



# SENATE BILL No. 1094

July 3, 1996, Introduced by Senator A. SMITH and referred to the Committee on Finance.

A bill to amend section 43 of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

as amended by Act No. 253 of the Public Acts of 1994, being section 211.43 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 43 of Act No. 206 of the Public Acts of  
2 1893, as amended by Act No. 253 of the Public Acts of 1994, being  
3 section 211.43 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 43. (1) The supervisor of each township, immediately  
6 upon authorization to raise money by taxation pursuant to an  
7 election held under section 36 or on or before the November 5 in  
8 each year, shall notify the township treasurer of the amount of

1 the state, county, school, and public transportation authority  
2 taxes as apportioned to his or her township.

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

1 school taxes and the school district treasurers shall pay ~~that~~  
2 THE allocated premium charge ~~as~~ determined by the county trea-  
3 surer for the protection of school taxes from available school  
4 district funds. If the county treasurer and township supervisor  
5 determine that the bond of the township treasurer recorded with  
6 the township clerk and on file with the township supervisor is  
7 adequate and sufficient to safeguard the proper accounting of  
8 state, county, and school taxes as required by law, the township  
9 treasurer ~~shall~~ IS not ~~be~~ required to file with the county  
10 treasurer the bond provided for in this section. The county  
11 treasurer shall deliver to the supervisor on or before the day  
12 the taxes to be collected become a lien a signed statement of  
13 approval of the bond. Upon the receipt of the signed statement  
14 and on or before the day the taxes to be collected become a lien,  
15 the supervisor shall deliver to the township treasurer the tax  
16 roll of this township. The county treasurer shall file and  
17 safely keep the bond in his or her office and shall give to the  
18 township treasurer a receipt stating that the required bond was  
19 received, which receipt the township treasurer shall deliver to  
20 the supervisor on or before the day the taxes to be collected  
21 become a lien. After the delivery of the receipt and on or  
22 before the day the taxes to be collected become a lien, the  
23 supervisor shall deliver to the township treasurer the tax roll  
24 of the township.

25 (3) Except as provided in subsections (4) and (5), tax col-  
26 lections shall be delivered pursuant to the following schedule:

1       (a) Within 10 business days after the first and fifteenth  
2 day of each month, the township or city treasurer shall account  
3 for and deliver to the county treasurer the total amount of state  
4 and county tax collections on hand on the first and fifteenth day  
5 of each month; to the school district treasurers the total amount  
6 of school tax collections on hand on the first and fifteenth day  
7 of each month; and to the public transportation authorities the  
8 total amount of public transportation authority tax collections  
9 on hand the first and fifteenth day of each month. If the inter-  
10 mediate school district and community college district provide  
11 for direct payment pursuant to subsection (9), the township or  
12 city treasurer shall also account for and deliver to the interme-  
13 diate school district and the community college district the  
14 total respective amounts of school tax collections on hand the  
15 first and fifteenth day of each month. This subdivision ~~shall~~  
16 DOES not apply to the month of March.

17       (b) Within 10 business days after the last day of February,  
18 the township or city treasurer shall account for and deliver to  
19 the county treasurer at least 90% of the total amount of state  
20 and county tax collections on hand on the last day of February;  
21 to the school district treasurers at least 90% of the total  
22 amount of school tax collections on hand on the last day of  
23 February; and to the public transportation authorities at least  
24 90% of the total amount of public transportation authority tax  
25 collections on hand on the last day of February. If the interme-  
26 diate school district and community college district provide for  
27 direct payment pursuant to subsection (9), the township or city

1 treasurer shall also account for and deliver to the intermediate  
2 school district and community college district at least 90% of  
3 the total respective amounts of school tax collections on hand on  
4 the last day of February.

5 (c) A final adjustment and delivery of the total amount of  
6 tax collections on hand for the county, community college dis-  
7 tricts, intermediate school districts, school districts, and  
8 public transportation authorities shall be made not later than  
9 April 1 of each year.

10 (4) Instead of following the schedule prescribed in subsec-  
11 tion (3), the township or city serving as the tax collecting unit  
12 and the local governmental unit for which the tax collections are  
13 made may enter into an agreement to establish an alternative  
14 schedule for delivering tax collections.

15 (5) A township that has a state equalized valuation of  
16 \$15,000,000.00 or less shall account for and deliver to the  
17 county treasurer, the school district treasurers, and the public  
18 transportation authorities and, if the intermediate school dis-  
19 trict and community college district provide for direct payment  
20 pursuant to subsection (9), the intermediate school district  
21 treasurers and community college treasurers the taxes collected  
22 up to and including January 10, within 10 business days after  
23 January 10. However, a township treasurer subject to this sub-  
24 section shall at no time have on hand collections of state,  
25 county, community college, intermediate school district if appli-  
26 cable pursuant to subsection (9), school district, and public  
27 transportation authority taxes in excess of 25% of the amount of

1 the taxes apportioned to the township and, when collections on  
2 hand reach ~~this percentage~~ 25% OF THE AMOUNT OF THE TAXES  
3 APPORTIONED TO THE TOWNSHIP, the township treasurer shall immedi-  
4 ately account for and turn over the total amount of state and  
5 county tax collections on hand to the county treasurer, the total  
6 respective amounts of school tax collections on hand to the  
7 respective treasurers, and the total respective amounts of public  
8 transportation authority tax collections on hand to the respec-  
9 tive public transportation authorities. The township treasurer  
10 shall notify the secretary or superintendent of each community  
11 college district, intermediate school district, and school dis-  
12 trict applicable and each of the applicable public transportation  
13 authorities of the total amount of taxes paid to the respective  
14 treasurer or authority, which notification shall show the differ-  
15 ent funds for which the taxes were collected.

16 (6) Except as may be provided under section 1613 of THE  
17 SCHOOL CODE OF 1976, Act No. 451 of the Public Acts of 1976,  
18 being section 380.1613 of the Michigan Compiled Laws, when a  
19 county treasurer is collecting the school district or intermedi-  
20 ate school district levy, the county treasurer shall account for  
21 and deliver to the appropriate local governmental unit treasurer  
22 the tax collections received by the county treasurer within 10  
23 business days after the county treasurer receives the funds.

24 (7) The county treasurer shall account for and deposit in  
25 the county library fund for the use of the county library board,  
26 county tax collections received pursuant to a tax levied under  
27 section 1 of Act No. 138 of the Public Acts of 1917, being

1 section 397.301 of the Michigan Compiled Laws, within 10 business  
2 days after the county treasurer receives the funds.

3 (8) The county treasurer shall account for and deliver to  
4 the boards of each metropolitan transportation authority the  
5 county tax collections for transportation authority purposes  
6 received by the county treasurer within 10 business days after  
7 the county treasurer receives the funds.

8 (9) For taxes that become a lien in December 1984 or after  
9 1984, an intermediate school district board or the board of  
10 trustees of a community college may provide that a local tax col-  
11 lecting treasurer shall account for and deliver tax collections  
12 directly to the respective intermediate school district or commu-  
13 nity college treasurer pursuant to the schedule contained in  
14 subsections (3), (4), and (5) for delivery of the respective  
15 taxes to the county treasurer. A resolution shall be adopted at  
16 least 60 days before the day taxes to be collected become a lien  
17 and shall specify the period for which the resolution is  
18 effective. Copies of the resolution shall be transmitted to each  
19 local tax collecting treasurer and county treasurer within the  
20 intermediate school district or community college district.

21 (10) By the fifteenth day of each month, the county trea-  
22 surer shall account for and deliver to the state the collections  
23 under the state education tax act, Act No. 331 of the Public Acts  
24 of 1993, being sections 211.901 to 211.906 of the Michigan  
25 Compiled Laws, on hand on the last day of the preceding month.  
26 By the first day of each month, the county treasurer shall  
27 account for and deliver to the state the collections under ~~the~~

1 ~~state education tax act,~~ Act No. 331 of the Public Acts of 1993  
2 ~~—~~ on hand on or before the fifteenth day of the immediately  
3 preceding month. The county treasurer may retain the interest  
4 earned on the money collected under Act No. 331 of the Public  
5 Acts of 1993 while held by the county treasurer ~~—~~ as reimburse-  
6 ment for the cost incurred by the county in collecting and trans-  
7 mitting the tax imposed by that act. The money retained by the  
8 county treasurer under this section shall be deposited in the  
9 treasury of the county in which the tax is collected to the  
10 credit of the general fund.

11 (11) A treasurer who willfully neglects or refuses to per-  
12 form a duty required by subsections (3) to (8) is subject to the  
13 penalty prescribed in section 119(1).

14 (12) Except as otherwise provided by subsection (10), inter-  
15 est earned by a city, township, or county on collections of taxes  
16 levied ~~on or after November 5, 1985~~ before the tax collections  
17 are accounted for and delivered to the respective taxing units  
18 pursuant to this section shall also be accounted for and deliv-  
19 ered to the respective taxing units on a pro rata basis.

20 ~~Interest earned by a city, township, or county on collections of~~  
21 ~~taxes levied before November 5, 1985 before those collections~~  
22 ~~were accounted for and delivered to the respective taxing units~~  
23 ~~in compliance with the requirements of this section is not~~  
24 ~~subject to claim and retroactive collection by those taxing~~  
25 ~~units. However, interest earned on collections of taxes levied~~  
26 ~~on or after November 5, 1985 and before December 1, 1987 are not~~  
27 ~~subject to claim and retroactive collection unless a claim has~~



1 ~~been filed in a court of competent jurisdiction before March 1,~~  
2 ~~1988.~~ A CITY, TOWNSHIP, OR COUNTY THAT DOES NOT ACCOUNT FOR AND  
3 DELIVER TO A TAXING UNIT THAT TAXING UNIT'S PRO RATA SHARE OF THE  
4 INTEREST EARNED ON THE TAXES COLLECTED AS REQUIRED UNDER THIS  
5 SUBSECTION IS LIABLE TO THAT TAXING UNIT IN AN AMOUNT EQUAL TO  
6 THAT TAXING UNIT'S PRO RATA SHARE OF THE INTEREST EARNED ON THE  
7 TAXES COLLECTED. This subsection does not apply to interest or  
8 penalties imposed by law or charter and does not nullify or pro-  
9 hibit any agreements made between a collecting unit and a taxing  
10 unit regarding the earned interest.

11 (13) If there is an agreement for an alternative schedule  
12 for delivering tax collections or for interest earned under sub-  
13 sections (4) and (12), the collection of the state education tax  
14 is subject to those provisions of that agreement.

15 (14) As used in this section:

16 (a) "Metropolitan transportation authority" means an author-  
17 ity created under the metropolitan transportation authorities act  
18 of 1967, Act No. 204 of the Public Acts of 1967, being sections  
19 124.401 to ~~124.425~~ 124.426 of the Michigan Compiled Laws.

20 (b) "Public transportation authority" means an authority  
21 created under Act No. 55 of the Public Acts of 1963, being sec-  
22 tions 124.351 to 124.359 of the Michigan Compiled Laws.