

# HOUSE BILL No. 5891

June 21, 1990, Introduced by Reps. Randall, Gnodtke, Giese, Willis Bullard, Allen, Miller and Ouwinga and referred to the Committee on Taxation.

A bill to amend sections 44 and 59 of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

section 44 as amended by Act No. 124 of the Public Acts of 1989 and section 59 as amended by Act No. 254 of the Public Acts of 1983, being sections 211.44 and 211.59 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 44 and 59 of Act No. 206 of the Public  
2 Acts of 1893, section 44 as amended by Act No. 124 of the Public  
3 Acts of 1989 and section 59 as amended by Act No. 254 of the  
4 Public Acts of 1983, being sections 211.44 and 211.59 of the  
5 Michigan Compiled Laws, are amended to read as follows:

6       Sec. 44. (1) Upon receipt of the tax roll, the township  
7 treasurer or other collector shall proceed to collect the taxes.

1 The township treasurer or other collector shall mail to each  
2 taxpayer at the taxpayer's last known address on the tax roll or  
3 to the taxpayer's designated agent a statement showing the  
4 description of the property against which the tax is levied, the  
5 assessed valuation of the property, and the amount of the tax on  
6 the property. The tax statement shall set forth the state equal-  
7 ized valuation. If a tax statement is mailed to the taxpayer, a  
8 tax statement sent to a taxpayer's designated agent may be in a  
9 summary form or may be in an electronic data processing format.  
10 If the tax statement information is provided to both a taxpayer  
11 and the taxpayer's designated agent, the tax statement mailed to  
12 the taxpayer may be identified as an informational copy. A town-  
13 ship treasurer or other collector electing to send a tax state-  
14 ment to a taxpayer's designated agent or electing not to include  
15 an itemization in the manner described in subsection ~~(9)(c)~~  
16 (10)(C) in a tax statement mailed to the taxpayer shall, upon  
17 request, mail a detailed copy of the tax statement, including an  
18 itemization of the amount of tax in the manner described by sub-  
19 section ~~(9)(c)~~ (10)(C) , to the taxpayer without charge, as  
20 previously required by this section.

21 (2) The expense of preparing and mailing the statement shall  
22 be paid from the county, township, city, or village funds.  
23 Failure to send or receive the notice shall not prejudice the  
24 right to collect or enforce the payment of the tax.

25 (3) THE TOWNSHIP TREASURER SHALL RECEIVE TAXES UPON A WEEK-  
26 DAY WHEN THEY ARE OFFERED. The township treasurer shall remain in  
27 the office of the township treasurer at some convenient place in

1 the township on each Friday in the month of December, from 9  
2 a.m. to 5 p.m. to receive taxes ~~, but shall receive taxes upon a~~  
3 ~~weekday when they are offered. However, if~~ EXCEPT IF EITHER OF  
4 THE FOLLOWING APPLIES:

5 (i) IF a Friday in the month of December is Christmas eve,  
6 Christmas day, New Year's eve, or a day designated by the town-  
7 ship as a holiday for township employees, the township treasurer  
8 ~~shall not be~~ IS NOT required to remain in the office of the  
9 township treasurer on that Friday, but shall remain in the office  
10 of the township treasurer at some convenient place in the town-  
11 ship from 9 a.m. to 5 p.m. on the day ~~most~~ immediately preced-  
12 ing that Friday, which day is not Christmas eve, Christmas day,  
13 New Year's eve, or a day designated by the township as a holiday  
14 for township employees, to receive taxes.

15 (ii) IF THE TOWNSHIP TREASURER MAINTAINS REGULARLY SCHEDULED  
16 BUSINESS HOURS AT THE OFFICE OF THE TOWNSHIP TREASURER IN EXCESS  
17 OF 24 HOURS FOR 1 OR MORE WEEKS IN DECEMBER, THE TOWNSHIP TREA-  
18 SURER IS NOT REQUIRED TO REMAIN IN THE OFFICE ON FRIDAY OF A WEEK  
19 IN WHICH HE OR SHE MAINTAINS REGULARLY SCHEDULED BUSINESS HOURS  
20 IN EXCESS OF 24 HOURS.

21 (4) ~~-(3)-~~ Except as provided by subsection ~~-(7)-~~ (8), on a  
22 sum voluntarily paid before February 15 of the succeeding year,  
23 the local property tax collecting unit shall add 1% for a prop-  
24 erty tax administration fee. However, unless otherwise provided  
25 for by an agreement between the assessing unit and the collecting  
26 unit, if a local property tax collecting unit other than a  
27 village does not also serve as the local assessing unit, the

1 excess of the amount of property tax administration fees over the  
2 expense to the local property tax collecting unit in collecting  
3 the taxes, but not less than 80% of the fee imposed, shall be  
4 returned to the local assessing unit. A property tax administra-  
5 tion fee is defined as a fee to offset costs incurred by a col-  
6 lecting unit in assessing property values, collecting the prop-  
7 erty tax levies, and in the review and appeal processes. The  
8 costs of any appeals, in excess of funds available from the prop-  
9 erty tax administration fee, may be shared by any taxing unit  
10 only if approved by the governing body of the taxing unit.

11 Except as provided by subsection ~~(7)~~ (8), on all taxes paid  
12 after February 14 and before March 1 the governing body of a city  
13 or township may authorize the treasurer to add to the tax a prop-  
14 erty tax administration fee to the extent imposed on taxes paid  
15 before February 15 and a late penalty charge equal to 3% of the  
16 tax. Interest from February 15 to the last day of February on a  
17 summer property tax that has been deferred pursuant to section 51  
18 or any late penalty charge may be waived by the governing body of  
19 a city or township for the homestead property of a senior citi-  
20 zen, paraplegic, quadriplegic, eligible serviceperson, eligible  
21 veteran, eligible widow or widower, totally and permanently dis-  
22 abled person, or blind person, as those persons are defined in  
23 chapter 9 of the income tax act of 1967, Act No. 281 of the  
24 Public Acts of 1967, as amended, being sections 206.501 to  
25 206.532 of the Michigan Compiled Laws, if the person makes a  
26 claim before February 15 for a credit for that property provided  
27 by chapter 9 of Act No. 281 of the Public Acts of 1967, as

1 amended, if the person presents a copy of the form filed for that  
2 credit to the local treasurer, and if the person has not received  
3 the credit before February 15. Interest from February 15 to the  
4 last day of February on a summer property tax that has been  
5 deferred under section 51 or any late penalty charge may be  
6 waived by the governing body of a city or township for the prop-  
7 erty of a person, which property is subject to a farmland devel-  
8 opment rights agreement recorded with the register of deeds of  
9 the county in which the property is situated as provided in  
10 section 5 of the farmland and open space preservation act, Act  
11 No. 116 of the Public Acts of 1974, being section 554.705 of the  
12 Michigan Compiled Laws, if the person presents a copy of the  
13 development rights agreement or verification that the property is  
14 subject to a development rights agreement before February 15. A  
15 4% county property tax administration fee, a property tax admin-  
16 istration fee to the extent imposed on and if authorized pursuant  
17 to subsection ~~(7)~~ (8) for taxes paid before March 1, and inter-  
18 est on the tax at the rate of 1% per month shall be added to  
19 taxes collected by the township or city treasurer after the last  
20 day of February and before settlement with the county treasurer,  
21 which payment shall be treated as though collected by the county  
22 treasurer. If the statements required to be mailed by this sec-  
23 tion are not mailed before December 31, the treasurer shall not  
24 impose a late penalty charge with respect to taxes collected  
25 after February 14.

26 (5) ~~(4)~~ The governing body of a local property tax  
27 collecting unit may waive all or part of the property tax

1 administration fee or the late penalty charge, or both. A  
2 property tax administration fee collected by the township trea-  
3 surer shall be used only for the purposes for which it may be  
4 collected as specified by subsection ~~(3)~~ (4) and this  
5 subsection. When the bond of the treasurer, as provided in  
6 section 43, is furnished by a surety company, the cost of the  
7 bond may be paid by the township from the property tax adminis-  
8 tration fee.

9 (6) ~~(5)~~ If apprehensive of the loss of personal tax  
10 assessed upon the roll, the township treasurer may enforce col-  
11 lection of the tax at any time, and if compelled to seize prop-  
12 erty or bring an action in December may add, if authorized pursu-  
13 ant to subsection ~~(7)~~ (8), 1% for a property tax administration  
14 fee and 3% for a late penalty charge.

15 (7) ~~(6)~~ Along with taxes returned delinquent to a county  
16 treasurer pursuant to section 55, the amount of the 1% property  
17 tax administration fee prescribed by subsection ~~(3)~~ (4) that is  
18 imposed and not paid shall be included in the return of delin-  
19 quent taxes and, when delinquent taxes are distributed by the  
20 county treasurer pursuant to this act, the delinquent 1% property  
21 tax administration fee shall be distributed to the treasurer of  
22 the local unit who transmitted the statement of taxes returned as  
23 delinquent. Interest imposed upon delinquent property taxes pur-  
24 suant to this act shall also be imposed upon the 1% property tax  
25 administration fee and, for purposes of this act other than to  
26 which local unit the county treasurer shall distribute a  
27 delinquent 1% property tax administration fee, any reference to

1 delinquent taxes shall be considered to include the 1% property  
2 tax administration fee returned as delinquent for the same  
3 property. This subsection ~~shall apply~~ APPLIES to property tax  
4 administration fees imposed upon property taxes that become a  
5 lien in 1983 or any year ~~thereafter~~ AFTER 1983.

6 (8) ~~(7)~~ For levies that become a lien in 1983 or any year  
7 ~~thereafter~~ AFTER 1983, the local property tax collecting trea-  
8 surer shall not impose a property tax administration fee, collec-  
9 tion fee, or any type of late penalty charge authorized by law or  
10 charter unless the governing body of the local property tax col-  
11 lecting unit approves, by resolution or ordinance adopted after  
12 December 31, 1982, an authorization for the imposition of a prop-  
13 erty tax administration fee, collection fee, or any type of late  
14 penalty charge provided for by this section or by charter, which  
15 authorization shall be valid for all levies that become a lien  
16 after the resolution or ordinance is adopted. However, unless  
17 otherwise provided for by an agreement between the assessing unit  
18 and the collecting unit, a local property tax collecting unit  
19 that does not also serve as the assessing unit shall impose a  
20 property tax administration fee on each parcel at a rate equal to  
21 the rate of the fee imposed for city or township taxes on that  
22 parcel.

23 (9) ~~(8)~~ The annual statement required by Act No. 125 of  
24 the Public Acts of 1966, being sections 565.161 to 565.163 of the  
25 Michigan Compiled Laws, or a monthly billing form or mortgagor  
26 passbook provided in lieu of that annual statement shall include  
27 a statement to the effect that a taxpayer who has not been mailed

1 the tax statement or a copy of the tax statement by the township  
2 treasurer or other collector shall receive, upon request and  
3 without charge, a copy of the tax statement from the township  
4 treasurer or other collector or, if the tax statement has been  
5 mailed to the taxpayer's designated agent, from either the  
6 taxpayer's designated agent or the township treasurer or other  
7 collector. A designated agent who is subject to Act No. 125 of  
8 the Public Acts of 1966 and who has been mailed the tax statement  
9 for taxes that became a lien in the calendar year immediately  
10 preceding the year in which the annual statement may be required  
11 to be furnished shall mail, upon the request of and without  
12 charge to a taxpayer who has not been mailed that tax statement  
13 or a copy of that tax statement, a copy of that tax statement to  
14 that taxpayer.

15 (10) ~~-(9)-~~ As used in this section:

16 (a) "Designated agent" means an individual, partnership,  
17 association, corporation, receiver, estate, trust, or other legal  
18 entity that has entered into an escrow account agreement or other  
19 agreement with the taxpayer which agreement obligates that indi-  
20 vidual or legal entity to pay the property taxes for the taxpayer  
21 or, if an agreement has not been entered into, that has been des-  
22 ignated by the taxpayer on a form made available to the taxpayer  
23 by the township treasurer and filed with that treasurer. The  
24 designation by the taxpayer shall remain in effect until revoked  
25 by the taxpayer in a writing filed with the township treasurer.  
26 The form made available by the township treasurer shall include a  
27 statement that submission of the form allows the treasurer to



1 mail the tax statement to the designated agent instead of to the  
2 taxpayer and a statement notifying the taxpayer of his or her  
3 right to revoke the designation by a writing filed with the town-  
4 ship treasurer.

5 (b) "Taxpayer" means the owner of the property upon which  
6 the tax is imposed.

7 (c) When describing in subsection (1) that the amount of tax  
8 on the property must be shown in the tax statement, "amount of  
9 tax" means an itemization by dollar amount of each of the several  
10 ad valorem property taxes and special assessments that a person  
11 may pay pursuant to section 53 and an itemization by millage  
12 rate, on either the tax statement or a separate form accompanying  
13 the tax statement, of each of the several ad valorem property  
14 taxes that a person may pay pursuant to section 53. The township  
15 treasurer or other collector may replace the itemization  
16 described in this subdivision with a statement informing the tax-  
17 payer that the itemization of the dollar amount and millage rate  
18 of the taxes is available without charge from the local property  
19 tax collecting unit. This subdivision ~~shall~~ DOES not apply for  
20 tax statements for taxes that become a lien in 1983.

21 Sec. 59. (1) A person may pay the taxes, any 1 of the sev-  
22 eral taxes, a portion of the taxes that is specified by resolu-  
23 tion of the county board of commissioners, or if a specification  
24 is not made by a resolution of the county board of commissioners,  
25 a portion of the taxes that is approved by the county treasurer,  
26 on a parcel or description of land returned as delinquent, or on  
27 an undivided share of a parcel or description of land returned as

1 delinquent, with interest computed from March 1 next after the  
2 taxes were assessed at the rate of 1% per month or fraction of a  
3 month, except as provided in section 89, with 4% of the delin-  
4 quent taxes as a county property tax administration fee which  
5 shall be a minimum of \$1.00 per payment of delinquent taxes,  
6 except as provided in section 89, to the county treasurer of the  
7 county in which the lands are situated, at any time before they  
8 are sold. The county and township treasurers shall allocate and  
9 distribute the taxes and interest paid proportionately among the  
10 county or township funds and the property tax administration fee  
11 returned as delinquent pursuant to section ~~44(6)~~ 44(7) to the  
12 treasurer of the local unit who transmitted the statement of  
13 taxes returned as delinquent. On all descriptions of land on  
14 which the taxes remain unpaid on October 1 next preceding the  
15 time prescribed for the sale of the land, there shall be charged  
16 an additional \$10.00 for expenses, which shall thereafter be a  
17 lien on the land. When collected, \$5.00 of this expense charge  
18 shall be credited to a restricted revenue fund of the state, to  
19 be known as the delinquent property tax administration fund, to  
20 reimburse the state for the cost of publishing the lists of lands  
21 and other expense, and \$5.00 shall belong to the general fund of  
22 the county to reimburse the county for the expense incurred in  
23 preparing the list of delinquent lands for sale.

24 (2) The county property tax administration fee paid to the  
25 county treasurer ~~shall belong~~ BELONGS to the general fund of  
26 the county and that paid to the state treasurer shall be credited  
27 to the delinquent property tax administration fund. Amounts

1 credited to the general fund of the county shall be used only for  
2 the purposes for which they may be collected as specified by sub-  
3 section (6).

4 (3) A county board of commissioners, by resolution, may pro-  
5 vide that for taxes paid in the first year of delinquency before  
6 May 1 for the homestead property for which a senior citizen,  
7 paraplegic, quadriplegic, eligible ~~serviceman~~ SERVICEPERSON,  
8 eligible veteran, eligible widow OR WIDOWER, totally and per-  
9 manently disabled person, or blind person, as those persons are  
10 defined in chapter 9 of THE INCOME TAX ACT OF 1967, Act No. 281  
11 of the Public Acts of 1967, as amended, being sections 206.501 to  
12 206.532 of the Michigan Compiled Laws, makes a claim, before  
13 February 15, for the credit provided by chapter 9 of Act No. 281  
14 of the Public Acts of 1967, as amended, if that claimant presents  
15 a copy of the form filed for that credit to the county treasurer  
16 ~~—~~ AND has not received the credit before March 1:

17 (a) Any interest, fee, or penalty in excess of the interest,  
18 fee, or penalty that would have been added if the tax had been  
19 paid before February 15 shall be waived.

20 (b) Interest paid pursuant to subsection (1) or section  
21 89(1)(a) shall be waived unless the interest is pledged to the  
22 repayment of delinquent tax revolving fund notes or payable to  
23 the county delinquent tax revolving fund, in which case the  
24 interest shall be refunded from the general fund of the county.

25 (c) The county property tax administration fee shall be  
26 waived.

1       (4) The local treasurer shall indicate on the delinquent tax  
2 roll if a 1% property tax administration fee was added to taxes  
3 collected before February 15.

4       (5) The fees authorized and collected pursuant to this sec-  
5 tion and credited to the delinquent property tax administration  
6 fund shall be used by the department of treasury to pay expenses  
7 incurred in the administration of this act.

8       (6) The county property tax administration fee shall be used  
9 by the county to offset the costs incurred in and ancillary to  
10 collecting delinquent property taxes, and for purposes authorized  
11 by sections 87b and 87d.