

Act No. 57
Public Acts of 1996
Approved by the Governor
February 25, 1996
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**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Rep. Bodem

ENROLLED HOUSE BILL No. 5308

AN ACT to amend sections 7dd and 44 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," section 7dd as added by Act No. 237 of the Public Acts of 1994 and section 44 as amended by Act No. 415 of the Public Acts of 1994, being sections 211.7dd and 211.44 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 7dd and 44 of Act No. 206 of the Public Acts of 1893, section 7dd as added by Act No. 237 of the Public Acts of 1994 and section 44 as amended by Act No. 415 of the Public Acts of 1994, being sections 211.7dd and 211.44 of the Michigan Compiled Laws, are amended to read as follows:

Sec. 7dd. As used in sections 7cc and 7ee:

(a) "Homestead" means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling or unit. Homestead also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. Contiguity is not broken by a road or a right-of-way. Homestead also includes any portion of a principal residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

(b) "Owner" means a person who is 1 of the following:

- (i) A person who owns property or who is purchasing property under a land contract.
- (ii) A person who is a partial owner of property.

(iii) A person who owns property as a result of being a beneficiary of a will or trust or as a result of intestate succession.

(iv) A person who owns or is purchasing a dwelling on leased land.

(v) A person holding a life lease in property previously sold or transferred to another.

(vi) A grantor who has placed the property in a revocable trust or a qualified personal residence trust.

(c) "Person", for purposes of defining owner as used in section 7cc, means an individual and for purposes of defining owner as used in section 7ee means an individual, partnership, corporation, limited liability company, association, or other legal entity.

(d) "Principal residence" means the 1 place where a person has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established.

(e) "Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of part 361 (farmland and open space preservation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.36101 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

Sec. 44. (1) Upon receipt of the tax roll, the township treasurer or other collector shall proceed to collect the taxes. The township treasurer or other collector shall mail to each taxpayer at the taxpayer's last known address on the tax roll or to the taxpayer's designated agent a statement showing the description of the property against which the tax is levied, the taxable value of the property, and the amount of the tax on the property. If a tax statement is mailed to the taxpayer, a tax statement sent to a taxpayer's designated agent may be in a summary form or may be in an electronic data processing format. If the tax statement information is provided to both a taxpayer and the taxpayer's designated agent, the tax statement mailed to the taxpayer may be identified as an informational copy. A township treasurer or other collector electing to send a tax statement to a taxpayer's designated agent or electing not to include an itemization in the manner described in subsection (9)(c) in a tax statement mailed to the taxpayer shall, upon request, mail a detailed copy of the tax statement, including an itemization of the amount of tax in the manner described by subsection (9)(c), to the taxpayer without charge, as previously required by this section.

(2) The expense of preparing and mailing the statement shall be paid from the county, township, city, or village funds. Failure to send or receive the notice does not prejudice the right to collect or enforce the payment of the tax. The township treasurer shall remain in the office of the township treasurer at some convenient place in the township on each Friday in the month of December, from 9 a.m. to 5 p.m. to receive taxes, but shall receive taxes upon a weekday when they are offered. However, if a Friday in the month of December is Christmas eve, Christmas day, New Year's eve, or a day designated by the township as a holiday for township employees, the township treasurer shall not be required to remain in the office of the township treasurer on that Friday, but shall remain in the office of the township treasurer at some convenient place in the township from 9 a.m. to 5 p.m. on the day most immediately preceding that Friday that is not Christmas eve, Christmas day, New Year's eve, or a day designated by the township as a holiday for township employees, to receive taxes.

(3) Except as provided by subsection (7), on a sum voluntarily paid before February 15 of the succeeding year, the local property tax collecting unit shall add 1% for a property tax administration fee. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, if a local property tax collecting unit other than a village does not also serve as the local assessing unit, the excess of the amount of property tax administration fees over the expense to the local property tax collecting unit in collecting the taxes, but not less than 80% of the fee imposed, shall be returned to the local assessing unit. A property tax administration fee is defined as a fee to offset costs incurred by a collecting unit in assessing property values, collecting the property tax levies, and in the review and appeal processes. The costs of any appeals, in excess of funds available from the property tax administration fee, may be shared by any taxing unit only if approved by the governing body of the taxing unit. Except as provided by subsection (7), on all taxes paid after February 14 and before March 1 the governing body of a city or township may authorize the treasurer to add to the tax a property tax administration fee to the extent imposed on taxes paid before February 15 and a late penalty charge equal to 3% of the tax. Interest from February 15 to the last day of February on a summer property tax that has been deferred under section 51 or any late penalty charge may be waived by the governing body of a city or township for the homestead property of a senior citizen, paraplegic, quadriplegic, hemiplegic, eligible serviceperson, eligible veteran, eligible widow or widower, totally and permanently disabled person,

or blind person, as those persons are defined in chapter 9 of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being sections 206.501 to 206.532 of the Michigan Compiled Laws, if the person makes a claim before February 15 for a credit for that property provided by chapter 9 of Act No. 281 of the Public Acts of 1967, if the person presents a copy of the form filed for that credit to the local treasurer, and if the person has not received the credit before February 15. Interest from February 15 to the last day of February on a summer property tax deferred under section 51 or any late penalty charge may be waived by the governing body of a city or township for a person's property that is subject to a farmland development rights agreement recorded with the register of deeds of the county in which the property is situated as provided in section 36104 of part 361 (farmland and open space preservation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.36104 of the Michigan Compiled Laws, if the person presents a copy of the development rights agreement or verification that the property is subject to a development rights agreement before February 15. A 4% county property tax administration fee, a property tax administration fee to the extent imposed on and if authorized under subsection (7) for taxes paid before March 1, and interest on the tax at the rate of 1% per month shall be added to taxes collected by the township or city treasurer after the last day of February and before settlement with the county treasurer, and the payment shall be treated as though collected by the county treasurer. If the statements required to be mailed by this section are not mailed before December 31, the treasurer shall not impose a late penalty charge with respect to taxes collected after February 14.

(4) The governing body of a local property tax collecting unit may waive all or part of the property tax administration fee or the late penalty charge, or both. A property tax administration fee collected by the township treasurer shall be used only for the purposes for which it may collected as specified by subsection (3) and this subsection. If the bond of the treasurer, as provided in section 43, is furnished by a surety company, the cost of the bond may be paid by the township from the property tax administration fee.

(5) If apprehensive of the loss of personal tax assessed upon the roll, the township treasurer may enforce collection of the tax at any time, and if compelled to seize property or bring an action in December may add, if authorized under subsection (7), 1% for a property tax administration fee and 3% for a late penalty charge.

(6) Along with taxes returned delinquent to a county treasurer under section 55, the amount of the 1% property tax administration fee prescribed by subsection (3) that is imposed and not paid shall be included in the return of delinquent taxes and, when delinquent taxes are distributed by the county treasurer under this act, the delinquent 1% property tax administration fee shall be distributed to the treasurer of the local unit who transmitted the statement of taxes returned as delinquent. Interest imposed upon delinquent property taxes under this act shall also be imposed upon the 1% property tax administration fee and, for purposes of this act other than to which local unit the county treasurer shall distribute a delinquent 1% property tax administration fee, any reference to delinquent taxes shall be considered to include the 1% property tax administration fee returned as delinquent for the same property.

(7) The local property tax collecting treasurer shall not impose a property tax administration fee, collection fee, or any type of late penalty charge authorized by law or charter unless the governing body of the local property tax collecting unit approves, by resolution or ordinance adopted after December 31, 1982, an authorization for the imposition of a property tax administration fee, collection fee, or any type of late penalty charge provided for by this section or by charter, which authorization shall be valid for all levies that become a lien after the resolution or ordinance is adopted. However, unless otherwise provided for by an agreement between the assessing unit and the collecting unit, a local property tax collecting unit that does not also serve as the assessing unit shall impose a property tax administration fee on each parcel at a rate equal to the rate of the fee imposed for city or township taxes on that parcel.

(8) The annual statement required by Act No. 125 of the Public Acts of 1966, being sections 565.161 to 565.164 of the Michigan Compiled Laws, or a monthly billing form or mortgagor passbook provided instead of that annual statement shall include a statement to the effect that a taxpayer who has not been mailed the tax statement or a copy of the tax statement by the township treasurer or other collector shall receive, upon request and without charge, a copy of the tax statement from the township treasurer or other collector or, if the tax statement has been mailed to the taxpayer's designated agent, from either the taxpayer's designated agent or the township treasurer or other collector. A designated agent who is subject to Act No. 125 of the Public Acts of 1966 and who has been mailed the tax statement for taxes that became a lien in the calendar year immediately preceding the year in which the annual statement may be required to be furnished shall mail, upon the request of and without charge to a taxpayer who has not been mailed that tax statement or a copy of that tax statement, a copy of that tax statement to that taxpayer.

(9) As used in this section:

(a) "Designated agent" means an individual, partnership, association, corporation, receiver, estate, trust, or other legal entity that has entered into an escrow account agreement or other agreement with the taxpayer that obligates that individual or legal entity to pay the property taxes for the taxpayer or, if an agreement has not been entered into, that has been designated by the taxpayer on a form made available to the taxpayer by the township treasurer and filed with that treasurer. The designation by the taxpayer shall remain in effect until revoked by the taxpayer in a writing filed with the township treasurer. The form made available by the township treasurer shall include a statement that submission of the form allows the treasurer to mail the tax statement to the designated agent instead of to the taxpayer

and a statement notifying the taxpayer of his or her right to revoke the designation by a writing filed with the township treasurer.

(b) "Taxpayer" means the owner of the property upon which the tax is imposed.

(c) When describing in subsection (1) that the amount of tax on the property must be shown in the tax statement, "amount of tax" means an itemization by dollar amount of each of the several ad valorem property taxes and special assessments that a person may pay under section 53 and an itemization by millage rate, on either the tax statement or a separate form accompanying the tax statement, of each of the several ad valorem property taxes that a person may pay under section 53. The township treasurer or other collector may replace the itemization described in this subdivision with a statement informing the taxpayer that the itemization of the dollar amount and millage rate of the taxes is available without charge from the local property tax collecting unit.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.