

Senate Bill 972

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 87b (MCL 211.87b), as amended by 1994 PA
189.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 87b. (1) The county board of commissioners of any
2 county may create a delinquent tax revolving fund that, at the
3 option of the county treasurer, may be designated as the "100%
4 tax payment fund". Upon the establishment of the fund, all
5 delinquent taxes, except taxes on personal property, due and pay-
6 able to the taxing units in the county, except those units that
7 collect their own delinquent taxes after March 1 by charter or
8 otherwise, are due and payable to the county. The primary
9 obligation to pay to the county the amount of taxes and the
10 interest on the taxes shall rest with the local taxing units and

1 the state for the state education tax under the state education
2 tax act, ~~Act No. 331 of the Public Acts of 1993, being sections~~
3 ~~211.901 to 211.906 of the Michigan Compiled Laws~~ 1993 PA 331,
4 MCL 211.901 TO 211.906. If the delinquent taxes that are due and
5 payable to the county are not received by the county for any
6 reason, the county has full right of recourse against the taxing
7 unit or to the state for the state education tax UNDER THE STATE
8 EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, to
9 recover the amount of the delinquent taxes and interest at the
10 rate of 1% per month or fraction of a month until repaid to the
11 county by the taxing unit. However, if the county borrows to
12 provide funds for those payments, the interest rate shall not
13 exceed the highest interest rate paid on that borrowing. A reso-
14 lution or agreement previously executed or adopted to this effect
15 is validated and confirmed. For delinquent state education taxes
16 UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO
17 211.906, the county may offset uncollectible delinquent taxes
18 against collections of the state education tax UNDER THE STATE
19 EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, received
20 by the county and owed to ~~the~~ THIS state under this act. The
21 fund shall be segregated into separate funds or accounts for each
22 year's delinquent taxes.

23 (2) If a delinquent tax revolving fund is established, the
24 county treasurer shall be the agent for the county and, without
25 further action by the county board of commissioners, may enter
26 into contracts with other municipalities, ~~the~~ THIS state, or
27 private persons, firms, or corporations in connection with any

1 transaction relating to the fund or any borrowing made by the
2 county pursuant to section 87c or 87d, including all services
3 necessary to complete this borrowing.

4 (3) The county treasurer shall pay from the fund any or all
5 delinquent taxes that are due and payable to the county and any
6 school district, intermediate school district, community college
7 district, city, township, special assessment district, ~~the~~ THIS
8 state, or any other political unit for which delinquent tax pay-
9 ments are due within 20 days after sufficient funds are deposited
10 within the delinquent tax revolving fund or, if the county trea-
11 surer is treasurer for a county with a population greater than
12 1,500,000 persons, within 30 days after sufficient funds are
13 deposited within the delinquent tax revolving fund. In a county
14 with a delinquent tax revolving fund where the county does not
15 borrow pursuant to section 87c ~~—, OR 87d, —or— 89,—~~ if the county
16 treasurer does not make payment of the delinquent taxes to the
17 local units within 10 days after the completion of county settle-
18 ment with all local units ~~pursuant to~~ UNDER section 55, the
19 county shall pay interest on the unpaid delinquent taxes from the
20 date of actual county settlement at the rate of 12% per annum for
21 the number of days involved.

22 (4) Except as provided in subsection (5), the county trea-
23 surer shall pay from the fund directly to a school district its
24 share of the fund when a single school district exists within a
25 political unit.

26 (5) If a local taxing unit has borrowed money in
27 anticipation of collecting taxes for any school district or other

1 municipality and the county treasurer has been so notified in
2 writing, the county treasurer shall pay to the local taxing unit
3 the shares of the fund for that school district or municipality.
4 For purposes of this subsection, "local taxing unit" means a
5 city, village, or township.

6 (6) The interest charges, penalties, and county property tax
7 administration fee rates established under this act shall remain
8 in effect and shall be payable to the county delinquent tax
9 revolving fund.

10 (7) Any surplus in the fund may be transferred to the county
11 general fund by appropriate action of the county board of
12 commissioners.

13 (8) A county board of commissioners may borrow money to
14 create a delinquent tax revolving fund as provided in section 87c
15 or 87d, or both.

16 (9) This section shall not supersede section 87 but is an
17 alternative method for paying delinquent taxes to local units.
18 However, where this section is used by a county, section 87 shall
19 not be used.