

Act No. 313
Public Acts of 1993
Approved by the Governor
December 28, 1993
Filed with the Secretary of State
December 29, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Reps. Johnson, Gilmer, Horton, Bender, McBryde, Bullard, Bandstra, Dalman, Shugars, Jaye, Llewellyn, Munsell, Walberg and Martin

ENROLLED HOUSE BILL No. 5115

AN ACT to amend sections 2, 7u, and 27a of Act No. 206 of the Public Acts of 1893, entitled as amended "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes thereon, and for the collection of taxes levied; making such taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection therewith; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal certain acts and parts of acts in anywise contravening any of the provisions of this act," sections 2 and 27a as amended by Act No. 145 of the Public Acts of 1993 and section 7u as added by Act No. 142 of the Public Acts of 1980, being sections 211.2, 211.7u, and 211.27a of the Michigan Compiled Laws; and to add section 44a.

The People of the State of Michigan enact:

Section 1. Sections 2, 7u, and 27a of Act No. 206 of the Public Acts of 1893, sections 2 and 27a as amended by Act No. 145 of the Public Acts of 1993 and section 7u as added by Act No. 142 of the Public Acts of 1980, being sections 211.2, 211.7u, and 211.27a of the Michigan Compiled Laws, are amended and section 44a is added to read as follows:

Sec. 2. (1) For the purpose of taxation, real property includes all lands within the state, all buildings and fixtures on the land and appurtenances thereto, except as expressly exempted by law, and includes all real property owned by the state or purchased or condemned for public highway purposes by any board, officer, commission, or department of the state and sold on land contract, notwithstanding the fact that the deed has not been executed transferring title.

(2) The taxable status of persons and real and personal property for a tax year shall be determined as of each December 31 of the immediately preceding year, which is considered the tax day, any provisions in the charter of any city or village to the contrary notwithstanding. An assessing officer is not restricted to any particular period in the preparation of the assessment roll but may survey, examine, or review properties at any time before or after the tax day.

(3) Notwithstanding a provision to the contrary in any law, if real property is acquired for public purposes by purchase or condemnation, all general property taxes, but not penalties, levied during the 12 months immediately preceding, but not including, the day title passes to the public agency shall be prorated in accordance with this subsection. The seller or condemnee is responsible for the portion of taxes from the levy date or dates to, but not

including, the day title passes and the public agency is responsible for the remainder of the taxes. If the date that title will pass cannot be ascertained definitely and an agreement in advance to prorate taxes is desirable, an estimated date for the passage of title may be agreed to. In the absence of an agreement, the public agency shall compute the proration of taxes as of the date title passes. The question of proration of taxes shall not be considered in any condemnation proceeding. As used in this paragraph "levy date" means the day on which general property taxes become due and payable. In addition to the portion of taxes for which the public agency is responsible under the provisions of this subsection, the public agency is also responsible for all general property taxes levied on or after the date title passes and before the property is removed from the tax rolls.

(4) In a real estate transaction between private parties in the absence of an agreement to the contrary, the seller is responsible for that portion of the annual taxes levied during the 12 months immediately preceding, but not including, the day title passes, from the levy date or dates to, but not including, the day title passes and the buyer is responsible for the remainder of the annual taxes. As used in this subsection, "levy date" means the day on which a general property tax becomes due and payable.

Sec. 7u. The real and personal property of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is exempt from taxation under this act. This section does not apply to the property of a corporation.

Sec. 27a. (1) Except as otherwise provided in subsection (2), property shall be assessed at 50% of its true cash value pursuant to section 3 of article IX of the state constitution of 1963.

(2) Assessment of property, as required in this section and section 27, is inapplicable to the assessment of property subject to the levy of ad valorem taxes within voted tax limitation increases to pay principal and interest on limited tax bonds issued by any governmental unit, including a county, township, community college district, or school district, before January 1, 1964, if the assessment required to be made under this act would be less than the assessment as state equalized prevailing on the property at the time of the issuance of the bonds. This inapplicability shall continue until levy of taxes to pay principal and interest on the bonds is no longer required. The assessment of property required by this act shall be applicable for all other purposes.

Sec. 44a. (1) Notwithstanding any other statutory or charter provision to the contrary, a county in which 1 or more local units of government levies a summer property tax may by resolution of its governing body determine to impose in 1995 one quarter of, in 1996 one half of and for collections after 1996 all or one half of its property tax levy as a summer property tax levy in those local units of government where a summer tax is being collected by the local tax collecting treasurer. The resolution by its terms may be applicable until revoked by the governing body of the county.

(2) Upon adoption of a resolution authorized by subsection (1), the county shall notify by April 15 of each year each applicable local tax collecting unit of its determination to impose a summer property tax levy in that year. Before June 30 and in conformance with the procedures prescribed by this act, the taxes being collected shall be spread in terms of millages on the assessment roll, the amount of tax levied shall be assessed in proportion to the state equalized valuation, and a tax roll shall be prepared which commands the appropriate treasurer to collect on July 1 the taxes indicated as due on the tax roll.

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

(4) Taxes shall be collected on or before September 14 and all taxes and interest imposed pursuant to this section unpaid before March 1 shall be returned as delinquent on March 1 and collected pursuant to this act.

(5) Interest shall be added to taxes collected after September 14 at that rate imposed by section 59 on delinquent property tax levies which became a lien in the same year.

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

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

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

(9) This section is effective for property tax collections in 1995 and after 1995 if the sales tax is levied at a rate of 4% under the general sales tax act, Act No. 167 of the Public Acts of 1933, being sections 205.51 to 205.78 of the Michigan Compiled Laws.

Section 2. This amendatory act applies only to taxes levied after 1993.

Section 3. This amendatory act shall not take effect unless Senate Joint Resolution S is submitted to the voters and the following bills are enacted into law:

- (a) House Bill No. 5109.
- (b) House Bill No. 5110.
- (c) House Bill No. 5116.
- (d) House Bill No. 5009.
- (e) House Bill No. 5010.
- (f) House Bill No. 5118.
- (g) House Bill No. 5097.
- (h) House Bill No. 5123.
- (i) House Bill No. 4279.
- (j) House Bill No. 5102.
- (k) House Bill No. 5103.
- (l) House Bill No. 5104.
- (m) House Bill No. 5106.
- (n) House Bill No. 5111.
- (o) House Bill No. 5112.
- (p) House Bill No. 5120.
- (q) House Bill No. 5129.
- (r) House Bill No. 5224.

This act is ordered to take immediate effect.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.