

HOUSE BILL No. 4436

March 15, 2011, Introduced by Rep. Johnson and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

A bill to amend 1893 PA 206, entitled "The general property tax act," by amending sections 44 and 44a (MCL 211.44 and 211.44a), section 44 as amended by 2008 PA 352 and section 44a as amended by 2008 PA 498.

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
4 taxpayer at the taxpayer's last known address on the tax roll or to
5 the taxpayer's designated agent a statement showing the description
6 of the property against which the tax is levied, the taxable value
7 of the property, and the amount of the tax on the property. If a

1 tax statement is mailed to the taxpayer, a tax statement sent to a
2 taxpayer's designated agent may be in a summary form or may be in
3 an electronic data processing format. If the tax statement
4 information is provided to both a taxpayer and the taxpayer's
5 designated agent, the tax statement mailed to the taxpayer may be
6 identified as an informational copy. A township treasurer or other
7 collector electing to send a tax statement to a taxpayer's
8 designated agent or electing not to include an itemization in the
9 manner described in subsection (10)(d) in a tax statement mailed to
10 the taxpayer shall, upon request, mail a detailed copy of the tax
11 statement, including an itemization of the amount of tax in the
12 manner described by subsection (10)(d), to the taxpayer without
13 charge.

14 (2) The expense of preparing and mailing the statement shall
15 be paid from the county, township, city, or village funds. Failure
16 to send or receive the notice does not prejudice the right to
17 collect or enforce the payment of the tax. The township treasurer
18 shall remain in the office of the township treasurer at some
19 convenient place in the township from 9 a.m. to 5 p.m. to receive
20 taxes on the following days:

21 (a) At least 1 business day between December 25 and December
22 31 unless the township has an arrangement with a local financial
23 institution to receive taxes on behalf of the township treasurer
24 and to forward that payment to the township on the next business
25 day. The township shall provide timely notification of which
26 financial institutions will receive taxes for the township and
27 which days the treasurer will be in the office to receive taxes.

1 (b) The last day that taxes are due and payable before being
2 returned as delinquent under section 78a(2).

3 (C) FOR THE COLLECTION OF A SUMMER TAX LEVY, THE LAST DAY
4 TAXES ARE DUE AND PAYABLE BEFORE INTEREST IS ADDED UNDER SECTION
5 44A(5).

6 (3) Except as provided by subsection (7), on a sum voluntarily
7 paid before February 15 of the succeeding year, the local property
8 tax collecting unit shall add a property tax administration fee of
9 not more than 1% of the total tax bill per parcel. However, unless
10 otherwise provided for by an agreement between the assessing unit
11 and the collecting unit, if a local property tax collecting unit
12 other than a village does not also serve as the local assessing
13 unit, the excess of the amount of property tax administration fees
14 over the expense to the local property tax collecting unit in
15 collecting the taxes, but not less than 80% of the fee imposed,
16 shall be returned to the local assessing unit. A property tax
17 administration fee is defined as a fee to offset costs incurred by
18 a collecting unit in assessing property values, in collecting the
19 property tax levies, and in the review and appeal processes. The
20 costs of any appeals, in excess of funds available from the
21 property tax administration fee, may be shared by any taxing unit
22 only if approved by the governing body of the taxing unit. Except
23 as provided by subsection (7), on all taxes paid after February 14
24 and before taxes are returned as delinquent under section 78a(2)
25 the governing body of a city or township may authorize the
26 treasurer to add to the tax a property tax administration fee to
27 the extent imposed on taxes paid before February 15 and the day

1 that taxes are returned as delinquent under section 78a(2) a late
2 penalty charge equal to 3% of the tax. The governing body of a city
3 or township may waive interest from February 15 to the last day of
4 February on a summer property tax that has been deferred under
5 section 51 or any late penalty charge for the homestead property of
6 a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible
7 serviceperson, eligible veteran, eligible widow or widower, totally
8 and permanently disabled person, or blind person, as those persons
9 are defined in chapter 9 of the income tax act of 1967, 1967 PA
10 281, MCL 206.501 to 206.532, if the person makes a claim before
11 February 15 for a credit for that property provided by chapter 9 of
12 the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532, if
13 the person presents a copy of the form filed for that credit to the
14 local treasurer, and if the person has not received the credit
15 before February 15. The governing body of a city or township may
16 waive interest from February 15 to the day taxes are returned as
17 delinquent under section 78a(2) on a summer property tax deferred
18 under section 51 or any late penalty charge for a person's property
19 that is subject to a farmland development rights agreement recorded
20 with the register of deeds of the county in which the property is
21 situated as provided in section 36104 of the natural resources and
22 environmental protection act, 1994 PA 451, MCL 324.36104, if the
23 person presents a copy of the development rights agreement or
24 verification that the property is subject to a development rights
25 agreement before February 15. A 4% county property tax
26 administration fee, a property tax administration fee to the extent
27 imposed on and if authorized under subsection (7) for taxes paid

1 before taxes are returned as delinquent under section 78a(2), and
2 interest on the tax at the rate of 1% per month shall be added to
3 taxes collected by the township or city treasurer after the last
4 day taxes are payable before being returned as delinquent under
5 section 78a(2) and before settlement with the county treasurer, and
6 the payment shall be treated as though collected by the county
7 treasurer. If the statements required to be mailed by this section
8 are not mailed before December 31, the treasurer shall not impose a
9 late penalty charge on taxes collected after February 14.

10 (4) The governing body of a local property tax collecting unit
11 may waive all or part of the property tax administration fee or the
12 late penalty charge, or both. A property tax administration fee
13 collected by the township treasurer shall be used only for the
14 purposes for which it may be collected as specified by subsection
15 (3) and this subsection. If the bond of the treasurer, as provided
16 in section 43, is furnished by a surety company, the cost of the
17 bond may be paid by the township from the property tax
18 administration fee.

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

25 (6) Along with taxes returned delinquent to a county
26 treasurer, the amount of the property tax administration fee
27 prescribed by subsection (3) that is imposed and not paid shall be

1 included in the return of delinquent taxes and, when delinquent
2 taxes are distributed by the county treasurer under this act, the
3 delinquent property tax administration fee shall be distributed to
4 the treasurer of the local unit who transmitted the statement of
5 taxes returned as delinquent. Interest imposed upon delinquent
6 property taxes under this act shall also be imposed upon the
7 property tax administration fee and, for purposes of this act other
8 than for the purpose of determining to which local unit the county
9 treasurer shall distribute a delinquent property tax administration
10 fee, any reference to delinquent taxes shall be considered to
11 include the property tax administration fee returned as delinquent
12 for the same property.

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

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

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

21 (a) The unpaid taxes on that qualified real property shall be
22 collected in the same manner as unpaid taxes levied on personal
23 property are collected under this act.

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

27 (c) If a county treasurer discovers that unpaid taxes on

1 qualified real property have been returned as delinquent for
2 forfeiture, foreclosure, and sale under sections 78 to 79a, the
3 county treasurer shall return those unpaid taxes to the appropriate
4 local tax collection unit for collection as provided in subdivision
5 (a).

6 (10) As used in this section:

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

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

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

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

15 Sec. 44a. (1) Notwithstanding any other statutory or charter
16 provision to the contrary, beginning in 2005 and each year after
17 2005, a county shall impose as a summer property tax levy that
18 portion of the number of mills allocated to the county by a county
19 tax allocation board or authorized for the county through a
20 separate tax limitation vote as provided in this section. The
21 treasurer that collects the state education tax shall collect the
22 summer property tax levy under this section. The portion of the
23 total number of mills allocated to a county by a county tax
24 allocation board or authorized for a county through a separate tax
25 limitation vote that shall be imposed in each year as a summer
26 property tax levy under this section is as follows:

27 (a) In 2005, 1/3 of the total number of mills allocated to the

1 county by a county tax allocation board or authorized for the
2 county through a separate tax limitation vote.

3 (b) In 2006, 2/3 of the total number of mills allocated to the
4 county by a county tax allocation board or authorized for the
5 county through a separate tax limitation vote.

6 (c) In 2007 and each year after 2007, the total number of
7 mills allocated to the county by a county tax allocation board or
8 authorized for the county through a separate tax limitation vote.

9 (2) Before June 30 and in conformance with the procedures
10 prescribed by this act, the taxes being collected as a summer
11 property tax levy shall be spread in terms of millages on the
12 assessment roll, the amount of tax levied shall be assessed in
13 proportion to the taxable value, and a tax roll shall be prepared
14 that commands the appropriate treasurer to collect on July 1 the
15 taxes indicated as due on the tax roll.

16 (3) Taxes authorized to be collected shall become a lien
17 against the property on which assessed, and due from the owner of
18 that property on July 1.

19 (4) All taxes and interest imposed pursuant to this section
20 that are unpaid before March 1 shall be returned as delinquent on
21 March 1 and collected pursuant to this act.

22 (5) Interest shall be added to taxes collected after September
23 14 at that rate imposed by section 78a on delinquent property tax
24 levies that became a lien in the same year. **HOWEVER, IF SEPTEMBER**
25 **14 IS ON A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, THE LAST DAY TAXES**
26 **ARE DUE AND PAYABLE BEFORE INTEREST IS ADDED IS ON THE NEXT**
27 **BUSINESS DAY AND INTEREST SHALL BE ADDED TO TAXES THAT REMAIN**

1 **UNPAID ON THE IMMEDIATELY SUCCEEDING BUSINESS DAY.** The tax levied
2 under this act that is collected with the city taxes shall be
3 subject to the same penalties, interest, and collection charges as
4 city taxes and shall be returned as delinquent to the county
5 treasurer in the same manner and with the same interest, penalties,
6 and fees as city taxes.

7 (6) All or a portion of the fees or charges, or both,
8 authorized under section 44 may be imposed on taxes paid before
9 March 1 and shall be retained by the treasurer actually performing
10 the collection of the summer property tax levy pursuant to this
11 section, regardless of whether all or part of these fees or
12 charges, or both, have been waived by the township or city.

13 (7) Collections shall be remitted to the county for which the
14 taxes were collected pursuant to section 43.

15 (8) To the extent applicable and consistent with the
16 requirements of this section, this act shall apply to proceedings
17 in relation to the assessment, spreading, and collection of taxes
18 pursuant to this section.

19 (9) Each county shall establish a restricted fund known as the
20 revenue sharing reserve fund. The total amount required to be
21 placed in the revenue sharing reserve fund for each county shall
22 equal the amount of that county's December 2004 property tax levy
23 of the total number of mills allocated to the county by a county
24 tax allocation board or authorized for the county through a
25 separate tax limitation vote, less any amount of tax levy captured
26 and used under a tax increment financing plan under 1975 PA 197,
27 MCL 125.1651 to 125.1681; the tax increment finance authority act,

1 1980 PA 450, MCL 125.1801 to 125.1830; the local development
2 financing act, 1986 PA 281, MCL 125.2151 to 125.2174; or the
3 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
4 to 125.2672, and shall be deposited in the revenue sharing reserve
5 fund as provided in this section. Revenues credited to the revenue
6 sharing reserve fund from the December tax levy of a county with a
7 fiscal year ending December 31 shall be accrued to the fiscal year
8 ending in the year of that December property tax levy. Revenue
9 shall be credited to the fund by each county as follows:

10 (a) From the county's December 2004 property tax levy, 1/3 of
11 the total December levy of the total number of mills allocated to
12 the county by a county tax allocation board or authorized for the
13 county through a separate tax limitation vote, less any amount of
14 tax levy captured and used under a tax increment financing plan
15 under 1975 PA 197, MCL 125.1651 to 125.1681; the tax increment
16 finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the
17 local development financing act, 1986 PA 281, MCL 125.2151 to
18 125.2174; or the brownfield redevelopment financing act, 1996 PA
19 381, MCL 125.2651 to 125.2672.

20 (b) From the county's December 2005 property tax levy, 1/2 of
21 the remaining balance required to be deposited in the fund.

22 (c) From the county's December 2006 property tax levy, the
23 balance required to be deposited in the fund.

24 (10) All of the following apply to a revenue sharing reserve
25 fund established under subsection (9):

26 (a) Funds in the revenue sharing reserve fund may not be
27 expended in any fiscal year except as provided in this section.

1 (b) Funds in the revenue sharing reserve fund may be used
2 within a county fiscal year for cash flow purposes at the
3 discretion of the county.

4 (c) Interest earnings on funds deposited in the revenue
5 sharing reserve fund shall be credited to the revenue sharing
6 reserve fund. However, the county is not required to reimburse the
7 revenue sharing reserve fund for a reduction of interest earnings
8 that occurs because funds in the revenue sharing reserve fund were
9 used for cash flow purposes.

10 (d) The revenue sharing reserve fund shall be separately
11 reported in the annual financial report required under section 4 of
12 1919 PA 71, MCL 21.44.

13 (11) For a county fiscal year that ends on December 31, 2004,
14 a county may expend in that fiscal year an amount not to exceed the
15 payments made to that county under the Glenn Steil state revenue
16 sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, in
17 October and December 2003 and, if the payment is accrued back to
18 the county's 2003 fiscal year, February 2004.

19 (12) Not later than March 1, 2005, a county that receives a
20 payment in October 2004 as provided in a bill making appropriations
21 to the department of treasury for the 2004-05 fiscal year shall pay
22 the amount of that payment to the state treasurer from the revenue
23 sharing reserve fund. A county that does not make the payment
24 required under this subsection shall not make any expenditures from
25 the fund provided under subsection (13).

26 (13) For each fiscal year of a county that begins after
27 September 30, 2004, a county may expend from the revenue sharing

1 reserve fund an amount not to exceed the total payments made to
2 that county under the Glenn Steil state revenue sharing act of
3 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal year
4 ending September 30, 2004, adjusted annually by the inflation rate,
5 without regard to any executive orders issued after May 17, 2004.
6 As used in this subsection, "inflation rate" means that term as
7 defined in section 34d.