to provide to any person deemed responsible for payment of the fee for service written notice of the delinquent fee, and would have to provide an opportunity for that person to show cause why he or she was not the person responsible for payment.

A special assessment placed on the tax roll would constitute a lien on the designated property until the special assessment was paid or removed from the tax roll. The lien would be of the same character and effect, and subject to the same interest and charges, as a lien created for real property taxes under the General Property Tax Act.

If a special assessment entered on the tax roll were not paid before March 1 and the designated property were also subject to return to the county treasurer on March 1 for delinquent real property taxes, the special assessment would have to be returned as delinquent with other delinquent taxes to the county treasurer for enforcement and collection in the same manner as delinquent real property taxes, including forfeiture, foreclosure, and sale pursuant to the General Property Tax Act. If a county treasurer subsequently discovered that designated property was erroneously returned as delinquent, the county treasurer would have to remove the special assessment from the tax roll and return the delinquent fee for service to the proper tax collecting officer for collection.

If a special assessment were not paid before March 1 and the designated property were not otherwise subject to return to the county treasurer for delinquent real property taxes, the proper tax collecting officer would have to remove the special assessment from the tax roll and the designated property could not be returned as delinquent to the county treasurer. Instead, the proper tax collecting officer would have to attempt to collect the fee for service.

If a delinquent fee for service were not subject to collection in the same manner as a delinquent real property tax, the tax collecting officer could do all of the following:

- Provide written notice of the delinquent fee to the person responsible for it.
- Provide public notice of the delinquent fee by publication, including publication on the Internet or by other electronic means.
- Institute a civil action against the person responsible for the payment of the fee to recover the amount of the delinquent fee, interest, and other costs allowed by the Revised Judicature Act.
- Contract with a collection agency licensed under the Occupational Code for collection of the delinquent fee.
- File with the register of deeds of the county in which the designated property was located a certificate of nonpayment of the fee for service, and provide a copy of the certificate of nonpayment to the person responsible for payment of the fee. The delinquent fee then would constitute a lien upon the property, subject to proceedings upon the lien as provided by law for foreclosure in the circuit court of mortgage liens upon real property. Within 30 days after the payment of the delinquent fee, the proper tax collecting officer would have to file with the register of deeds documents showing release of the lien.

The bill states that it would not limit the authority of the municipality or county to collect a fee for service by any other means authorized by law for collection of a debt.

MCL 41.806a

Legislative Analyst: George Towne

FISCAL IMPACT

This bill would have no impact on State government, but it would help local governments collect more of their fire and ambulance service fees. Based on very limited information, it appears

that in the range of 30% to 40% of local governments are having a significant problem collecting fire and ambulance service fees; however, it is not possible to estimate the fiscal impact of this bill at this time due to the lack of sufficient data on the current amount of uncollected fire and ambulance fees.

Fiscal Analyst: Jay Wortley