

Legislative Analysis



SUMMER COLLECTION OF WINTER TAXES WHEN WINTER TAX BILL IS \$100 OR LESS

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Senate Bill 322 (Substitute S-1)
Sponsor: Sen. Dave Hildenbrand

Senate Bill 323 (Substitute S-1)
Sponsor: Sen. John Proos
House Committee: Tax Policy
Senate Committee: Finance
Complete to 11-1-11

A SUMMARY OF SENATE BILLS 322 & 323 AS PASSED BY THE SENATE 6-22-11

Typically, local property taxes are collected twice each year, with a summer levy and a winter levy. Senate Bill 322 would amend the General Property Tax Act to allow in certain cases mills that had been previously billed and collected as part of the winter property tax levy to be accelerated and billed and collected as a summer property tax levy. Generally speaking, only individual winter tax bills of \$100 or less would be collected with the summer tax bill. This would begin in 2012.

For this to occur, a resolution authorizing the summer collection would have to be approved by both the county board of commissioners, the legislative body of the local tax collecting unit, and the county tax allocation board, if there is one.

The revenue raised in this way would go to a special restricted fund to be known as the Other Levies Reserve Fund. The treasurer collecting the summer tax levy would have to establish this fund and would distribute revenues, including interest, from the fund to the local taxing authorities.

Senate Bill 323 would also amend the General Property Tax Act. Generally speaking, it makes complementary amendments to the property tax administration process to account for instances where mills previously billed and collected as winter taxes are accelerated and billed and collected as a summer property tax levy. The two bills are tie-barred to one another, meaning neither can take effect unless both are enacted.

(Additional information, based on testimony on the bills in the Senate, is available from the Senate Fiscal Agency analysis dated 8-19-11 at www.legislature.mi.gov.)

FISCAL IMPACT:

Because the bills only change the collection date but do not alter the actual liability, there should be no significant state or local revenue impact.

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