

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

ACCOUNTS AND SETTLEMENT THEREOF.

211.87 Adjustment of accounts; statement of account; interest on delinquent payments; charge back lists.

Sec. 87. (1) The accounts between this state and each county and local tax collecting unit in this state shall be adjusted on the basis of crediting and paying to each county and local tax collecting unit the taxes collected by and for each county and local tax collecting unit with interest on those taxes.

(2) The state treasurer shall, on January 1, April 1, July 1, and October 1 in each year, make a statement of account between this state and each county and deliver the statement of account to the county treasurer of each county together with a warrant payable to the county treasurer for all money in the state treasury collected for the county, a local tax collecting unit, school district, or highway in that county, or any other purposes for that county, local tax collecting unit, school district, or highway. The state treasurer shall send notice of the warrant to the county clerk.

(3) At the time designated in subsection (2), the county treasurer shall pay to this state all money collected and due from that county to this state, as shown by the statement of account prepared by the state treasurer. On January 15, and on the fifteenth day of each month thereafter, the county treasurer shall pay to this state all money coming into his or her hands from the collection of the state tax, and shall transmit a sworn statement of the amount of taxes received from the collector in each assessing district in that county. The collector in each assessing district in the county shall pay to the county treasurer of its respective county all money collected not later than January 10, and not later than the tenth day of each month thereafter until the regular quarterly settlement for the quarter ending March 31 is made each year. The county treasurer or collector of each assessing district in the county shall also pay to the state treasurer for the use of this state 1/2 of 1% for each month or fraction of a month as interest on all money in his or her possession belonging to this state and not remitted on the fifteenth of the month. The state treasurer shall include all sums due as interest in his or her quarterly statement to the county treasurer. The sum due as interest shall be paid by the county the same as the taxes are paid and collected by the county from the treasurer or the sureties on his or her bond.

(4) The county treasurer of each county shall, on or before the fifteenth day of each month, make out a detailed statement of account for the preceding calendar month between the county and the local tax collecting units in that county. The statement shall show the different funds to which the several debits and credits belong. The county treasurer shall deliver the statement to the treasurer of the local tax collecting unit and pay the amount shown by the statement to the local tax collecting unit. The county treasurer shall notify the clerk of the local tax collecting unit of the total amount paid and provide a description of the property upon which the taxes were paid. The county clerk shall charge that amount to the county treasurer, and the clerks of the local tax collecting units shall charge that amount to the treasurers of the local tax collecting units on the books of their respective offices.

(5) Treasurers for the local tax collecting units are not required to make a settlement with the county treasurer for the items of state and county taxes included in the annual charge back list until the annual settlement with the county treasurer.

(6) The county board of commissioners by majority vote may authorize the county treasurer to pay directly to the school districts all money shown on the statement to be due to the school districts within the county. In that case the county superintendent is not required to compute and report delinquent school taxes handled by the county.

History: 1893, Act 206, Eff. June 12, 1893;—Am. 1895, Act 154, Eff. Aug. 30, 1895;—Am. 1897, Act 224, Imd. Eff. May 29, 1897;—CL 1897, 3910;—Am. 1899, Act 83, Imd. Eff. May 25, 1899;—CL 1915, 4085;—Am. 1925, Act 54, Eff. Aug. 27, 1925;—Am. 1929, Act 105, Eff. Aug. 28, 1929;—CL 1929, 3480;—Am. 1933, Act 134, Eff. Oct. 17, 1933;—Am. 1939, Act 37, Imd. Eff. Apr. 13, 1939;—CL 1948, 211.87;—Am. 1963, Act 25, Eff. Sept. 6, 1963;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.87a Detailed statement of delinquent taxes to school district; contents; city or township treasurer; duty.

Sec. 87a. The township or city clerk shall within 10 days after receiving the notice from the county treasurer of the amount of delinquent taxes and a description of the land upon which said taxes were paid, make out and deliver to the moderator or secretary of the district board or board of education of each school district situated in whole or in part within such township or city to which money may be due from delinquent school taxes as shown by the statement of the county treasurer, a detailed statement showing the amount of

such delinquent school tax together with the interest thereon and the year of assessment thereof and deliver a copy of such statement to the township or city treasurer. The township or city treasurer shall forthwith pay all moneys shown by such statement to be due such school district to the proper receiving officer of such district and notify the secretary or director of each respective school district of the total amount paid to the school treasurer.

History: Add. 1929, Act 221, Eff. Aug. 28, 1929;—CL 1929, 3481;—Am. 1931, Act 87, Eff. Sept. 18, 1931;—Am. 1945, Act 269, Eff. Sept. 6, 1945;—CL 1948, 211.87a.

Popular name: Act 206

211.87b Delinquent tax revolving fund; creation; designation; payments; commingled money, property, or assets; recovery of delinquent taxes and interest; reduction of interest rate; lien; validation and confirmation of resolution or agreement; separate funds or accounts; county treasurer as agent; powers and duties of county treasurer; interest charges, penalties, and county property tax administration fee rates; transfer of surplus; borrowing money; alternative method for paying delinquent taxes; effect of MCL 211.87f.

Sec. 87b. (1) The county board of commissioners of any county, on behalf of the taxing units in the county and, for purposes of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, this state, may create a delinquent tax revolving fund that, at the option of the county treasurer, may be designated as the "100% tax payment fund". Upon the establishment of the fund, all delinquent taxes, except taxes on personal property, due and payable to the taxing units in the county, except those units that collect their own delinquent taxes after March 1 by charter or otherwise, are due and payable to the county, on behalf of the taxing units in the county and this state. Money and other property and assets held in the delinquent tax revolving fund shall be kept separate from and shall not be commingled with any other money, property, or assets in the custody of the county treasurer. All money, property, and assets acquired by the county treasurer, whether as revenues or otherwise, shall be held by it in trust for the taxing units in the county for which the taxes are levied. The county shall have no right, title, or interest in the delinquent tax revolving fund except for the right to payment provided for in section 87b(7) or 87c(3). If the county determines to borrow pursuant to section 87c or 87d, that borrowing shall be done on behalf of the county and its taxing units and the primary obligation to pay to the county the amount of taxes and the interest on the taxes shall rest with the local taxing units and this state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. If the delinquent taxes that are due and payable to the county are not received by the county on behalf of the taxing units in the county and this state for any reason, the county has full right of recourse against the taxing unit or to 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 interest at the rate of 1% per month or fraction of a month or a lower rate as established by resolution of the board of commissioners until repaid to the county by the taxing unit. However, if the county borrows to provide funds for those payments, the interest rate shall not exceed the highest interest rate paid on that borrowing. If the board of commissioners reduces the interest rate on the recovery of uncollected delinquent taxes as provided in this subsection, that decrease shall not apply to any year's delinquent taxes when borrowing against that year's delinquent taxes occurred before the board of commissioners adopted a resolution to reduce the interest rate on the recovery of uncollected delinquent taxes. Any amount that is due from a local taxing unit or this state for a prior year's uncollected delinquent tax is a lien against any future delinquent tax payments that may be payable to a local taxing unit or this state and the lien shall be satisfied by offsetting the amount due to the county from the local taxing unit or this state when distributions from the delinquent tax revolving fund are made by the county to the local taxing unit or this state in a subsequent year. A resolution or agreement previously executed or adopted to this effect is validated and confirmed. For delinquent state education taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, the county may offset uncollectible delinquent taxes against collections of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by the county and owed to this state under this act. The fund shall be segregated into separate funds or accounts for each year's delinquent taxes. A separate delinquent tax revolving fund shall be created for each year's delinquent taxes in any county that elects to borrow under section 87f. This subsection does not restrict a foreclosing governmental unit from selling or transferring property under section 78m or 78r.

(2) If a delinquent tax revolving fund is established, the county treasurer shall be the agent for the county, on behalf of the taxing units in the county and this state, and, without further action by the county board of commissioners, may enter into contracts with other municipalities, this state, or private persons, firms, or corporations in connection with any transaction relating to the fund or any borrowing made by the county

pursuant to section 87c or 87d, including all services necessary to complete this borrowing.

(3) The county treasurer shall pay from the fund any or all delinquent taxes that are due and payable to the county and any school district, intermediate school district, community college district, city, township, special assessment district, this state, or any other political unit for which delinquent tax payments are due within 20 days after sufficient funds are deposited within the delinquent tax revolving fund or, if the county treasurer is treasurer for a county with a population greater than 1,500,000 persons, within 30 days after sufficient funds are deposited within the delinquent tax revolving fund. In a county with a delinquent tax revolving fund where the county does not borrow pursuant to section 87c or 87d, if the county treasurer does not make payment of the delinquent taxes to the local units within 10 days after the completion of county settlement with all local units under section 55, the county shall pay interest on the unpaid delinquent taxes from the date of actual county settlement at the rate of 12% per annum for the number of days involved.

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

(5) If a local taxing unit has borrowed money in anticipation of collecting taxes for any school district or other municipality and the county treasurer has been so notified in writing, the county treasurer shall pay to the local taxing unit the shares of the fund for that school district or municipality. For purposes of this subsection, "local taxing unit" means a city, village, or township.

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

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

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

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

(10) Except for subsection (7), this section may be superseded by section 87f, as provided in section 87f(1).

History: Add. 1968, Act 107, Imd. Eff. June 7, 1968;—Am. 1969, Act 218, Imd. Eff. Aug. 6, 1969;—Am. 1971, Act 155, Imd. Eff. Nov. 24, 1971;—Am. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1976, Act 292, Imd. Eff. Oct. 25, 1976;—Am. 1980, Act 48, Imd. Eff. Mar. 21, 1980;—Am. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 1984, Act 48, Imd. Eff. Apr. 9, 1984;—Am. 1984, Act 264, Imd. Eff. Dec. 17, 1984;—Am. 1994, Act 189, Imd. Eff. June 21, 1994;—Am. 2002, Act 198, Imd. Eff. Apr. 29, 2002;—Am. 2014, Act 33, Imd. Eff. Mar. 11, 2014;—Am. 2014, Act 126, Imd. Eff. May 20, 2014;—Am. 2016, Act 82, Imd. Eff. Apr. 12, 2016;—Am. 2017, Act 27, Imd. Eff. May 4, 2017.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

211.87c Delinquent tax revolving fund; resolution authorizing borrowing and issuance of notes; amounts; limitation; pledge of delinquent taxes; segregated fund or account; disposition of note proceeds; requirements as to notes and resolution authorizing issuance; sale and award of notes; full faith and credit; designation as general obligation tax notes; provisions; payment and registration of notes; county under home rule charter; notes secured under trust or escrow agreement; exemption from revised municipal finance act; effect of MCL 211.87f.

Sec. 87c. (1) A county that has created a fund pursuant to section 87b by resolution of its board of commissioners and without a vote of its electors may borrow money and issue its revolving fund notes to establish or continue, in whole or in part, the delinquent tax revolving fund and to pay the expenses of the borrowing.

(2) If a fund is created and a county determines to borrow pursuant to this section, the county treasurer shall be the agent for the county, on behalf of the taxing units in the county and this state, in connection with all transactions relative to the fund.

(3) If provided by separate resolution of the county board of commissioners for any year in which a county determines to borrow for the purposes provided in this section and subject to subsection (4), there shall be payable to the county treasurer's office from the surplus in the fund after payment of the principal of and interest on the notes and the expenses of the borrowing an amount equal to the following for delinquent tax administration expenses:

(a) For any delinquent tax on which the interest rate before sale exceeds 1% per month, 1/27 of the interest collected per month.

(b) For any delinquent tax on which the interest rate before sale is 1% per month or less, 3/64 of the interest collected each month.

(c) Notwithstanding any other provision of this act or other law to the contrary, a county shall not pay any sums due to a county treasurer for services as agent for that county that have not been paid prior to December 21, 2012.

(4) The total sum payable under subsection (3) shall not exceed 5% of the total budget of the treasurer's office for that year.

(5) If a county determines to borrow pursuant to this section, the delinquent taxes from which the borrowing is to be repaid and, to the extent held in the delinquent tax revolving fund, any money and other property and assets received in connection with those delinquent taxes and revenues derived from the delinquent taxes and money and other property and assets, including any money in a note reserve fund, shall be pledged as security for, and used for the payment of, the principal and interest of the notes until the notes are paid in full, including interest. Money and other property held in the delinquent tax revolving fund shall be kept separate from and shall not be commingled with any other money in the custody of the county treasurer. The segregated fund or account shall be established as a part of the delinquent tax revolving fund and shall be accounted for separately on the books of the county treasurer.

(6) The proceeds of the notes shall be placed in and used as the whole or part of the fund established pursuant to section 87b, after the expenses of borrowing have been deducted.

(7) The notes issued pursuant to this section shall comply with all of the following:

(a) Be in an aggregate principal amount not exceeding the aggregate amount of the delinquent taxes pledged, exclusive of interest.

(b) Bear interest not exceeding 14.5% per annum.

(c) Be in those denominations, and mature on the date not exceeding 6 years after their date of issue, as the board of commissioners by its resolution determines.

(d) May be issued at an original issue discount not to exceed 2% of the face value of the note issued.

(8) The resolution authorizing issuance of the notes may provide that all or part of the notes shall be subject to prepayment and, if subject to prepayment, shall provide the amount of call premium payable, if any, the number of days' notice of prepayment that shall be given, and whether the notice shall be written or published, or both. Otherwise, the notes shall not be subject to prepayment.

(9) The sale and award of notes shall be conducted and made by the treasurer of the county issuing them at a public or private sale. If a public sale is held, the notes shall be advertised for sale once not less than 5 days before sale in a publication printed in the English language and circulated in this state that carries as a part of its regular service notices of the sales of municipal bonds and that has been designated in the resolution as a publication complying with these qualifications. The notice of sale shall be in the form designated by the county treasurer. The notes may be sold subject to the option of the county treasurer and the county treasurer may withhold a part of the issue from delivery if, in his or her opinion, sufficient funds are available before delivery of the notes to make full delivery unnecessary to the purposes of the borrowing.

(10) The notes are full faith and credit obligations of the county issuing them and, subject to section 87d, if the proceeds of the taxes pledged are not sufficient to pay the principal and interest of the notes when due, the county shall impose a general ad valorem tax without limitation as to rate or amount on all taxable property in the county to pay the principal and interest and may reimburse itself from delinquent taxes collected.

(11) If the resolution provides and subject to section 87d, the notes may be designated general obligation tax notes.

(12) Notwithstanding any other provisions of this section and section 87d, all the following apply:

(a) Interest on the notes may be payable at any time provided in the resolution, and may be set, reset, or calculated as provided in the resolution.

(b) Notes issued under this section may have 1 or more of the following attributes:

(i) Made the subject of a put or agreement to repurchase by the county treasurer.

(ii) Secured by a letter of credit issued by a bank under an agreement entered into by the county treasurer or by any other collateral that the resolution may authorize.

(iii) Callable as set forth in the resolution.

(iv) Reissued by the county treasurer once reacquired by the county treasurer under any put or repurchase agreement.

(c) The county treasurer may by order do 1 or more of the following:

(i) Authorize the issuance of renewal notes.

(ii) Refund or refund in advance notes by the issuance of new notes, whether the notes to be refunded have

or have not matured.

(iii) Issue notes partly to refund notes and partly for any other purposes authorized by this act.

(iv) Buy and sell any notes issued under this section.

(d) Renewal, refunding, or advance refunding notes shall comply with all of the following:

(i) Shall be sold and the proceeds applied to the purchase redemption or payment of the notes to be renewed or refunded.

(ii) Shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(iii) May be sold or resold at a public or private sale.

(iv) May pledge the delinquent taxes pledged in the issue to be refunded in advance after the original issue is defeased by the advance refunding issue.

(e) Notes may be issued secured by a second lien on delinquent taxes, interest, and county property tax administration fees already the subject of a first lien because of the issuance of a prior note issue.

(f) Any notes issued may be secured in whole or in part under a trust or escrow agreement, which agreement may also govern the issuance of renewal notes, refunding notes, and advance refunding notes. The agreement may authorize the trustee or escrow agent to make investments of any type authorized in the agreement.

(13) The notes issued under this section and interest on the notes shall be payable in lawful money of the United States of America and shall be exempt from all taxation by this state or a taxing authority in this state.

(14) The notes issued under this section may be made payable at a bank or trust company, or may be made registrable as to principal or as to principal and interest under the terms and conditions specified in the authorizing resolution or by the county treasurer when awarding the notes.

(15) Notwithstanding 1966 PA 293, MCL 45.501 to 45.521, a county operating under a home rule charter shall not be restricted by the provisions of the home rule charter in connection with the powers granted to the county to issue notes by sections 87b and 87d and this section. The treasurer of a county described in this subsection, notwithstanding any charter provisions to the contrary, shall have all of the powers granted to county treasurers by sections 87b and 87d and this section.

(16) If the treasurer authorizes on the order authorizing the notes, any notes issued may be secured in whole or in part under a trust or escrow agreement. That agreement may authorize the trustee or escrow agent to make investments of any type authorized in the agreement.

(17) Notes issued under this act are exempt from the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(18) This section may be superseded by section 87f, as provided in section 87f(1).

History: Add. 1975, Act 334, Imd. Eff. Jan. 12, 1976;—Am. 1980, Act 48, Imd. Eff. Mar. 21, 1980;—Am. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1988, Act 450, Imd. Eff. Dec. 27, 1988;—Am. 1999, Act 123, Eff. Oct. 1, 1999;—Am. 2002, Act 165, Imd. Eff. Apr. 11, 2002;—Am. 2012, Act 431, Imd. Eff. Dec. 21, 2012;—Am. 2016, Act 82, Imd. Eff. Apr. 12, 2016.

Popular name: Act 206

211.87d Submitting to voters question of issuing revolving fund notes at general or special election; establishment of revolving fund; limitation; form of question; issuance of notes; issuance of general obligation tax notes secured by delinquent taxes; submitting question annually; issuance of nonvoted notes; issuance of coupon notes.

Sec. 87d. (1) Notwithstanding section 87c(10), a county which determines to borrow pursuant to section 87c may submit to its voters the question of issuing revolving fund notes at any general or special election, which question shall provide for the establishment of the revolving fund for not to exceed 10 years and shall be in substantially the following form:

"Shall the county of _____ establish or continue for _____ years a delinquent tax revolving fund and, in connection with that fund, borrow an amount not to exceed the delinquent taxes pledged for repayment of the borrowing or borrowings, as may be made each year, and issue its general obligation unlimited tax notes, pledging the county's full faith and credit for the purpose of providing money for the delinquent tax revolving fund?"

(2) If a majority of the electors voting on the question vote in favor of the question, the county may proceed to issue the notes as provided for in this act, which notes may be designated general obligation unlimited tax notes.

(3) If a majority of the electors voting on the question vote against the question, or if the question is not submitted, the county may also issue the notes but only in accordance with subsection (6).

(4) In addition, this section shall validate a question submitted to the electors before the effective date of this section in which the electors were asked to approve the issuance of general obligation tax notes secured by delinquent taxes, regardless of how the question may have been phrased. The defeat of the question shall

require that the notes be issued as nonvoted until a future question is approved by the electors.

(5) A county may submit to its electors the question authorized by this section once each calendar year.

(6) If nonvoted notes are issued pursuant to section 87c:

(a) The resolution authorizing the borrowing and issuance of the notes shall establish the pledged delinquent taxes, the interest thereon, and any amounts received in the future from taxing units in the county because of the uncollectibility of any delinquent taxes as funds pledged to note repayment, which amounts shall be placed in a segregated fund and used for no other purpose except to repay the notes and the interest thereon. The resolution shall provide that the expenses of borrowing shall be repaid from the county property tax administration fees on the pledged delinquent taxes and the balance of the county property tax administration fees may be added to the funds pledged to note repayment, if the resolution provides.

(b) The notes shall be designated general obligation limited tax notes.

(c) The resolution may establish a special fund to secure the notes referred to as a note reserve fund and shall pay into the note reserve fund any proceeds of sale of the notes to the extent provided in the resolution authorizing issuance of the notes. All money in the note reserve fund, except as hereafter provided, shall be added to the funds pledged to note repayment and shall be used solely for payment of principal and interest on the notes for which the fund was established, or the purchase of notes for which the fund was established. Money in the note reserve fund shall first be withdrawn for payment of principal and interest on notes before other county general funds are used to make the payments. All income or interest earned by, or increment to, the note reserve fund due to its investment or reinvestment shall be deposited in the delinquent tax revolving fund, when the notes for which the fund was established are retired. The resolution shall provide that when the note reserve fund is sufficient to retire the notes and accrued interest thereon, it may be so used.

(d) A resolution which establishes a note reserve fund may provide for an additional borrowing of an amount not to exceed the amount of the reserve, and the county shall have the power to borrow that additional amount.

(e) The notes shall be the full faith and credit obligations of the county issuing them. If the proceeds of the taxes and interest and, when pledged, county property tax administration fees, or note reserve fund are not sufficient to pay the principal and interest, when due, the county shall pay the same from its general funds or any additional tax which may be levied within its constitutional and statutory debt limits, and the county may thereafter reimburse itself from delinquent taxes collected. The county's obligation to pay from its general funds shall be its first budget obligation and shall be provided for in the borrowing resolution in the following language:

"This note issue, in addition, shall be a general obligation of the county of _____, secured by its full faith and credit, which shall include this county's limited tax obligation, within applicable constitutional and statutory limits, and its general funds. The county budget shall provide that if the pledged delinquent taxes and any other pledged amounts are not collected in sufficient amounts to meet the payments of principal and interest due on these notes, the county, before paying any other budgeted amounts, will promptly advance from its general funds sufficient money to pay that principal and interest."

(7) If coupon notes are issued, pursuant to section 87c or this section:

(a) Interest shall be payable semiannually or annually.

(b) The coupons shall specify the source from which the notes shall be payable, which may be by reference to the note itself.

(c) The coupons shall contain the facsimile signature of the county treasurer.

History: Add. 1978, Act 532, Imd. Eff. Dec. 21, 1978;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Popular name: Act 206

211.87e, 211.87f Repealed. 2002, Act 165, Imd. Eff. Apr. 11, 2002.

Compiler's note: The repealed sections pertained to issuance, reissuance, and renewals of notes.

Popular name: Act 206

211.87f Delinquent tax revolving fund; continuation; resolution; designation; commingled money, property, or assets; right, title, or interest of county; right of recourse; interest rate; lien; validation and confirmation of resolution or agreement; segregated fund or account; county treasurer as agent; powers and duties of county treasurer; approval of resolution adopted pursuant to subsection (1).

Sec. 87f. (1) In any county that has created a delinquent tax revolving fund under section 87b, the county board of commissioners may, by resolution, elect to continue the delinquent tax revolving fund under this section. Except for section 87b(7) and all of the powers granted to a county treasurer by sections 87b and 87c, this section supersedes sections 87b and 87c as to a delinquent tax revolving fund continued under this section. A resolution passed under this subsection shall authorize the county treasurer to do the following:

(a) Operate the delinquent tax revolving fund for delinquent taxes returned for collection for the period during which delinquent tax revenue notes secured by delinquent taxes pledged from the delinquent tax revolving fund remain outstanding.

(b) In that year, issue the county's delinquent tax revenue notes pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.103 to 141.140, in an amount that will not exceed the aggregate amount of the following:

(i) The delinquent taxes pledged to secure each borrowing.

(ii) At the option of the county treasurer and to the extent authorized under subsection (6), a note reserve fund in an amount not to exceed 15% of each borrowing.

(iii) The cost of issuance.

(2) Upon the board of commissioners' passage of the resolution under subsection (1), the delinquent tax revolving fund shall be continued, and the fund may be designated by the county treasurer as the "100% tax payment fund". Thereafter, all delinquent taxes, except taxes on personal property, due and payable to the taxing units in the county, except those units that collect their own delinquent taxes after March 1 by charter or otherwise, are due and payable to the county treasurer, on behalf of the taxing units in the county and this state. Money and other property and assets held in the delinquent tax revolving fund shall be kept separate from and shall not be commingled with any other money, property, or assets in the custody of the county treasurer. All money, property, and assets acquired by the county treasurer, whether as revenues or otherwise, shall be held by it in trust for the taxing units in the county for which the taxes are levied. The county shall have no right, title, or interest in the delinquent tax revolving fund except for the right to payment provided for in sections 87b(7) and 87c(3), and under section 22a(2) of the revenue bond act of 1933, 1933 PA 94, MCL 141.122a. If the county determines to borrow pursuant to section 87c or 87d, that borrowing shall be done on behalf of the county and its taxing units and the primary obligation to pay to the county treasurer the amount of taxes and the interest on the taxes shall rest with the local taxing units and this state for the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. If the delinquent taxes that are due and payable to the county treasurer on behalf of the taxing units in the county and this state are not received by the county treasurer for any reason, the county treasurer has full right of recourse against the taxing unit or to 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 interest at the rate of 1% per month or fraction of a month or a lower rate as established by resolution of the board of commissioners until repaid to the county treasurer by the taxing unit. However, if the county treasurer borrows to provide funds for those payments, the interest rate shall not exceed the highest interest rate paid on that borrowing. If the board of commissioners reduces the interest rate on the recovery of uncollected delinquent taxes as provided in this subsection, that decrease shall not apply to any year's delinquent taxes when borrowing against that year's delinquent taxes occurred before the board of commissioners adopted a resolution to reduce the interest rate on the recovery of uncollected delinquent taxes. Any amount that is due from a local taxing unit or this state for a prior year's uncollected delinquent tax is a lien against any future delinquent tax payments that may be payable to a local taxing unit or this state and the lien shall be satisfied by offsetting the amount due to the county from the local taxing unit or this state when distributions from the delinquent tax revolving fund are made by the county treasurer to the local taxing unit or this state in a subsequent year. A resolution or agreement previously executed or adopted to this effect is validated and confirmed. For delinquent state education taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, the county may offset uncollectible delinquent taxes against collections of the state education tax under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by the county and owed to this state under this act. The fund shall be segregated into separate funds or accounts for each year's delinquent taxes.

(3) The delinquent taxes returned to the county treasurer shall remain the property of the local units of government and the county treasurer shall solely serve as a collection agent for those delinquent taxes, with a county treasurer or other foreclosing governmental unit authorized to perform collection functions under sections 78 to 78s.

(4) All of the taxes, interest, fees, and charges required to be collected by the county treasurer by this act related to delinquent taxes shall remain in full force and effect in the event this section applies.

(5) Subject to the limitations of subsections (1) and (6), the county treasurer shall have the power to borrow money and issue delinquent tax revenue notes as permitted by the revenue bond act of 1933, 1933 PA

94, MCL 141.101 to 141.140, for the purpose of continuing the delinquent tax revolving fund. Delinquent tax revenue notes issued pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, shall be secured by a statutory lien on the delinquent taxes from which the borrowing is to be repaid and all other property and assets and any revenues derived from the delinquent taxes and other property and assets that are held in the delinquent tax revolving fund. The lien shall automatically attach without further action or authorization by the county. The lien on the delinquent taxes and all other property and assets that are held in the delinquent tax revolving fund and any revenues derived from those sources shall be valid and binding from the time the notes are executed and delivered. The lien shall automatically attach and be effective, binding, and enforceable against the county, its successors, transferees, and creditors, and all others asserting rights, regardless of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. In addition, the amounts collected that are subject to the lien shall be held in trust for the owners of the notes authorized by this subsection. Any property eligible to be conveyed and properly conveyed to a land bank fast track authority as tax reverted property, as defined by section 3(q) of the land bank fast track act, 2003 PA 258, MCL 124.753, or to this state or a person, city, village, township, or county pursuant to section 78m or 78r shall be released from any lien created under this section.

(6) The resolution adopted pursuant to subsection (1) authorizing the county treasurer to issue delinquent tax revenue notes pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, shall be approved by the county board of commissioners and, in a charter or unified county, the chief executive officer of the county in the manner authorized under the charter or by law. The resolution shall also specify the following:

(a) The existence of a note reserve, if any, to meet any possible future deficiencies in the note and interest redemption account created for a note.

(b) The reasonable excess amount of the reserve authorized to be created to secure the delinquent tax revenue notes and the maximum size of the reserve, which shall not exceed 15% of the principal amount of the notes to be issued.

(c) The amount of any excess delinquent taxes, if any, that may be set to fund or provide for a reserve for future deficiencies in amounts available to repay the county's delinquent tax revenue notes.

(d) Any additional security under section 7b(5) or (6) of the revenue bond act of 1933, 1933 PA 94, MCL 141.107b.

History: Add. 2016, Act 82, Imd. Eff. Apr. 12, 2016;—Am. 2017, Act 27, Imd. Eff. May 4, 2017.

Popular name: Act 206

211.87g Contract for registration of notes with bank or trust company; provisions; delivery of notes to depository trustee; authentication; issuance of registered notes without actual or facsimile seal or signature of treasurer.

Sec. 87g. If the borrowing resolution so provides, any county treasurer may enter into a contract for the registration of notes with a bank or trust company having trust powers which may include provisions governing the issuance, reissuance, transfer, or exchange of notes on behalf of the county by the bank or trust company. Where a treasurer pursuant to such a contract delivers an original note or notes for such issue to a bank or trust company acting as a depository trustee with the understanding that the depository trustee will make appropriate book entries showing the holders of such notes, the bank or trustee by authentication shall, notwithstanding section 87c, be empowered to issue fully registered notes to the owners thereof on behalf of the treasurer without placing the actual or facsimile seal or signature of the treasurer thereon. A bank or trust company acting as registrar or depository trustee may authenticate notes by facsimile signature of an authorized officer or employee of the bank or trust company.

History: Add. 1983, Act 187, Imd. Eff. Oct. 26, 1983.

Popular name: Act 206

211.88 Repealed. 2001, Act 94, Eff. Dec. 31, 2003.

Compiler's note: The repealed section pertained to auditor general tax report.

Popular name: Act 206

211.89 Provisions applicable for time period prescribed in subsection (2); applicability of subsection (1).

Sec. 89. (1) Notwithstanding sections 59, 60, 74, 87c, and 87d, the following provisions shall apply for the time period prescribed in subsection (2):

(a) To the extent not waived pursuant to section 59(3), there shall be added to all delinquent taxes unpaid

after March 1, interest at the rate of 1.25% per month or fraction of a month from the date the taxes originally become delinquent pursuant to this act, together with a county property tax administration fee equal to 4% of the delinquent taxes or \$2.00 per payment of delinquent taxes, whichever is greater, which amounts shall be paid to the county treasurer.

(b) In addition to the expenses specified in section 59, delinquent tax sales shall include a county property tax administration fee equal to 4% of the delinquent taxes, and interest computed at a rate of 1.5% per month from the date the taxes originally become delinquent under this act.

(c) The rate of interest to be paid to the treasurer under section 74 shall be computed at the rate of 1.5% per month or fraction of a month.

(d) The rate of interest to be paid to the department of treasury pursuant to section 84 shall be computed at the rate of 1.5% per month or fraction of a month.

(2) Subsection (1) shall apply as follows:

(a) In counties with a population of more than 1,500,000, it shall apply immediately except that it shall not apply to any delinquent taxes that became delinquent before March 1, 1981, or which become delinquent after February 28, 1983.

(b) In all other counties of this state it shall apply only to the 1981 delinquent taxes that become delinquent on or before March 1, 1982.

History: Add. 1981, Act 162, Eff. Dec. 1, 1981;—Am. 1982, Act 503, Imd. Eff. Dec. 31, 1982;—Am. 2002, Act 166, Imd. Eff. Apr. 11, 2002.

Compiler's note: Section 2 of Act 503 of 1982 provides: "The designation, by this amendatory act, of collection fees as property tax administration fees is intended to clarify the legislative intent and cure any misinterpretation surrounding the fact that a "collection fee" is imposed to cover all costs necessary and incident to the collection of property taxes, including the costs of assessing property values and in the review and appeal processes."

Former MCL 211.89, pertaining to interest and collection fee on unpaid taxes, was repealed by Act 292 of 1976.

Popular name: Act 206

211.89a City with population of 600,000 or more; return of uncollected delinquent taxes to county treasurer; personal liability; right of city to bring in personam action; remittance by county treasurer.

Sec. 89a. (1) Notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, the city treasurer of a city with a population of 600,000 or more shall return all uncollected delinquent taxes levied on real property after December 31, 2002 on the March 1 immediately following the year in which the taxes are levied. For the purposes of this section, delinquent taxes include all interest and penalties that accrue after August 15 of the year in which all taxes billed by the city are levied if that interest and penalty remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(2) The city treasurer of a city with a population of 600,000 or more may return all uncollected delinquent taxes levied in 2001, 2002, or 2001 and 2002 to the county treasurer for collection under this section on March 1, 2004. A city treasurer shall provide the county treasurer written notice of his or her intent to return uncollected delinquent taxes levied in 2001 or 2002 under this subsection not later than February 1, 2004. If uncollected delinquent taxes levied in 2001 or 2002 are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in 2004.

(3) After the delinquent taxes levied on real property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes and, except for taxes levied on or before December 31, 2002, for the issuance of notes in anticipation of the collection of those taxes.

(4) A judgment entered under section 78k that extinguishes any lien for unpaid taxes or special assessments does not extinguish the right of the city to bring an in personam action under this act or its charter to enforce personal liability for those unpaid taxes or special assessments. The city may bring an in personam action to enforce personal liability for unpaid delinquent taxes levied prior to January 1, 2003 or special assessments not returned as delinquent under this section within 15 years after the taxes or special assessments are levied. An in personam action brought under this act or a city's charter to enforce personal liability for unpaid taxes is subject to section 47(4).

(5) If a city treasurer returns uncollected delinquent taxes levied on real property on or before December 31, 2002 to the county treasurer for collection under this section, the county treasurer shall remit to the city treasurer after each month the taxes and interest collected during that month.

History: Add. 1994, Act 189, Imd. Eff. June 21, 1994;—Am. 2003, Act 246, Imd. Eff. Dec. 29, 2003;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009;—Am. 2017, Act 189, Imd. Eff. Nov. 21, 2017.

Compiler's note: Enacting section 1 of Act 189 of 2017 provides:

"Enacting section 1. This amendatory act is retroactive and is effective for any unpaid property taxes or special assessments subject to collection under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, on and after the date this amendatory act is enacted into law. However, this amendatory act is not intended to affect any final determination, not subject to further appeal, of personal liability in a proceeding or case decided by the tax tribunal or a court of this state issued before the date this amendatory act is enacted into law."

Popular name: Act 206

211.89b City with population of 600,000 or more; taxes levied after December 31, 2003.

Sec. 89b. For taxes levied after December 31, 2003, notwithstanding the provisions of a charter of a county adopted pursuant to 1966 PA 293, MCL 45.501 to 45.521, or the provisions of the charter of a home rule city, to the contrary, a city with a population of 600,000 or more shall do all of the following:

(a) Prepare and submit to each taxpayer a statement indicating the amount of tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

(b) Collect the tax levied on real and personal property by all taxing jurisdictions authorized to levy a general ad valorem property tax in that city.

History: Add. 2003, Act 246, Imd. Eff. Dec. 29, 2003;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.89c Solid waste fee; treatment as delinquent; applicability of section; "solid waste fee" defined.

Sec. 89c. (1) In any local tax collecting unit in a city with a population of 600,000 or more, the local tax collecting unit may treat as delinquent under sections 87b, 87c, and 87d a solid waste fee that is delinquent under the terms of any ordinance authorizing the solid waste fee, if that solid waste fee was included in the tax statement under section 44.

(2) If a solid waste fee is delinquent on the March 1 immediately preceding the date that the solid waste fee is returned as delinquent to the county treasurer under subsection (1), a county treasurer may include that solid waste fee in the county's delinquent tax revolving fund.

(3) If a solid waste fee is returned to a county treasurer as delinquent under subsection (2), that solid waste fee shall be a fee treated as a delinquent tax for purposes of sections 87b, 87c, and 87d and the property on which the fee is assessed is subject to forfeiture, foreclosure, and sale for delinquent taxes as provided in this act if the local tax collecting unit has also returned to that county treasurer uncollected delinquent taxes levied on the property on which the solid waste fee is assessed.

(4) If an owner redeems property that is his or her principal residence that is returned to the county treasurer for delinquent taxes and a delinquent solid waste fee is assessed to that owner's principal residence, the owner may redeem his or her principal residence without payment of the delinquent solid waste fee. As used in this subsection, principal residence means property exempt under section 7cc.

(5) This section applies to any fee that was delinquent on or after March 1, 2007 and that was included in the delinquent tax roll delivered to a county treasurer at the same time as delinquent taxes for a year in which the fee is assessed.

(6) As used in this section, "solid waste fee" means that term as defined in the ordinance or resolution of the local tax collecting unit authorizing the assessment of the solid waste fee and includes all interest, penalties, and fees imposed on that solid waste fee.

History: Add. 2007, Act 31, Imd. Eff. June 29, 2007;—Am. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.89d Return of uncollected delinquent taxes levied on real property after December 31, 2008; return of uncollected delinquent taxes levied on real property prior to December 31, 2008; personal liability; right of city to bring in personam action; definitions.

Sec. 89d. (1) Notwithstanding the provisions of the charter of a home rule city to the contrary, the city treasurer of an eligible city shall return to the county treasurer all uncollected delinquent taxes levied on real property after December 31, 2008 on the March 1 immediately following the year in which the taxes are levied.

(2) The city treasurer of an eligible city may return all uncollected delinquent taxes levied on real property prior to December 31, 2008 to the county treasurer for collection on March 1, 2010. A city treasurer shall provide written notice to the county treasurer of his or her intent to return uncollected delinquent taxes levied prior to December 31, 2008 under this subsection not later than February 1, 2010. If uncollected delinquent taxes levied prior to December 31, 2008 are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in 2010.

(3) After the uncollected delinquent taxes levied on real property are returned to the county treasurer for

collection under this section, the provisions of this act apply for collection of those taxes and for the issuance of notes in anticipation of the collection of those taxes.

(4) A judgment entered under section 78k that extinguishes any lien for unpaid taxes or special assessments does not extinguish the right of the city to bring an in personam action under this act or its charter to enforce personal liability for those unpaid taxes or special assessments. The city may bring an in personam action to enforce personal liability for unpaid delinquent taxes levied prior to January 1, 2009 or special assessments not returned as delinquent under this section within 15 years after the taxes or special assessments are levied.

(5) As used in this section:

(a) "Delinquent taxes" or "uncollected delinquent taxes" includes the following:

(i) Any taxes levied by and payable to the city treasurer in installments the balance of which remains unpaid on January 1 immediately following the year in which the taxes are levied, and includes all interest and penalties that accrue after July 31 of the year in which all taxes billed by the eligible city are levied if that interest and those penalties remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(ii) Any liens for unpaid tax and assessment liability acquired by the eligible city after December 31, 1999 and prior to January 1, 2009 pursuant to provisions contained within the eligible city's charter.

(b) "Eligible city" means a city with a population of more than 50,000 and less than 100,000 that is located in a county with a population of less than 350,000 as determined by the most recent federal decennial census.

History: Add. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.89e Return of uncollected delinquent taxes levied on personal property after December 31, 2008; return of uncollected delinquent taxes levied on personal property prior to December 31, 2008; collection of taxes; provisions; definitions.

Sec. 89e. (1) Notwithstanding the provisions of the charter of a home rule city to the contrary, and with the agreement of the county treasurer, the city treasurer of an eligible city may return to the county treasurer all uncollected delinquent taxes levied on personal property after December 31, 2008 on the March 1 immediately following the year in which the taxes are levied.

(2) With the agreement of the county treasurer, the city treasurer of an eligible city may return all uncollected delinquent taxes levied on personal property prior to December 31, 2008 to the county treasurer for collection on March 1 of the year in which the county treasurer agrees to the return of uncollected delinquent taxes under this subsection. A city treasurer shall provide to the county treasurer written notice of his or her intent to return uncollected delinquent taxes levied prior to December 31, 2008 under this subsection not later than February 1 of the year in which the county treasurer agrees to the return of uncollected delinquent taxes under this subsection. If those uncollected delinquent taxes are returned to the county treasurer for collection under this subsection, the county treasurer shall collect those taxes with taxes returned as delinquent in that same year.

(3) After the uncollected delinquent taxes levied on personal property are returned to the county treasurer for collection under this section, the provisions of this act apply for collection of those taxes.

(4) As used in this section:

(a) "Delinquent taxes" or "uncollected delinquent taxes" includes any taxes levied by and payable to the city treasurer in installments the balance of which remains unpaid on January 1 immediately following the year in which the taxes are levied, and includes all interest and penalties that accrue after July 31 of the year in which all taxes billed by the city are levied if that interest and those penalties remain unpaid on the date the delinquent taxes are returned to the county treasurer.

(b) "Eligible city" means a city with a population of more than 50,000 and less than 100,000 that is located in a county with a population of less than 350,000.

History: Add. 2008, Act 512, Imd. Eff. Jan. 13, 2009.

Popular name: Act 206

211.90 Compensation and expenses; payment.

Sec. 90. All compensation of officers in the assessment and collection of taxes in townships and in the return of delinquent taxes to the county treasurer, except fees collected by township treasurers on their tax rolls, shall be paid by the township. All compensation of county officers and expenses incurred by them under the provisions of this act shall be paid by the county. The compensation of all state officers and expenses incurred by them shall be paid by this state. Expenses incurred by the state officers shall be audited by the state treasurer and paid out of the general fund.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3913;—CL 1915, 4088;—CL 1929, 3484;—CL 1948, 211.90;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002.

Popular name: Act 206

211.91 Losses by default; allocation.

Sec. 91. All losses that may be sustained by the default of any township officer in the discharge of any duty imposed by this act, shall be chargeable to such township. All losses by default of any county officer shall be chargeable to such county, and all losses by default of any state officer shall be chargeable to the state.

History: 1893, Act 206, Eff. June 12, 1893;—CL 1897, 3914;—CL 1915, 4089;—CL 1929, 3485;—CL 1948, 211.91.

Popular name: Act 206

Compiler's note: For transfer of powers and authority of Michigan next energy authority from department of management and budget to department of labor and economic growth by Type I transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.