

HOUSE BILL NO. 5362

October 05, 2021, Introduced by Reps. Steckloff and VanSingel and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 43 (MCL 211.43), as amended by 1994 PA 253.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 43. (1) The supervisor of each township, immediately upon
2 authorization to raise money by taxation pursuant to an election
3 held under section 36 or on or before the November 5 in each year,
4 shall notify the township treasurer of the amount of the state,
5 county, school, and public transportation authority taxes as

1 apportioned to his or her township.

2 (2) The treasurer, immediately upon authorization to raise
3 money by taxation pursuant to an election held under section 36 or
4 on or before the third day immediately preceding the day the taxes
5 to be collected become a lien, shall give to the county treasurer a
6 bond running to the county in the actual amount of state, county,
7 and school taxes, except school taxes collected through a city
8 treasurer, with sufficient sureties to be approved by the
9 supervisor of the township and the county treasurer, conditioned
10 that he or she will pay over to the county treasurer as required by
11 law all state and county taxes, pay over to the respective school
12 treasurers all school taxes that he or she collects during each
13 year of his or her term of office, and duly and faithfully perform
14 all the other duties of the office of treasurer. If a corporate
15 surety bond is provided, the bond ~~shall~~**must** be approved only by
16 the county treasurer. If the bond is furnished by a surety company
17 authorized to transact business under the laws of this state, it is
18 sufficient that the bond is equal to 40% of the amount of state,
19 county, and school taxes. If the bond is furnished by a surety
20 company, the premium and cost of the bond given to the county ~~shall~~
21 **must** be paid by the county treasurer from the general fund of the
22 county against which the premium and cost is made a charge.
23 However, the county treasurer having paid the premium may bill each
24 district school board afforded protection by the bond that portion
25 of the premium charge as is allocated to the school taxes and the
26 school district treasurers shall pay that allocated premium charge
27 as determined by the county treasurer for the protection of school
28 taxes from available school district funds. If the county treasurer
29 and township supervisor determine that the bond of the township

1 treasurer recorded with the township clerk and on file with the
2 township supervisor is adequate and sufficient to safeguard the
3 proper accounting of state, county, and school taxes as required by
4 law, the township treasurer ~~shall~~**is** not ~~be~~ required to file with
5 the county treasurer the bond provided for in this section. The
6 county treasurer shall deliver to the supervisor on or before the
7 day the taxes to be collected become a lien a signed statement of
8 approval of the bond. Upon the receipt of the signed statement and
9 on or before the day the taxes to be collected become a lien, the
10 supervisor shall deliver to the township treasurer the tax roll of
11 ~~this~~**the** township. The county treasurer shall file and safely keep
12 the bond in his or her office and shall give to the township
13 treasurer a receipt stating that the required bond was received,
14 which receipt the township treasurer shall deliver to the
15 supervisor on or before the day the taxes to be collected become a
16 lien. After the delivery of the receipt and on or before the day
17 the taxes to be collected become a lien, the supervisor shall
18 deliver to the township treasurer the tax roll of the township.

19 (3) Except as provided in subsections (4) and (5), tax
20 collections ~~shall~~**must** be delivered pursuant to the following
21 schedule:

22 (a) Within 10 business days after the first and fifteenth day
23 of each month, the township or city treasurer shall account for and
24 deliver to the county treasurer the total amount of state and
25 county tax collections on hand on the first and fifteenth day of
26 each month; to the school district treasurers the total amount of
27 school tax collections on hand on the first and fifteenth day of
28 each month; and to the public transportation authorities the total
29 amount of public transportation authority tax collections on hand

1 the first and fifteenth day of each month. If the intermediate
2 school district and community college district provide for direct
3 payment pursuant to subsection (9), the township or city treasurer
4 shall also account for and deliver to the intermediate school
5 district and the community college district the total respective
6 amounts of school tax collections on hand the first and fifteenth
7 day of each month. This subdivision ~~shall~~**does** not apply to the
8 month of March.

9 (b) Within 10 business days after the last day of February,
10 the township or city treasurer shall account for and deliver to the
11 county treasurer at least 90% of the total amount of state and
12 county tax collections on hand on the last day of February; to the
13 school district treasurers at least 90% of the total amount of
14 school tax collections on hand on the last day of February; and to
15 the public transportation authorities at least 90% of the total
16 amount of public transportation authority tax collections on hand
17 on the last day of February. If the intermediate school district
18 and community college district provide for direct payment pursuant
19 to subsection (9), the township or city treasurer shall also
20 account for and deliver to the intermediate school district and
21 community college district at least 90% of the total respective
22 amounts of school tax collections on hand on the last day of
23 February.

24 (c) A final adjustment and delivery of the total amount of tax
25 collections on hand for the county, community college districts,
26 intermediate school districts, school districts, and public
27 transportation authorities ~~shall~~**must** be made not later than April
28 1 of each year.

29 (4) Instead of following the schedule prescribed in subsection

1 (3), the township or city serving as the tax collecting unit and
2 the local governmental unit for which the tax collections are made
3 may enter into an agreement to establish an alternative schedule
4 for delivering tax collections.

5 (5) A township that has a state equalized valuation of
6 \$15,000,000.00 or less shall account for and deliver to the county
7 treasurer, the school district treasurers, and the public
8 transportation authorities and, if the intermediate school district
9 and community college district provide for direct payment pursuant
10 to subsection (9), the intermediate school district treasurers and
11 community college treasurers the taxes collected up to and
12 including January 10, within 10 business days after January 10.
13 However, a township treasurer subject to this subsection shall at
14 no time have on hand collections of state, county, community
15 college, intermediate school district if applicable pursuant to
16 subsection (9), school district, and public transportation
17 authority taxes in excess of 25% of the amount of the taxes
18 apportioned to the township and, ~~when~~**if** collections on hand reach
19 ~~this~~**that** percentage, the township treasurer shall immediately
20 account for and turn over the total amount of state and county tax
21 collections on hand to the county treasurer, the total respective
22 amounts of school tax collections on hand to the respective
23 treasurers, and the total respective amounts of public
24 transportation authority tax collections on hand to the respective
25 public transportation authorities. The township treasurer shall
26 notify the secretary or superintendent of each community college
27 district, intermediate school district, and school district
28 applicable and each of the applicable public transportation
29 authorities of the total amount of taxes paid to the respective

1 treasurer or authority, which notification ~~shall~~**must** show the
2 different funds for which the taxes were collected.

3 (6) Except as may be provided under section 1613 of ~~Act No.~~
4 ~~451 of the Public Acts of 1976, being section 380.1613 of the~~
5 ~~Michigan Compiled Laws,~~**the revised school code, 1976 PA 451, MCL**
6 **380.1613**, when a county treasurer is collecting the school district
7 or intermediate school district levy, the county treasurer shall
8 account for and deliver to the appropriate local governmental unit
9 treasurer the tax collections received by the county treasurer
10 within 10 business days after the county treasurer receives the
11 funds.

12 (7) ~~The~~**A** county treasurer shall account for and deposit in
13 the county library fund for the use of the county library board,
14 county tax collections received pursuant to a tax levied under
15 section 1 of ~~Act No. 138 of the Public Acts of 1917, being section~~
16 ~~397.301 of the Michigan Compiled Laws,~~**1917 PA 138, MCL 397.301**,
17 within 10 business days after the county treasurer receives the
18 funds.

19 (8) ~~The~~**A** county treasurer shall account for and deliver to
20 the boards of each metropolitan transportation authority the county
21 tax collections for transportation authority purposes received by
22 the county treasurer within 10 business days after the county
23 treasurer receives the funds.

24 (9) For taxes that become a lien in December 1984 or after
25 1984, an intermediate school district board or the board of
26 trustees of a community college may provide that a local tax
27 collecting treasurer shall account for and deliver tax collections
28 directly to the respective intermediate school district or
29 community college treasurer pursuant to the schedule contained in

1 subsections (3), (4), and (5) for delivery of the respective taxes
2 to the county treasurer. A resolution ~~shall~~**must** be adopted at
3 least 60 days before the day taxes to be collected become a lien
4 and ~~shall~~**must** specify the period for which the resolution is
5 effective. Copies of the resolution ~~shall~~**must** be transmitted to
6 each local tax collecting treasurer and county treasurer within the
7 intermediate school district or community college district.

8 (10) By the fifteenth day of each month, ~~the~~**a** county
9 treasurer shall account for and deliver to the state the
10 collections under the state education tax act, ~~Act No. 331 of the~~
11 ~~Public Acts of 1993, being sections 211.901 to 211.906 of the~~
12 ~~Michigan Compiled Laws, 1993 PA 331, MCL 211.901 to 211.906,~~ on
13 hand on the last day of the preceding month. By the first day of
14 each month, ~~the~~**a** county treasurer shall account for and deliver to
15 the state the collections under the state education tax act, ~~Act~~
16 ~~No. 331 of the Public Acts of 1993, 1993 PA 331, MCL 211.901 to~~
17 **211.906,** on hand on or before the fifteenth day of the immediately
18 preceding month. ~~The~~**A** county treasurer may retain the interest
19 earned on the money collected under ~~Act No. 331 of the Public Acts~~
20 ~~of 1993~~**the state education tax act, 1993 PA 331, MCL 211.901 to**
21 **211.906,** while held by the county treasurer, as reimbursement for
22 the cost incurred by the county in collecting and transmitting the
23 tax imposed by that act. The money retained by ~~the~~**a** county
24 treasurer under this section ~~shall~~**must** be deposited in the
25 treasury of the county in which the tax is collected to the credit
26 of the general fund.

27 (11) A treasurer who willfully neglects or refuses to perform
28 a duty required by subsections (3) to (8) is subject to the penalty
29 prescribed in section 119(1).

1 (12) Except as otherwise provided by subsection (10), interest
2 earned by a city, township, or county on collections of taxes
3 levied on or after November 5, 1985 before the tax collections are
4 accounted for and delivered to the respective taxing units pursuant
5 to this section ~~shall~~**must** also be accounted for and delivered to
6 the respective taxing units on a pro rata basis. Interest earned by
7 a city, township, or county on collections of taxes levied before
8 November 5, 1985 before those collections were accounted for and
9 delivered to the respective taxing units in compliance with the
10 requirements of this section is not subject to claim and
11 retroactive collection by those taxing units. However, interest
12 earned on collections of taxes levied on or after November 5, 1985
13 and before December 1, 1987 are not subject to claim and
14 retroactive collection unless a claim has been filed in a court of
15 competent jurisdiction before March 1, 1988. This subsection does
16 not apply to interest or penalties imposed by law or charter and
17 does not nullify or prohibit any agreements made between a
18 collecting unit and a taxing unit regarding the earned interest.

19 (13) If there is an agreement for an alternative schedule for
20 delivering tax collections or for interest earned under subsections
21 (4) and (12), the collection of the state education tax is subject
22 to those provisions of that agreement.

23 **(14) Notwithstanding any provision of this act to the**
24 **contrary, the collection and return of taxes levied by the board of**
25 **trustees of a community college district is subject to the**
26 **limitation set forth in section 144(6) of the community college act**
27 **of 1966, 1966 PA 331, MCL 389.144.**

28 (15) ~~(14)~~As used in this section:

29 (a) "Metropolitan transportation authority" means an authority

1 created under the metropolitan transportation authorities act of
2 1967, ~~Act No. 204 of the Public Acts of 1967, being sections~~
3 ~~124.401 to 124.425 of the Michigan Compiled Laws.~~**1967 PA 204, MCL**
4 **124.401 to 124.426.**

5 (b) "Public transportation authority" means an authority
6 created under ~~Act No. 55 of the Public Acts of 1963, being sections~~
7 ~~124.351 to 124.359 of the Michigan Compiled Laws.~~**1963 PA 55, MCL**
8 **124.351 to 124.359.**

9 Enacting section 1. This amendatory act does not take effect
10 unless Senate Bill No. ____ or House Bill No. 5361 (request no.
11 02036'21) of the 101st Legislature is enacted into law.