

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

**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 Notes:** 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