

SENATE BILL No. 322

April 13, 2011, Introduced by Senators HILDENBRAND and PROOS and referred to the Committee on Finance.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 44a. (1) Notwithstanding any other statutory or charter
2 provision to the contrary, beginning in 2005 and each year after
3 2005, a county shall impose as a summer property tax levy that
4 portion of the number of mills allocated to the county by a county
5 tax allocation board or authorized for the county through a
6 separate tax limitation vote as provided in this section. The
7 treasurer that collects the state education tax shall collect the
8 summer property tax levy under this section. The portion of the
9 total number of mills allocated to a county by a county tax

1 allocation board or authorized for a county through a separate tax
2 limitation vote that shall be imposed in each year as a summer
3 property tax levy under this section is as follows:

4 (a) In 2005, 1/3 of the total number of mills allocated to the
5 county by a county tax allocation board or authorized for the
6 county through a separate tax limitation vote.

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

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

13 **IN ADDITION, ANY OR ALL ADDITIONAL MILLS PREVIOUSLY BILLED AS PART**
14 **OF THE WINTER PROPERTY TAX LEVY MAY BE COLLECTED AS A SUMMER**
15 **PROPERTY TAX LEVY, IF THE TOTAL AMOUNT OF ALL INDIVIDUAL TAXES**
16 **LEVIED IN THE WINTER TAX BILL IS \$100.00 OR LESS AND A RESOLUTION**
17 **AUTHORIZING THE SUMMER COLLECTION IS APPROVED BY BOTH THE COUNTY**
18 **BOARD OF COMMISSIONERS AND THE LEGISLATIVE BODY OF THE LOCAL TAX**
19 **COLLECTING UNIT AND THE SUMMER COLLECTION IS APPROVED BY THE COUNTY**
20 **TAX ALLOCATION BOARD.**

21 (2) Before June 30 and in conformance with the procedures
22 prescribed by this act, the taxes being collected as a summer
23 property tax levy shall be spread in terms of millages on the
24 assessment roll, the amount of tax levied shall be assessed in
25 proportion to the taxable value, and a tax roll shall be prepared
26 that commands the appropriate treasurer to collect on July 1 the
27 taxes indicated as due on the tax roll.

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

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

7 (5) Interest shall be added to taxes collected after September
8 14 at that rate imposed by section 78a on delinquent property tax
9 levies that became a lien in the same year. The tax levied under
10 this act that is collected with the city taxes shall be subject to
11 the same penalties, interest, and collection charges as city taxes
12 and shall be returned as delinquent to the county treasurer in the
13 same manner and with the same interest, penalties, and fees as city
14 taxes.

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

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

23 (8) To the extent applicable and consistent with the
24 requirements of this section, this act shall apply to proceedings
25 in relation to the assessment, spreading, and collection of taxes
26 pursuant to this section.

27 (9) Each county shall establish a restricted fund known as the

1 revenue sharing reserve fund. The total amount required to be
2 placed in the revenue sharing reserve fund for each county shall
3 equal the amount of that county's December 2004 property tax levy
4 of the total number of mills allocated to the county by a county
5 tax allocation board or authorized for the county through a
6 separate tax limitation vote, less any amount of tax levy captured
7 and used under a tax increment financing plan under 1975 PA 197,
8 MCL 125.1651 to 125.1681; the tax increment finance authority act,
9 1980 PA 450, MCL 125.1801 to 125.1830; the local development
10 financing act, 1986 PA 281, MCL 125.2151 to 125.2174; or the
11 brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651
12 to 125.2672, and shall be deposited in the revenue sharing reserve
13 fund as provided in this section. Revenues credited to the revenue
14 sharing reserve fund from the December tax levy of a county with a
15 fiscal year ending December 31 shall be accrued to the fiscal year
16 ending in the year of that December property tax levy. Revenue
17 shall be credited to the fund by each county as follows:

18 (a) From the county's December 2004 property tax levy, 1/3 of
19 the total December levy of the total number of mills allocated to
20 the county by a county tax allocation board or authorized for the
21 county through a separate tax limitation vote, less any amount of
22 tax levy captured and used under a tax increment financing plan
23 under 1975 PA 197, MCL 125.1651 to 125.1681; the tax increment
24 finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the
25 local development financing act, 1986 PA 281, MCL 125.2151 to
26 125.2174; or the brownfield redevelopment financing act, 1996 PA
27 381, MCL 125.2651 to 125.2672.

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

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

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

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

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

12 (c) Interest earnings on funds deposited in the revenue
13 sharing reserve fund shall be credited to the revenue sharing
14 reserve fund. However, the county is not required to reimburse the
15 revenue sharing reserve fund for a reduction of interest earnings
16 that occurs because funds in the revenue sharing reserve fund were
17 used for cash flow purposes.

18 (d) The revenue sharing reserve fund shall be separately
19 reported in the annual financial report required under section 4 of
20 1919 PA 71, MCL 21.44.

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

27 (12) Not later than March 1, 2005, a county that receives a

1 payment in October 2004 as provided in a bill making appropriations
2 to the department of treasury for the 2004-05 fiscal year shall pay
3 the amount of that payment to the state treasurer from the revenue
4 sharing reserve fund. A county that does not make the payment
5 required under this subsection shall not make any expenditures from
6 the fund provided under subsection (13).

7 (13) For each fiscal year of a county that begins after
8 September 30, 2004, a county may expend from the revenue sharing
9 reserve fund an amount not to exceed the total payments made to
10 that county under the Glenn Steil state revenue sharing act of
11 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal year
12 ending September 30, 2004, adjusted annually by the inflation rate,
13 without regard to any executive orders issued after May 17, 2004.
14 As used in this subsection, "inflation rate" means that term as
15 defined in section 34d.

16 (14) FOR A COUNTY THAT HAS APPROVED A RESOLUTION AUTHORIZING
17 TAX LEVIES PREVIOUSLY BILLED AS PART OF THE WINTER PROPERTY TAX
18 LEVY TO BE COLLECTED AS A SUMMER PROPERTY TAX LEVY AND HAS HAD A
19 RESOLUTION ADOPTED BY THE LEGISLATIVE BODY OF THE LOCAL TAX
20 COLLECTING UNIT IN THE COUNTY APPROVING A PROPERTY TAX LEVY
21 PREVIOUSLY BILLED AS PART OF THE WINTER PROPERTY TAX LEVY TO BE
22 COLLECTED AS A SUMMER PROPERTY TAX LEVY, THAT COUNTY SHALL
23 ESTABLISH A RESTRICTED FUND TO BE KNOWN AS THE OTHER LEVIES RESERVE
24 FUND FOR MILLS PREVIOUSLY BILLED AS PART OF THE WINTER PROPERTY TAX
25 LEVY. THE TOTAL AMOUNT REQUIRED TO BE PLACED IN THE OTHER LEVIES
26 RESERVE FUND FOR THAT COUNTY SHALL EQUAL THE AMOUNT OF THAT
27 COUNTY'S WINTER PROPERTY TAX LEVY OF THE TOTAL NUMBER OF MILLS

1 ALLOCATED TO THE COUNTY BY A COUNTY TAX ALLOCATION BOARD OR
2 AUTHORIZED FOR THE COUNTY THROUGH A SEPARATE TAX LIMITATION VOTE
3 AND SHALL BE DEPOSITED IN THE OTHER LEVIES RESERVE FUND AS PROVIDED
4 IN THIS SECTION. REVENUES CREDITED TO THE OTHER LEVIES RESERVE FUND
5 FROM THE DECEMBER TAX LEVY OF A COUNTY WITH A FISCAL YEAR ENDING
6 DECEMBER 31 SHALL BE DISTRIBUTED BY THE COUNTY TO THE LOCAL TAXING
7 UNITS ENTITLED TO THE VARIOUS PROPERTY TAX LEVIES ON DECEMBER 1 OF
8 THE TAX YEAR WHEN THE DECEMBER PROPERTY TAX LEVY WOULD OTHERWISE BE
9 DUE AND PAYABLE. INTEREST EARNED ON THE OTHER LEVIES RESERVE FUND
10 WILL BE TRANSMITTED TO THE LOCAL TAXING UNIT IN PROPORTION TO THE
11 MILLS BILLED AS PART OF THE SUMMER PROPERTY TAX LEVY, AFTER A
12 DEDUCTION OF REASONABLE EXPENSES INCURRED BY THE COUNTY IN
13 ADMINISTERING THE ACCOUNTING AND DISBURSEMENT OF FUNDS IN THE OTHER
14 LEVIES RESERVE FUND, TO THE EXTENT THAT THOSE EXPENSES ARE IN
15 ADDITION TO THE EXPENSES OF ACCOUNTING AND DISBURSING OTHER TAXES.

16 Enacting section 1. This amendatory act does not take effect
17 unless Senate Bill No. 323

18 of the 96th Legislature is enacted into law.