

**SUBSTITUTE FOR
SENATE BILL NO. 243**

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 44a (MCL 211.44a), as amended by 2012 PA 184.

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 portion of the total number of mills allocated to a county by a
8 county tax allocation board or authorized for a county through a
9 separate tax limitation vote that ~~shall~~**must** be imposed in each



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1 year as a summer property tax levy under this section is as
2 follows:

3 (a) In 2005, 1/3 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 (b) In 2006, 2/3 of the total number of mills allocated to the
7 county by a county tax allocation board or authorized for the
8 county through a separate tax limitation vote.

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

12 (2) Notwithstanding any other statutory or charter provision
13 to the contrary, beginning in 2013 and each year after 2013, a
14 millage that is levied by any taxing authority within a local tax
15 collecting unit that had been previously billed and collected as
16 part of the winter property tax levy in a preceding tax year may be
17 accelerated and collected earlier in that tax year as a summer
18 property tax levy if all of the following conditions are satisfied:

19 (a) The aggregate amount of the revenue from the levy and
20 collection of all individual millages that would be levied and
21 collected in the winter tax bill totals \$100.00 or less per
22 individual tax bill, excluding any property tax administration fee.
23 A millage may be accelerated and collected earlier for only those
24 tax bills that total \$100.00 or less for all individual millages
25 and that millage may be levied and collected as a winter property
26 tax levy for all other tax bills that total more than \$100.00 for
27 all individual millages. Any additional millage approved to be
28 levied by any taxing authority after collection of the summer
29 property tax levy ~~shall~~**must** be collected as part of a winter



1 property tax levy as provided in this act.

2 (b) A resolution authorizing the summer collection is approved
3 by all of the following:

4 (i) The county board of commissioners.

5 (ii) The legislative body of the local tax collecting unit.

6 (iii) The county tax allocation board, if any.

7 (c) Within 60 days of approval of the resolutions required
8 under subdivision (b), the local tax collecting unit notifies all
9 owners of property on the tax roll that if the aggregate amount of
10 the revenue from the levy and collection of all individual millages
11 that would be levied and collected in the winter tax bill totals
12 \$100.00 or less, excluding any property tax administration fee,
13 those millages will be accelerated and collected as a summer
14 property tax levy.

15 (3) Before June 30 and in conformance with the procedures
16 prescribed by this act, the taxes being collected as a summer
17 property tax levy ~~shall~~**must** be spread in terms of millages on the
18 assessment roll, the amount of tax levied ~~shall~~**must** be assessed in
19 proportion to the taxable value, and a tax roll ~~shall~~**must** be
20 prepared that commands the appropriate treasurer to collect on July
21 1 the taxes indicated as due on the tax roll.

22 (4) Taxes authorized to be collected ~~shall~~ become a lien
23 against the property on which assessed, and **are** due from the owner
24 of that property on July 1.

25 (5) All taxes and interest imposed pursuant to this section
26 that are unpaid before March 1 ~~shall~~**must** be returned as delinquent
27 on March 1 and collected pursuant to this act.

28 (6) Interest ~~shall~~**must** be added to taxes collected after
29 September 14 at that rate imposed by section 78a on delinquent



1 property tax levies that became a lien in the same year. However,
 2 if September 14 is on a Saturday, Sunday, or legal holiday, the
 3 last day taxes are due and payable before interest is added is on
 4 the next business day and interest ~~shall~~**must** be added to taxes
 5 that remain unpaid on the immediately succeeding business day. The
 6 tax levied under this act that is collected with the city taxes
 7 ~~shall be~~**is** subject to the same penalties, interest, and collection
 8 charges as city taxes and ~~shall~~**must** be returned as delinquent to
 9 the county treasurer in the same manner and with the same interest,
 10 penalties, and fees as city taxes.

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

17 (8) Collections ~~shall~~**must** be remitted to the county for which
 18 the taxes were collected pursuant to section 43.

19 (9) To the extent applicable and consistent with the
 20 requirements of this section, this act ~~shall apply~~**applies** to
 21 proceedings in relation to the assessment, spreading, and
 22 collection of taxes pursuant to this section.

23 (10) Each county shall establish a restricted fund known as
 24 the revenue sharing reserve fund. The total amount required to be
 25 placed in the revenue sharing reserve fund for each county ~~shall~~
 26 **must** equal the amount of that county's December 2004 property tax
 27 levy of the total number of mills allocated to the county by a
 28 county tax allocation board or authorized for the county through a
 29 separate tax limitation vote, less any amount of tax levy captured



1 and used under a tax increment financing plan under ~~1975 PA 197,~~
 2 ~~MCL 125.1651 to 125.1681; the tax increment finance authority act,~~
 3 ~~1980 PA 450, MCL 125.1801 to 125.1830; the local development~~
 4 ~~financing act, 1986 PA 281, MCL 125.2151 to 125.2174; part 2, 3, or~~
 5 **4 of the recodified tax increment financing act, 2018 PA 57, MCL**
 6 **125.4201 to 125.4230, MCL 125.4301 to 125.4329, and MCL 125.4401 to**
 7 **125.4420,** or the brownfield redevelopment financing act, 1996 PA
 8 381, MCL 125.2651 to ~~125.2672,~~ **125.2670,** and ~~shall~~ **must** be
 9 deposited in the revenue sharing reserve fund as provided in this
 10 section. Revenues credited to the revenue sharing reserve fund from
 11 the December tax levy of a county with a fiscal year ending
 12 December 31 ~~shall~~ **must** be accrued to the fiscal year ending in the
 13 year of that December property tax levy. Revenue ~~shall~~ **must** be
 14 credited to the fund by each county as follows:

15 (a) From the county's December 2004 property tax levy, 1/3 of
 16 the total December levy of the total number of mills allocated to
 17 the county by a county tax allocation board or authorized for the
 18 county through a separate tax limitation vote, less any amount of
 19 tax levy captured and used under a tax increment financing plan
 20 under ~~1975 PA 197, MCL 125.1651 to 125.1681; the tax increment~~
 21 ~~finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the~~
 22 ~~local development financing act, 1986 PA 281, MCL 125.2151 to~~
 23 ~~125.2174; part 2, 3, or 4 of the recodified tax increment financing~~
 24 **act, 2018 PA 57, MCL 125.4201 to 125.4230, MCL 125.4301 to**
 25 **125.4329, and MCL 125.4401 to 125.4420,** or the brownfield
 26 redevelopment financing act, 1996 PA 381, MCL 125.2651 to
 27 ~~125.2672.~~ **125.2670.**

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



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

3 (11) All of the following apply to a revenue sharing reserve
4 fund established under subsection (10):

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

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

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

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

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

25 (13) Not later than March 1, 2005, a county that receives a
26 payment in October 2004 as provided in a bill making appropriations
27 to the department of treasury for the 2004-05 fiscal year shall pay
28 the amount of that payment to the state treasurer from the revenue
29 sharing reserve fund. A county that does not make the payment



required under this subsection shall not make any expenditures from the fund provided under subsection ~~(13)~~. **(14)**.

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

(15) A county's required 2012 revenue sharing reserve fund balance ~~shall~~**must** be reduced by an amount equal to the amount of county allocated property tax the county had to refund for the 2004 tax year due to a single court judgment, if the refund of 2004 county allocated tax due to that judgment was at least 70% of the county's 2011 allowable withdrawal from its revenue sharing reserve fund. The refund amount ~~shall~~**must** include the interest the county paid on the 2004 property tax refund.

(16) If a resolution authorizing a summer property tax levy for a tax previously billed as part of the winter property tax levy is approved under subsection (2), the treasurer that collects the summer property tax levy shall establish a restricted fund to be known as the other levies reserve fund for any millage collected that was previously billed as part of the winter property tax levy. Any millage that had been previously billed and collected as part of the winter property tax levy in a preceding tax year that is accelerated and collected earlier as a summer property tax levy ~~shall~~**must** be deposited into the other levies reserve fund. The



1 treasurer that collects the summer property tax levy shall
2 distribute to the local taxing authorities the revenues credited to
3 the other levies reserve fund from the summer property tax
4 collection of a millage that had been previously billed and
5 collected as part of a winter property tax levy on December 1 of
6 the tax year that the December property tax levy would otherwise
7 have been due and payable. If a millage previously billed and
8 collected as part of the winter property tax levy is accelerated
9 and collected earlier as a summer property tax levy, and if the
10 millage collected in that summer property tax levy is less than
11 that millage would have been if levied as part of the immediately
12 succeeding winter property tax levy, the treasurer that collected
13 the summer property tax levy may issue a supplemental winter tax
14 bill for the deficiency or, if approved by a resolution of the
15 legislative body of the local unit that collected the summer
16 property tax levy, pay any deficiency from that local unit's
17 general fund. The treasurer collecting the summer property tax levy
18 shall account for interest earned on the other levies reserve fund
19 and interest ~~shall~~**must** be transmitted to the various local tax
20 collecting units in proportion to the revenue collected from a
21 millage previously billed and collected as part of the winter
22 property tax levy in a preceding tax year that is accelerated and
23 collected earlier as a summer property tax levy, after a deduction
24 of reasonable expenses incurred by the treasurer in administering
25 the accounting and disbursement of funds, to the extent that those
26 expenses are in addition to the expenses of accounting and
27 disbursing other taxes.

28 (17) The treasurer that collects the state education tax shall
29 collect the summer property tax levy under this section.



(18) An owner of qualified pandemic-affected real property may apply to the department of treasury for this state's payment of any eligible interest, penalties, or fees charged to that property for unpaid summer 2020 property taxes. The application must be made by not later than May 17, 2021 in a form and manner prescribed by the department of treasury. The department of treasury shall develop the form and make it available to the public by not later than May 3, 2021. If the department of treasury determines that the applicant's property is qualified pandemic-affected real property, the department shall, by not later than May 31, 2021, make a payment on behalf of the applicant to the county treasurer described in subdivision (g) (ii) in an amount equal to the eligible interest, penalties, or fees charged to that property for unpaid summer 2020 property taxes. The department of treasury's criteria, including required taxpayer documentation, for determining payment eligibility under this subsection must be narrowly tailored to determining only whether the property is qualified pandemic-affected real property and the amount of eligible interest, penalties, or fees charged to that property for unpaid summer 2020 property taxes. As used in this subsection:

(a) "Eligible business" means any of the following:

(i) An entertainment venue.

(ii) An exercise facility.

(iii) A food service establishment.

(iv) A recreation facility or place of public amusement.

(b) "Eligible interest, penalties, or fees" means the sum of both of the following:

(i) Any unpaid interest or penalties charged under this section or local charter to qualified pandemic-affected real property for

1 unpaid summer 2020 property taxes.

2 (ii) Any unpaid interest or fees charged under section 78a(3)
3 to qualified pandemic-affected real property returned as delinquent
4 under section 78a, to the extent that the unpaid interest and fees
5 are attributable to unpaid summer 2020 property taxes.

6 (c) "Entertainment venue" includes an auditorium, arena,
7 banquet hall, cinema, concert hall, conference center, performance
8 venue, sporting venue, stadium, or theater.

9 (d) "Exercise facility" means a facility in which individuals
10 participate in individual or group physical activity, including a
11 gymnasium, fitness center, or exercise studio.

12 (e) "Food service establishment" means that term as defined in
13 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

14 (f) "Principal residence" means property exempt under section
15 7cc from the tax levied by a local school district for school
16 operating purposes.

17 (g) "Qualified pandemic-affected real property" means real
18 property that meets all of the following:

19 (i) Is 1 of the following:

20 (A) The owner's principal residence.

21 (B) Used primarily for the operation of an eligible business
22 that experienced economic hardship as a result of the COVID-19
23 pandemic or the government's response to the pandemic, or both.

24 (ii) Was returned under section 78a to the county treasurer for
25 delinquent summer 2020 property taxes that remain unpaid.

26 (iii) Was not subject to unpaid delinquent taxes in 2018 or
27 2019. For purposes of this subparagraph, property is considered to
28 have been subject to unpaid delinquent taxes in 2018 or 2019
29 whether or not those unpaid delinquent taxes were subsequently



1 paid.

2 (iv) Is not owned by a land contract vendor, bank, credit
3 union, other lending institution, or other individual or legal
4 entity as a result of a foreclosure or forfeiture or through deed
5 or conveyance in lieu of a foreclosure or forfeiture on that
6 property.

7 (v) Is not the subject of an escrow account agreement or other
8 agreement under which a contract vendor, bank, credit union, other
9 lending institution, or other individual or legal entity is
10 obligated to pay property taxes on behalf of the property owner.

11 (h) "Recreation facility or place of public amusement"
12 includes an amusement park, arcade, bingo hall, bowling alley,
13 casino, nightclub, skating rink, water park, or trampoline park.

14 Enacting section 1. The legislature intends that the
15 appropriation described in section 406 of 2021 PA 2 be used to fund
16 this state's payment of eligible interest, penalties, or fees
17 charged to qualified pandemic-affected real property for unpaid
18 summer 2020 property taxes, as provided in section 44a of the
19 general property tax act, 1893 PA 206, MCL 211.44a, as amended by
20 this amendatory act.

