

SUBSTITUTE FOR  
SENATE BILL NO. 1165

A bill to amend 1993 PA 331, entitled  
"State education tax act,"  
by amending the title and sections 3 and 5 (MCL 211.903 and  
211.905), as amended by 1994 PA 187, and by adding section 5b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1

TITLE

2

An act to provide for the levy and collection of a state  
3 education tax; ~~to create the education finance authority and~~  
4 ~~board; to prescribe the powers and duties of the authority and~~  
5 ~~the board;~~ to provide for the ~~levy of a tax by the authority~~  
6 ~~and the~~ distribution of the tax; and to prescribe the duties of  
7 certain LOCAL OFFICIALS AND state officers.

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Sec. 3. (1) Beginning in 1994, EXCEPT AS OTHERWISE PROVIDED

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IN SUBSECTION (2), there is levied a state education tax on all

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property not exempt by law from ad valorem property taxes or not

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1 subject to a tax under ~~Act No. 282 of the Public Acts of 1905,~~  
2 ~~being sections 207.1 to 207.21 of the Michigan Compiled Laws~~  
3 1905 PA 282, MCL 207.1 TO 207.21, at a rate of 6 mills.

4 (2) IN 2003 ONLY, THERE IS LEVIED A STATE EDUCATION TAX ON  
5 ALL PROPERTY NOT EXEMPT BY LAW FROM AD VALOREM PROPERTY TAXES OR  
6 NOT SUBJECT TO A TAX UNDER 1905 PA 282, MCL 207.1 TO 207.21, AT  
7 THE RATE OF 5 MILLS.

8 Sec. 5. (1) ~~The~~ BEGINNING IN 1994 THROUGH 2002, THE tax  
9 LEVIED under this act shall be collected and distributed by the  
10 local tax collecting unit under the provisions of the general  
11 property tax act at the same time as other taxes levied by the  
12 local school district for school operating purposes. However, in  
13 each year after 1993 if a local school district is not going to  
14 levy a tax in that summer but levied a tax in the summer of 1993,  
15 and the local tax collecting unit in which the local school dis-  
16 trict is located is collecting a tax for any taxing unit in that  
17 summer, the local tax collecting unit shall collect within that  
18 local school district 1/2 of the tax under this act in that  
19 summer. THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED BY A  
20 CITY SHALL BECOME A LIEN AGAINST THE PROPERTY ON WHICH ASSESSED  
21 IN THE SAME MANNER AND ON THE SAME DATE AS CITY TAXES OR, IF THE  
22 CITY APPROVES THE COLLECTION OF THE TAX LEVIED UNDER THIS ACT ON  
23 A DATE OTHER THAN THE DATE IT COLLECTS THE CITY TAXES, ON  
24 JULY 1. THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED WITH THE  
25 CITY TAXES SHALL BE SUBJECT TO THE SAME PENALTIES, INTEREST, AND  
26 COLLECTION CHARGES AS CITY TAXES AND SHALL BE RETURNED AS

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1 DELINQUENT TO THE COUNTY TREASURER IN THE SAME MANNER AND WITH  
2 THE SAME INTEREST, PENALTIES, AND FEES AS CITY TAXES.

3 (2) BEGINNING IN 2003, THE TAX LEVIED UNDER THIS ACT SHALL  
4 BE COLLECTED UNDER THE PROVISIONS OF THE GENERAL PROPERTY TAX ACT  
5 IN A SUMMER LEVY AND SHALL BE DISTRIBUTED AS PROVIDED IN THIS  
6 ACT. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3) AND  
7 SECTION 5B, THE TAX LEVIED UNDER THIS ACT SHALL BE COLLECTED BY  
8 EACH CITY AND TOWNSHIP.

9 (3) BEGINNING IN 2003, IF A SCHOOL DISTRICT OR INTERMEDIATE  
10 SCHOOL DISTRICT COLLECTS TAXES IN THE SUMMER UNDER SECTION 1613  
11 OF THE REVISED SCHOOL CODE OF 1976, 1976 PA 451, MCL 380.1613,  
12 THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT SHALL COLLECT  
13 THE TAXES LEVIED UNDER THIS ACT IN THE SUMMER AND SHALL DISTRIB-  
14 UTE THE TAXES COLLECTED AS PROVIDED IN THIS ACT.

15 (4) ~~-(2)-~~ The state treasurer shall certify the levy of the  
16 tax under this act pursuant to the general property tax act.

17 (5) ~~-(3)-~~ The state treasurer upon receipt shall deposit the  
18 collections from the tax into the state treasury to the credit of  
19 the state school aid fund.

20 SEC. 5B. (1) THIS SECTION APPLIES ONLY TO A CITY OR TOWN-  
21 SHIP, OR THAT PORTION OF A CITY OR TOWNSHIP, IN WHICH NO PROPERTY  
22 TAXES, OTHER THAN THE TAX LEVIED UNDER THIS ACT OR VILLAGE TAXES,  
23 ARE LEVIED IN THE SUMMER OF 2003 AND ANY SUMMER AFTER 2003.

24 (2) A CITY OR TOWNSHIP SHALL COLLECT THE TAX LEVIED UNDER  
25 THIS ACT UNLESS, BEFORE NOVEMBER 1 IN 2002 AND EACH YEAR AFTER  
26 2002, THE LEGISLATIVE BODY OF THE CITY OR TOWNSHIP ADOPTS A  
27 RESOLUTION DECLINING TO COLLECT THE TAX LEVIED UNDER THIS ACT

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1 AND, FOR A TOWNSHIP, THE TREASURER CONCURS IN WRITING WITH THAT  
2 RESOLUTION. BEFORE NOVEMBER 1 IN 2002 AND EACH YEAR AFTER 2002,  
3 IF THE CITY OR TOWNSHIP ADOPTS A RESOLUTION DECLINING TO COLLECT  
4 THE TAX UNDER THIS ACT AND, FOR A TOWNSHIP, THE TREASURER CONCURS  
5 IN WRITING WITH THAT RESOLUTION, THE APPROPRIATE ASSESSING OFFI-  
6 CER SHALL SEND A COPY OF THAT RESOLUTION AND, FOR A TOWNSHIP,  
7 THAT CONCURRENCE TO THE STATE TREASURER AND THE TREASURER OF THE  
8 COUNTY IN WHICH THE CITY OR TOWNSHIP IS LOCATED. IF A CITY OR  
9 TOWNSHIP COLLECTS THE TAX LEVIED UNDER THIS ACT PURSUANT TO THIS  
10 SECTION, THIS STATE SHALL TRANSMIT TO THAT CITY OR TOWNSHIP \$2.00  
11 FOR EACH PARCEL OF PROPERTY IN THAT CITY OR TOWNSHIP ON WHICH THE  
12 TAX LEVIED UNDER THIS ACT IS COLLECTED UNDER THIS SECTION.

13 (3) A COUNTY THAT RECEIVES A COPY OF A RESOLUTION DECLINING  
14 TO COLLECT THE TAX UNDER THIS ACT AND, FOR A TOWNSHIP, A WRITTEN  
15 CONCURRENCE AS PROVIDED IN SUBSECTION (2) SHALL COLLECT THE TAX  
16 LEVIED UNDER THIS ACT PURSUANT TO THIS SECTION UNLESS, BEFORE  
17 FEBRUARY 1 IN 2003 AND EACH YEAR AFTER 2003, THE COUNTY BOARD OF  
18 COMMISSIONERS ADOPTS A RESOLUTION DECLINING TO COLLECT THE TAX  
19 LEVIED UNDER THIS ACT AND THE COUNTY TREASURER CONCURS IN WRITING  
20 WITH THAT RESOLUTION. BEFORE FEBRUARY 1 IN 2003 AND EACH YEAR  
21 AFTER 2003, IF THE COUNTY BOARD OF COMMISSIONERS ADOPTS A RESOLU-  
22 TION DECLINING TO COLLECT THE TAX UNDER THIS ACT AND THE COUNTY  
23 TREASURER CONCURS IN WRITING WITH THAT RESOLUTION, THE COUNTY  
24 TREASURER SHALL SEND A COPY OF THAT RESOLUTION AND THAT CONCUR-  
25 RENCE TO THE STATE TREASURER. IF A COUNTY COLLECTS THE TAX  
26 LEVIED UNDER THIS ACT PURSUANT TO THIS SECTION, THIS STATE SHALL  
27 TRANSMIT TO THAT COUNTY \$2.00 FOR EACH PARCEL FOR PROPERTY IN

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1 THAT COUNTY ON WHICH THE TAX LEVIED UNDER THIS ACT IS COLLECTED  
2 UNDER THIS SECTION.

3 (4) IF A CITY OR TOWNSHIP DOES NOT COLLECT THE TAX LEVIED  
4 UNDER THIS ACT PURSUANT TO SUBSECTION (2) AND IF A COUNTY DOES  
5 NOT COLLECT THE TAX LEVIED UNDER THIS ACT PURSUANT TO SUBSECTION  
6 (3), THE STATE TREASURER SHALL COLLECT THE TAX UNDER THE PROVI-  
7 SIONS OF THE GENERAL PROPERTY TAX ACT. THE COLLECTION OF THE TAX  
8 LEVIED UNDER THIS ACT IS NOT SUBJECT TO 1941 PA 122, MCL 205.1 TO  
9 205.31. THE TAX LEVIED UNDER THIS ACT COLLECTED PURSUANT TO THIS  
10 SUBSECTION IS SUBJECT TO A 1% ADMINISTRATION FEE.

11 (5) ALL OF THE FOLLOWING APPLY TO THE COLLECTION OF THE TAX  
12 LEVIED UNDER THIS ACT BY A COUNTY TREASURER OR THE STATE  
13 TREASURER:

14 (A) NOT LATER THAN JUNE 1, THE TOWNSHIP OR CITY FOR WHICH  
15 THE TAX IS BEING COLLECTED SHALL DELIVER TO THE COUNTY TREASURER  
16 OR THE STATE TREASURER, AS APPLICABLE, A CERTIFIED COPY OF EACH  
17 ASSESSMENT ROLL FOR TAXABLE PROPERTY LOCATED IN THE TOWNSHIP OR  
18 CITY. EACH ASSESSMENT ROLL SHALL INCLUDE THE TAXABLE VALUE OF  
19 EACH PARCEL SUBJECT TO THE COLLECTION OF THE TAX LEVIED UNDER  
20 THIS ACT. THE COUNTY TREASURER OR STATE TREASURER, AS APPLICA-  
21 BLE, SHALL REMIT THE NECESSARY COST INCIDENT TO THE REPRODUCTION  
22 OF THE ASSESSMENT ROLL TO THE TOWNSHIP OR CITY.

23 (B) NOT LATER THAN JUNE 30, THE COUNTY TREASURER OR THE  
24 STATE TREASURER, AS APPLICABLE, SHALL SPREAD THE MILLAGE LEVIED  
25 UNDER THIS ACT AGAINST THE ASSESSMENT ROLL AND PREPARE THE TAX  
26 ROLL.

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1 (C) THE COUNTY TREASURER OR THE STATE TREASURER, AS  
2 APPLICABLE, MAY IMPOSE ALL OR A PORTION OF THE FEES AND CHARGES  
3 AUTHORIZED UNDER SECTION 44 OF THE GENERAL PROPERTY TAX ACT, 1893  
4 PA 206, MCL 211.44, ON TAXES PAID BEFORE MARCH 1. THE COUNTY  
5 TREASURER OR THE STATE TREASURER, AS APPLICABLE, SHALL RETAIN THE  
6 FEES AND CHARGES IMPOSED UNDER THIS SUBDIVISION REGARDLESS OF  
7 WHETHER ALL OR PART OF THE FEES AND CHARGES HAVE BEEN WAIVED BY  
8 THE TOWNSHIP OR CITY.

9 (6) IN RELATION TO THE ASSESSMENT, SPREADING, AND COLLECTION  
10 OF TAXES PURSUANT TO THIS SECTION, A COUNTY TREASURER OR THE  
11 STATE TREASURER, AS APPLICABLE, SHALL HAVE POWERS AND DUTIES SIM-  
12 ILAR TO THOSE PRESCRIBED BY THE GENERAL PROPERTY TAX ACT FOR  
13 TOWNSHIP SUPERVISORS, TOWNSHIP CLERKS, AND TOWNSHIP TREASURERS.  
14 HOWEVER, THIS SECTION SHALL NOT BE CONSIDERED TO TRANSFER ANY  
15 AUTHORITY OVER THE ASSESSMENT OF PROPERTY.

16 (7) A COUNTY TREASURER OR STATE TREASURER COLLECTING TAXES  
17 PURSUANT TO THIS SECTION SHALL BE BONDED FOR TAX COLLECTION IN  
18 THE SAME AMOUNT AND IN THE SAME MANNER AS A TOWNSHIP TREASURER  
19 WOULD BE FOR UNDERTAKING THE DUTIES PRESCRIBED BY THIS SECTION.

20 (8) IF A COUNTY TREASURER OR THE STATE TREASURER COLLECTS  
21 THE TAX LEVIED UNDER THIS ACT PURSUANT TO THIS SECTION, ALL PAY-  
22 MENTS FROM THIS STATE FOR COLLECTING THE TAX LEVIED UNDER THIS  
23 ACT IN A SUMMER LEVY, AND ALL REVENUE GENERATED BY THE ADMINIS-  
24 TRATION FEE, SHALL BE DEPOSITED IN A RESTRICTED ACCOUNT DESIG-  
25 NATED AS THE "STATE EDUCATION TAX COLLECTION ACCOUNT". THE  
26 COUNTY TREASURER OR THE STATE TREASURER, AS APPLICABLE, SHALL  
27 DIRECT THE INVESTMENT OF THE ACCOUNT. THE COUNTY TREASURER OR

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1 THE STATE TREASURER, AS APPLICABLE, SHALL CREDIT TO THE ACCOUNT  
2 INTEREST AND EARNINGS FROM THE ACCOUNT INVESTMENTS. PROCEEDS IN  
3 THAT ACCOUNT SHALL ONLY BE USED FOR THE COST OF COLLECTING THE  
4 TAX LEVIED UNDER THIS ACT.

5 (9) THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED BY A  
6 CITY PURSUANT TO THIS SECTION ON A DATE OTHER THAN A DATE IT COL-  
7 LECTS CITY TAXES SHALL BE SUBJECT TO THE SAME FEES AND CHARGES A  
8 CITY MAY IMPOSE UNDER SECTION 44 OF THE GENERAL PROPERTY TAX ACT,  
9 1893 PA 206, MCL 211.44, EXCEPT THAT A CITY MAY IMPOSE THE ADMIN-  
10 ISTRATION FEE ON THE TAX LEVIED UNDER THIS ACT THAT IS BILLED IN  
11 THE SUMMER EVEN IF THE FEE IS NOT IMPOSED ON TAXES BILLED IN  
12 DECEMBER. THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED PURSU-  
13 ANT TO THIS SECTION ON OR BEFORE SEPTEMBER 14 OF EACH YEAR BY A  
14 CITY THAT COLLECTS SCHOOL TAXES ON A DATE OTHER THAN THE DATE IT  
15 COLLECTS CITY TAXES SHALL BE WITHOUT INTEREST, BUT THE TAX LEVIED  
16 UNDER THIS ACT THAT IS COLLECTED AFTER SEPTEMBER 14 IN EACH YEAR  
17 SHALL BEAR INTEREST AT THE RATE IMPOSED BY SECTION 59 OF THE GEN-  
18 ERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.59, ON DELINQUENT  
19 PROPERTY TAX LEVIES THAT BECOME A LIEN IN THE SAME YEAR. ALL  
20 INTEREST AND PENALTIES THAT ARE IMPOSED PRIOR TO THE DATE THE TAX  
21 LEVIED UNDER THIS ACT IS RETURNED AS DELINQUENT, OTHER THAN THE  
22 ADMINISTRATION FEE, SHALL BE TRANSMITTED TO THE STATE TREASURER  
23 FOR DEPOSIT INTO THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION  
24 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963. IF IMPOSED,  
25 THE ADMINISTRATION FEE SHALL BE RETAINED BY THE CITY.

26 (10) THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED BY A  
27 TOWNSHIP ON OR BEFORE SEPTEMBER 14 IN EACH YEAR SHALL BE WITHOUT

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1 INTEREST. THE TAX LEVIED UNDER THIS ACT THAT IS COLLECTED AFTER  
2 SEPTEMBER 14 OF ANY YEAR SHALL BEAR INTEREST AT THE RATE IMPOSED  
3 BY SECTION 59 OF THE GENERAL PROPERTY TAX ACT, 1893 PA 206,  
4 MCL 211.59, ON DELINQUENT PROPERTY TAX LEVIES THAT BECOME A LIEN  
5 IN THE SAME YEAR. THE TAX LEVIED UNDER THIS ACT THAT IS COL-  
6 LECTED BY A TOWNSHIP IS SUBJECT TO THE SAME FEES AND CHARGES THE  
7 TOWNSHIP MAY IMPOSE UNDER SECTION 44 OF THE GENERAL PROPERTY TAX  
8 ACT, 1893 PA 206, MCL 211.44, EXCEPT THAT A TOWNSHIP MAY IMPOSE  
9 THE ADMINISTRATION FEE ON THE TAX LEVIED UNDER THIS ACT THAT IS  
10 BILLED IN THE SUMMER EVEN IF THE FEE IS NOT IMPOSED ON TAXES  
11 BILLED IN DECEMBER. ALL INTEREST AND PENALTIES THAT ARE IMPOSED  
12 PRIOR TO THE DATE THE TAX LEVIED UNDER THIS ACT IS RETURNED  
13 DELINQUENT, OTHER THAN THE ADMINISTRATION FEE, SHALL BE TRANSMIT-  
14 TED TO THE STATE TREASURER FOR DEPOSIT INTO THE STATE SCHOOL AID  
15 FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTI-  
16 TUTION OF 1963. IF IMPOSED, THE ADMINISTRATION FEE SHALL BE  
17 RETAINED BY THE TOWNSHIP.