

SENATE BILL No. 1101

February 28, 2006, Introduced by Senator EMERSON and referred to the Committee on Finance.

A bill to amend 1993 PA 331, entitled
"State education tax act,"
by amending section 5b (MCL 211.905b), as amended by 2004 PA 543.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5b. (1) This section applies only to a city or township,
2 or that portion of a city or township, in which no property taxes,
3 other than the following, are levied in the summer of 2003 and any
4 summer after 2003:

5 (a) The tax levied under this act.

6 (b) Village taxes.

7 (c) Beginning in the summer of 2005, that portion of the
8 number of mills allocated to a county by a county tax allocation

1 board or authorized for a county through a separate tax limitation
2 vote, if that portion of the number of mills allocated to a county
3 by a county tax allocation board or authorized for a county through
4 a separate tax limitation vote were not levied before the summer of
5 2005.

6 (2) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3),** A city
7 or township shall collect the tax levied under this act unless,
8 before November 1, 2002, the legislative body of the city or
9 township adopts a resolution declining to collect the tax levied
10 under this act and, for a township, the treasurer concurs in
11 writing with that resolution. Before November 1, 2002, if the city
12 or township adopts a resolution declining to collect the tax under
13 this act and, for a township, the treasurer concurs in writing with
14 that resolution, the appropriate assessing officer shall send a
15 copy of that resolution and, for a township, that concurrence to
16 the state treasurer and the treasurer of the county in which the
17 city or township is located. In January 2004 and each January
18 thereafter, the legislative body of a city or township that has
19 declined to collect the tax under this subsection may by resolution
20 adopted by a majority of the legislative body rescind the earlier
21 decision to decline to collect the tax. The city or township shall
22 immediately send a copy of the resolution rescinding the earlier
23 decision to decline to collect the tax to the state treasurer and
24 the treasurer of the county in which the city or township is
25 located. If a city or township collects the tax levied under this
26 act pursuant to this section, that city or township shall retain
27 \$2.50 for each parcel of property in that city or township on which

1 the tax levied under this act is billed under this section from the
2 tax collected under this act before transmitting the tax collected
3 as provided in this act.

4 (3) NOTWITHSTANDING THE ADOPTION OF A RESOLUTION BY THE
5 LEGISLATIVE BODY OF A CITY OR TOWNSHIP DECLINING TO COLLECT THE TAX
6 LEVIED UNDER THIS ACT AS PROVIDED IN SUBSECTION (2), IN A CITY OR
7 TOWNSHIP IN WHICH THE STATE TREASURER COLLECTED THE TAX LEVIED
8 UNDER THIS ACT DURING THE SUMMER OF 2005 PURSUANT TO SUBSECTION
9 (5), THE CITY OR TOWNSHIP SHALL COLLECT THE TAX LEVIED UNDER THIS
10 ACT BEGINNING IN THE SUMMER OF 2006 AND EACH SUMMER THEREAFTER.

11 (4) ~~(3)~~ A county that receives a copy of a resolution
12 declining to collect the tax under this act and, for a township, a
13 written concurrence as provided in subsection (2) shall collect the
14 tax levied under this act pursuant to this section unless, before
15 February 1, 2003, the county board of commissioners adopts a
16 resolution declining to collect the tax levied under this act and
17 the county treasurer concurs in writing with that resolution.
18 Before February 1, 2003, if the county board of commissioners
19 adopts a resolution declining to collect the tax under this act and
20 the county treasurer concurs in writing with that resolution, the
21 county treasurer shall send a copy of that resolution and that
22 concurrence to the state treasurer. In February 2004 and each
23 February thereafter, a county board of commissioners that has
24 declined to collect the tax under this subsection may by
25 resolution, with the written concurrence of the county treasurer,
26 rescind the earlier decision to decline to collect the tax. The
27 county treasurer shall immediately send a copy of the resolution

1 rescinding the earlier decision to decline to collect the tax and
2 the written concurrence of the county treasurer to the state
3 treasurer. If a county collects the tax levied under this act
4 pursuant to this section, that county shall retain \$2.50 for each
5 parcel ~~for~~ **OF** property in that county on which the tax levied
6 under this act is billed under this section from the tax collected
7 under this act before transmitting the tax collected under this act
8 to the state treasurer as provided in this act.

9 (5) ~~—(4)—~~ If a city or township does not collect the tax
10 levied under this act pursuant to subsection (2) and if a county
11 does not collect the tax levied under this act pursuant to
12 subsection ~~—(3)—~~ (4), the state treasurer shall, **EXCEPT AS**
13 **OTHERWISE PROVIDED IN SUBSECTION (3)**, collect the tax under the
14 provisions of the general property tax act. The collection of the
15 tax levied under this act is not subject to 1941 PA 122, MCL 205.1
16 to 205.31. The tax levied under this act collected pursuant to this
17 subsection is subject to a 1% administration fee.

18 (6) ~~—(5)—~~ All of the following apply to the collection of the
19 tax levied under this act by a county treasurer or, **EXCEPT AS**
20 **OTHERWISE PROVIDED IN SUBSECTION (3)**, the state treasurer:

21 (a) Not later than June 1, the township or city for which the
22 tax is being collected shall deliver to the county treasurer or the
23 state treasurer, as applicable, a certified copy of each assessment
24 roll for taxable property located in the township or city. Each
25 assessment roll shall include the taxable value of each parcel
26 subject to the collection of the tax levied under this act. The
27 county treasurer or state treasurer, as applicable, shall remit the

1 necessary cost incident to the reproduction of the assessment roll
2 to the township or city.

3 (b) Not later than June 30, the county treasurer or the state
4 treasurer, as applicable, shall spread the millage levied under
5 this act against the assessment roll and prepare the tax roll.

6 (c) The county treasurer or the state treasurer, as
7 applicable, may impose all or a portion of the fees and charges
8 authorized under section 44 of the general property tax act, 1893
9 PA 206, MCL 211.44, on taxes paid before March 1. The county
10 treasurer or the state treasurer, as applicable, shall retain the
11 fees and charges imposed under this subdivision regardless of
12 whether all or part of the fees and charges have been waived by the
13 township or city.

14 (7) ~~—(6)—~~ In relation to the assessment, spreading, and
15 collection of taxes pursuant to this section, a county treasurer or
16 the state treasurer, as applicable, shall have powers and duties
17 similar to those prescribed by the general property tax act for
18 township supervisors, township clerks, and township treasurers.
19 However, this section shall not be considered to transfer any
20 authority over the assessment of property.

21 (8) ~~—(7)—~~ A county treasurer or state treasurer collecting
22 taxes pursuant to this section shall be bonded for tax collection
23 in the same amount and in the same manner as a township treasurer
24 would be for undertaking the duties prescribed by this section.

25 (9) ~~—(8)—~~ If a county treasurer or the state treasurer
26 collects the tax levied under this act pursuant to this section,
27 all payments from this state for collecting the tax levied under

1 this act in a summer levy, and all revenue generated by the
2 administration fee, shall be deposited in a restricted account
3 designated as the "state education tax collection account". The
4 county treasurer or the state treasurer, as applicable, shall
5 direct the investment of the account. The county treasurer or the
6 state treasurer, as applicable, shall credit to the account
7 interest and earnings from the account investments. Proceeds in
8 that account shall only be used for the cost of collecting the tax
9 levied under this act. For a county collecting the tax under this
10 act, the county board of commissioners shall appropriate sufficient
11 money from the account to the county treasurer to cover the cost of
12 collecting the tax levied under this act.

13 (10) ~~—(9)—~~ The tax levied under this act that is collected by
14 a city pursuant to this section on a date other than a date it
15 collects city taxes shall be subject to the same fees and charges a
16 city may impose under section 44 of the general property tax act,
17 1893 PA 206, MCL 211.44, except that a city may impose the
18 administration fee on the tax levied under this act that is billed
19 in the summer even if the fee is not imposed on taxes billed in
20 December. The tax levied under this act that is collected pursuant
21 to this section on or before September 14 of each year by a city
22 that collects school taxes on a date other than the date it
23 collects city taxes shall be without interest, but the tax levied
24 under this act that is collected after September 14 in each year
25 shall bear interest at the rate imposed by section 59 of the
26 general property tax act, 1893 PA 206, MCL 211.59, on delinquent
27 property tax levies that become a lien in the same year. All

1 interest and penalties that are imposed prior to the date the tax
2 levied under this act is returned as delinquent, other than the
3 administration fee, shall be transmitted to the state treasurer for
4 deposit into the state school aid fund established in section 11 of
5 article IX of the state constitution of 1963. If imposed, the
6 administration fee shall be retained by the city.

7 (11) ~~—(10)—~~ The tax levied under this act that is collected by
8 a township on or before September 14 in each year shall be without
9 interest. The tax levied under this act that is collected after
10 September 14 of any year shall bear interest at the rate imposed by
11 section 59 of the general property tax act, 1893 PA 206, MCL
12 211.59, on delinquent property tax levies that become a lien in the
13 same year. The tax levied under this act that is collected by a
14 township is subject to the same fees and charges the township may
15 impose under section 44 of the general property tax act, 1893 PA
16 206, MCL 211.44, except that a township may impose the
17 administration fee on the tax levied under this act that is billed
18 in the summer even if the fee is not imposed on taxes billed in
19 December. All interest and penalties that are imposed prior to the
20 date the tax levied under this act is returned delinquent, other
21 than the administration fee, shall be transmitted to the state
22 treasurer for deposit into the state school aid fund established in
23 section 11 of article IX of the state constitution of 1963. If
24 imposed, the administration fee shall be retained by the township.

25 (12) ~~—(11)—~~ For taxes levied after December 31, 2003, not
26 later than June 1 of each year, the county treasurer shall deliver
27 to the state treasurer a statement of the total amount of the state

1 education tax levy of the prior year not returned delinquent that
2 was collected by the county treasurer and collected and remitted to
3 the county treasurer by each city or township treasurer, together
4 with a statement for the county and for each city or township of
5 the number of parcels from which the state education tax was
6 collected, the number of parcels for which the state education tax
7 was billed, and the total amount retained by the county treasurer
8 and by the city or township treasurer as permitted by subsections
9 (2) and ~~(3)~~ (4).