

HOUSE BILL No. 4150

January 26, 2011, Introduced by Reps. Rogers, Hughes, Denby and McMillin 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 section 87b (MCL 211.87b), as amended by 2002 PA 198.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 87b. (1) The county board of commissioners of any county
2 may create a delinquent tax revolving fund that, at the option of
3 the county treasurer, may be designated as the "100% tax payment
4 fund". Upon the establishment of the fund, all delinquent taxes,
5 except taxes on personal property, due and payable to the taxing
6 units in the county, except those units that collect their own
7 delinquent taxes after March 1 by charter or otherwise, are due and
8 payable to the county. The primary obligation to pay to the county
9 the amount of taxes and the interest on the taxes shall rest with
10 the local taxing units and the state for the state education tax

1 under the state education tax act, 1993 PA 331, MCL 211.901 to
2 211.906. If the delinquent taxes that are due and payable to the
3 county are not received by the county for any reason, the county
4 has full right of recourse against the taxing unit or to the state
5 for the state education tax under the state education tax act, 1993
6 PA 331, MCL 211.901 to 211.906, to recover the amount of the
7 delinquent taxes and interest at the rate of **NOT MORE THAN** 1% per
8 month or fraction of a month until repaid to the county by the
9 taxing unit. **THE COUNTY BOARD OF COMMISSIONERS, BY RESOLUTION,**
10 **SHALL DETERMINE THE AMOUNT OF INTEREST TO BE ADDED TO THE**
11 **DELINQUENT TAXES UNDER THIS SUBSECTION.** However, if the county
12 borrows to provide funds for those payments, the interest rate
13 shall not exceed the highest interest rate paid on that borrowing.
14 A resolution or agreement previously executed or adopted to this
15 effect is validated and confirmed. For delinquent state education
16 taxes under the state education tax act, 1993 PA 331, MCL 211.901
17 to 211.906, the county may offset uncollectible delinquent taxes
18 against collections of the state education tax under the state
19 education tax act, 1993 PA 331, MCL 211.901 to 211.906, received by
20 the county and owed to this state under this act. The fund shall be
21 segregated into separate funds or accounts for each year's
22 delinquent taxes.

23 (2) If a delinquent tax revolving fund is established, the
24 county treasurer shall be the agent for the county and, without
25 further action by the county board of commissioners, may enter into
26 contracts with other municipalities, this state, or private
27 persons, firms, or corporations in connection with any transaction

1 relating to the fund or any borrowing made by the county pursuant
2 to section 87c or 87d, including all services necessary to complete
3 this borrowing.

4 (3) The county treasurer shall pay from the fund any or all
5 delinquent taxes that are due and payable to the county and any
6 school district, intermediate school district, community college
7 district, city, township, special assessment district, this state,
8 or any other political unit for which delinquent tax payments are
9 due within 20 days after sufficient funds are deposited within the
10 delinquent tax revolving fund or, if the county treasurer is
11 treasurer for a county with a population greater than 1,500,000
12 persons, within 30 days after sufficient funds are deposited within
13 the delinquent tax revolving fund. In a county with a delinquent
14 tax revolving fund where the county does not borrow pursuant to
15 section 87c or 87d, if the county treasurer does not make payment
16 of the delinquent taxes to the local units within 10 days after the
17 completion of county settlement with all local units under section
18 55, the county shall pay interest on the unpaid delinquent taxes
19 from the date of actual county settlement at the rate of 12% per
20 annum for the number of days involved.

21 (4) Except as provided in subsection (5), the county treasurer
22 shall pay from the fund directly to a school district its share of
23 the fund when a single school district exists within a political
24 unit.

25 (5) If a local taxing unit has borrowed money in anticipation
26 of collecting taxes for any school district or other municipality
27 and the county treasurer has been so notified in writing, the

1 county treasurer shall pay to the local taxing unit the shares of
2 the fund for that school district or municipality. For purposes of
3 this subsection, "local taxing unit" means a city, village, or
4 township.

5 (6) The interest charges, penalties, and county property tax
6 administration fee rates established under this act shall remain in
7 effect and shall be payable to the county delinquent tax revolving
8 fund.

9 (7) Any surplus in the fund may be transferred to the county
10 general fund by appropriate action of the county board of
11 commissioners.

12 (8) A county board of commissioners may borrow money to create
13 a delinquent tax revolving fund as provided in section 87c or 87d,
14 or both.

15 (9) This section shall not supersede section 87 but is an
16 alternative method for paying delinquent taxes to local units.
17 However, where this section is used by a county, section 87 shall
18 not be used.