

HOUSE BILL No. 6371

September 24, 2002, Introduced by Reps. Gosselin, Drolet, Vander Veen, Faunce, Vear and Ruth Johnson and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending section 44 (MCL 211.44), as amended by 2002 PA 479, and by adding section 44e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 44. (1) Upon receipt of the tax roll, the township
2 treasurer or other collector shall proceed to collect the taxes.
3 The township treasurer or other collector shall mail to each tax-
4 payer at the taxpayer's last known address on the tax roll or to
5 the taxpayer's designated agent a statement showing the descrip-
6 tion of the property against which the tax is levied, the taxable
7 value of the property, ~~and~~ the amount of the tax on the
8 property, AND THE INFORMATION SET FORTH IN SECTION 44E. If a tax
9 statement is mailed to the taxpayer, a tax statement sent to a
10 taxpayer's designated agent may be in a summary form or may be in

1 an electronic data processing format. If the tax statement
2 information is provided to both a taxpayer and the taxpayer's
3 designated agent, the tax statement mailed to the taxpayer may be
4 identified as an informational copy. A township treasurer or
5 other collector electing to send a tax statement to a taxpayer's
6 designated agent or electing not to include an itemization in the
7 manner described in subsection (10)(d) in a tax statement mailed
8 to the taxpayer shall, upon request, mail a detailed copy of the
9 tax statement, including an itemization of the amount of tax in
10 the manner described by subsection (10)(d), to the taxpayer with-
11 out charge.

12 (2) The expense of preparing and mailing the statement shall
13 be paid from the county, township, city, or village funds.
14 Failure to send or receive the notice does not prejudice the
15 right to collect or enforce the payment of the tax. The township
16 treasurer shall remain in the office of the township treasurer at
17 some convenient place in the township on each Friday in the month
18 of December, from 9 a.m. to 5 p.m. to receive taxes, but shall
19 receive taxes upon a weekday when they are offered. However, if
20 a Friday in the month of December is Christmas eve, Christmas
21 day, New Year's eve, or a day designated by the township as a
22 holiday for township employees, the township treasurer is not
23 required to remain in the office of the township treasurer on
24 that Friday, but shall remain in the office of the township trea-
25 surer at some convenient place in the township from 9 a.m. to 5
26 p.m. on the day most immediately preceding that Friday that is
27 not Christmas eve, Christmas day, New Year's eve, or a day

1 designated by the township as a holiday for township employees,
2 to receive taxes.

3 (3) Except as provided by subsection (7), on a sum volun-
4 tarily paid before February 15 of the succeeding year, the local
5 property tax collecting unit shall add a property tax administra-
6 tion fee of not more than 1% of the total tax bill per parcel.
7 However, unless otherwise provided for by an agreement between
8 the assessing unit and the collecting unit, if a local property
9 tax collecting unit other than a village does not also serve as
10 the local assessing unit, the excess of the amount of property
11 tax administration fees over the expense to the local property
12 tax collecting unit in collecting the taxes, but not less than
13 80% of the fee imposed, shall be returned to the local assessing
14 unit. A property tax administration fee is defined as a fee to
15 offset costs incurred by a collecting unit in assessing property
16 values, in collecting the property tax levies, and in the review
17 and appeal processes. The costs of any appeals, in excess of
18 funds available from the property tax administration fee, may be
19 shared by any taxing unit only if approved by the governing body
20 of the taxing unit. Except as provided by subsection (7), on all
21 taxes paid after February 14 and before March 1 the governing
22 body of a city or township may authorize the treasurer to add to
23 the tax a property tax administration fee to the extent imposed
24 on taxes paid before February 15 and a late penalty charge equal
25 to 3% of the tax. The governing body of a city or township may
26 waive interest from February 15 to the last day of February on a
27 summer property tax that has been deferred under section 51 or

1 any late penalty charge for the homestead property of a senior
2 citizen, paraplegic, quadriplegic, hemiplegic, eligible service-
3 person, eligible veteran, eligible widow or widower, totally and
4 permanently disabled person, or blind person, as those persons
5 are defined in chapter 9 of the income tax act of 1967, 1967 PA
6 281, MCL 206.501 to 206.532, if the person makes a claim before
7 February 15 for a credit for that property provided by chapter 9
8 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to
9 206.532, if the person presents a copy of the form filed for that
10 credit to the local treasurer, and if the person has not received
11 the credit before February 15. The governing body of a city or
12 township may waive interest from February 15 to the last day of
13 February on a summer property tax deferred under section 51 or
14 any late penalty charge for a person's property that is subject
15 to a farmland development rights agreement recorded with the reg-
16 ister of deeds of the county in which the property is situated as
17 provided in section 36104 of the natural resources and environ-
18 mental protection act, 1994 PA 451, MCL 324.36104, if the person
19 presents a copy of the development rights agreement or verifica-
20 tion that the property is subject to a development rights agree-
21 ment before February 15. A 4% county property tax administration
22 fee, a property tax administration fee to the extent imposed on
23 and if authorized under subsection (7) for taxes paid before
24 March 1, and interest on the tax at the rate of 1% per month
25 shall be added to taxes collected by the township or city trea-
26 surer after the last day of February and before settlement with
27 the county treasurer, and the payment shall be treated as though

1 collected by the county treasurer. If the statements required to
2 be mailed by this section are not mailed before December 31, the
3 treasurer shall not impose a late penalty charge on taxes col-
4 lected after February 14.

5 (4) The governing body of a local property tax collecting
6 unit may waive all or part of the property tax administration fee
7 or the late penalty charge, or both. A property tax administra-
8 tion fee collected by the township treasurer shall be used only
9 for the purposes for which it may be collected as specified by
10 subsection (3) and this subsection. If the bond of the treasur-
11 er, as provided in section 43, is furnished by a surety company,
12 the cost of the bond may be paid by the township from the prop-
13 erty tax administration fee.

14 (5) If apprehensive of the loss of personal tax assessed
15 upon the roll, the township treasurer may enforce collection of
16 the tax at any time, and if compelled to seize property or bring
17 an action in December may add, if authorized under
18 subsection (7), a property tax administration fee of not more
19 than 1% of the total tax bill per parcel and 3% for a late pen-
20 alty charge.

21 (6) Along with taxes returned delinquent to a county trea-
22 surer under section 55, the amount of the property tax adminis-
23 tration fee prescribed by subsection (3) that is imposed and not
24 paid shall be included in the return of delinquent taxes and,
25 when delinquent taxes are distributed by the county treasurer
26 under this act, the delinquent property tax administration fee
27 shall be distributed to the treasurer of the local unit who

1 transmitted the statement of taxes returned as delinquent.
2 Interest imposed upon delinquent property taxes under this act
3 shall also be imposed upon the property tax administration fee
4 and, for purposes of this act other than for the purpose of
5 determining to which local unit the county treasurer shall dis-
6 tribute a delinquent property tax administration fee, any refer-
7 ence to delinquent taxes shall be considered to include the prop-
8 erty tax administration fee returned as delinquent for the same
9 property.

10 (7) The local property tax collecting treasurer shall not
11 impose a property tax administration fee, collection fee, or any
12 type of late penalty charge authorized by law or charter unless
13 the governing body of the local property tax collecting unit
14 approves, by resolution or ordinance adopted after December 31,
15 1982, an authorization for the imposition of a property tax
16 administration fee, collection fee, or any type of late penalty
17 charge provided for by this section or by charter, which authori-
18 zation shall be valid for all levies that become a lien after the
19 resolution or ordinance is adopted. However, unless otherwise
20 provided for by an agreement between the assessing unit and the
21 collecting unit, a local property tax collecting unit that does
22 not also serve as the assessing unit shall impose a property tax
23 administration fee on each parcel at a rate equal to the rate of
24 the fee imposed for city or township taxes on that parcel.

25 (8) The annual statement required by 1966 PA 125, MCL
26 565.161 to 565.164, or a monthly billing form or mortgagor
27 passbook provided instead of that annual statement shall include

1 a statement to the effect that a taxpayer who was not mailed the
2 tax statement or a copy of the tax statement by the township
3 treasurer or other collector shall receive, upon request and
4 without charge, a copy of the tax statement from the township
5 treasurer or other collector or, if the tax statement has been
6 mailed to the taxpayer's designated agent, from either the
7 taxpayer's designated agent or the township treasurer or other
8 collector. A designated agent who is subject to 1966 PA 125, MCL
9 565.161 to 565.164, and who has been mailed the tax statement for
10 taxes that became a lien in the calendar year immediately preced-
11 ing the year in which the annual statement may be required to be
12 furnished shall mail, upon request and without charge to a tax-
13 payer who was not mailed that tax statement or a copy of that tax
14 statement, a copy of that tax statement.

15 (9) For taxes levied after December 31, 2001, if taxes
16 levied on qualified real property remain unpaid on February 15,
17 all of the following shall apply:

18 (a) The unpaid taxes on that qualified real property shall
19 be collected in the same manner as unpaid taxes levied on per-
20 sonal property are collected under this act.

21 (b) Unpaid taxes on qualified real property shall not be
22 returned as delinquent to the county treasurer for forfeiture,
23 foreclosure, and sale under sections 78 to 79a.

24 (c) If a county treasurer discovers that unpaid taxes on
25 qualified real property have been returned as delinquent for for-
26 feiture, foreclosure, and sale under sections 78 to 79a, the
27 county treasurer shall return those unpaid taxes to the

1 appropriate local tax collection unit for collection as provided
2 in subdivision (a).

3 (10) As used in this section:

4 (a) "Designated agent" means an individual, partnership,
5 association, corporation, receiver, estate, trust, or other legal
6 entity that has entered into an escrow account agreement or other
7 agreement with the taxpayer that obligates that individual or
8 legal entity to pay the property taxes for the taxpayer or, if an
9 agreement has not been entered into, that was designated by the
10 taxpayer on a form made available to the taxpayer by the township
11 treasurer and filed with that treasurer. The designation by the
12 taxpayer shall remain in effect until revoked by the taxpayer in
13 a writing filed with the township treasurer. The form made
14 available by the township treasurer shall include a statement
15 that submission of the form allows the treasurer to mail the tax
16 statement to the designated agent instead of to the taxpayer and
17 a statement notifying the taxpayer of his or her right to revoke
18 the designation by a writing filed with the township treasurer.

19 (b) "Qualified real property" means buildings and improve-
20 ments located upon leased real property that are assessed as real
21 property under section 2(1)(c), except buildings and improvements
22 exempt under section 9f, if the value of the buildings or
23 improvements is not otherwise included in the assessment of the
24 real property.

25 (c) "Taxpayer" means the owner of the property on which the
26 tax is imposed.

1 (d) When describing in subsection (1) that the amount of tax
2 on the property must be shown in the tax statement, "amount of
3 tax" means an itemization by dollar amount of each of the several
4 ad valorem property taxes and special assessments that a person
5 may pay under section 53 and an itemization by millage rate, on
6 either the tax statement or a separate form accompanying the tax
7 statement, of each of the several ad valorem property taxes that
8 a person may pay under section 53. The township treasurer or
9 other collector may replace the itemization described in this
10 subdivision with a statement informing the taxpayer that the
11 itemization of the dollar amount and millage rate of the taxes is
12 available without charge from the local property tax collecting
13 unit.

14 SEC. 44E. (1) FOR TAXES LEVIED AFTER DECEMBER 31, 2002, THE
15 TOWNSHIP TREASURER OR OTHER COLLECTOR MAY INCLUDE ON THE TAX BILL
16 PREPARED PURSUANT TO SECTION 44 A DESIGNATION FOR A VOLUNTARY
17 CONTRIBUTION TO THE LOCAL POLICE DEPARTMENT OR TO THE LOCAL FIRE
18 DEPARTMENT.

19 (2) A DESIGNATION UNDER SUBSECTION (1) SHALL INCLUDE A SPACE
20 FOR THE AMOUNT OF THE VOLUNTARY CONTRIBUTION AND A SEPARATE LINE
21 FOR ADDING THE AMOUNT OF THE VOLUNTARY CONTRIBUTION TO THE AMOUNT
22 OF THE TAX ON THE PROPERTY FOR WHICH THE TAX BILL IS PREPARED.
23 THE DESIGNATION SHALL INCLUDE A STATEMENT IN SUBSTANTIALLY THE
24 FOLLOWING FORM:

25 "CHECK THIS BOX AND FILL IN AN AMOUNT IF YOU WANT TO VOLUN-
26 TARILY CONTRIBUTE MONEY FOR OPERATING EXPENSES TO THE (LOCAL

1 POLICE DEPARTMENT OR LOCAL FIRE DEPARTMENT) IN WHICH YOUR
2 PROPERTY IS LOCATED. THIS WILL INCREASE THE AMOUNT YOU PAY.".

3 (3) MONEY VOLUNTARILY CONTRIBUTED PURSUANT TO SUBSECTION (2)
4 SHALL BE TRANSMITTED TO THE TREASURER OF THE LOCAL TAX COLLECTING
5 UNIT TO THE CREDIT OF THE LOCAL POLICE DEPARTMENT OR THE LOCAL
6 FIRE DEPARTMENT, AS APPLICABLE, AND SHALL BE USED ONLY FOR OPER-
7 ATING EXPENSES.

8 (4) AS USED IN THIS SECTION:

9 (A) "LOCAL FIRE DEPARTMENT" MEANS AN ORGANIZED FIRE DEPART-
10 MENT AS THAT TERM IS DEFINED IN SECTION 1 OF THE FIRE PREVENTION
11 CODE, 1941 PA 207, MCL 29.1, RESPONSIBLE FOR FIRE SUPPRESSION AND
12 OTHER FIRE RELATED SERVICES WITHIN THE LOCAL TAX COLLECTING UNIT
13 IN WHICH THE PROPERTY FOR WHICH THE TAX BILL IS PREPARED IS
14 LOCATED.

15 (B) "LOCAL POLICE DEPARTMENT" MEANS THE LAW ENFORCEMENT
16 AGENCY RESPONSIBLE FOR ENFORCING THE GENERAL CRIMINAL LAWS OF
17 THIS STATE WITHIN THE LOCAL TAX COLLECTING UNIT IN WHICH THE
18 PROPERTY FOR WHICH THE TAX BILL IS PREPARED IS LOCATED.