

HOUSE BILL No. 4343

February 27, 2001, Introduced by Reps. Pestka, Schauer, Anderson, Rivet, Bernero, Switalski, Neumann, Sheltroun, Phillips, Williams, Plakas, Bob Brown, Rison, Bogardus, Adamini, Rich Brown, Hale, Woodward, Wojno, Kolb, Spade, Jamnick, Minore, Lockwood, Kooiman, Birkholz, O'Neil, Frank, Lipsey, Callahan, Bovin, Gosselin, Pappageorge, Richardville, Whitmer, Mans, Schermesser, Hansen, Howell, Julian and Lemmons and referred to the Committee on Tax Policy.

A bill to amend 1976 PA 225, entitled

"An act to defer the collection of special assessments on home-stead properties; to provide for conditions of eligibility for such a deferment; to prescribe the powers and duties of the department of treasury, local assessing officers, and local collecting officers; to provide for the advancement of moneys by the state to indemnify special assessment districts for losses from deferment of collections; to provide for the advancement of money by the state to an owner for the repayment of loans used by the owner to pay special assessments; to provide for the collection of deferred special assessments and interest thereon, and the disposition of these collections; to make an appropriation; and to prescribe penalties,"

by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9, and 10 (MCL 211.761, 211.762, 211.763, 211.764, 211.765, 211.766, 211.767, 211.768, 211.768a, 211.769, and 211.770), the title and sections 2, 3, 4, and 10 as amended by 1980 PA 403 and section 8a as amended by 1981 PA 59, and by adding section 4a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

1
2 An act to defer the collection of special assessments AND
3 PROPERTY TAXES on homestead properties; to provide for conditions
4 of eligibility for such a deferment; to prescribe the powers and
5 duties of the department of treasury, local assessing officers,
6 and local collecting officers; to provide for the advancement of
7 ~~moneys~~ MONEY by the state to indemnify special assessment dis-
8 tricts AND LOCAL TAX COLLECTING UNITS for losses from deferment
9 of collections; to provide for the advancement of money by the
10 state to an owner for the repayment of loans used by the owner to
11 pay special assessments AND PROPERTY TAXES; to provide for the
12 collection of deferred special assessments AND PROPERTY TAXES and
13 interest thereon, and the disposition of these collections; to
14 make an appropriation; and to prescribe penalties.

15 Sec. 1. As used in this act:

16 (a) "Department" means the department of treasury.

17 (B) "EQUITY" MEANS THE DIFFERENCE BETWEEN TWICE THE STATE
18 EQUALIZED VALUATION OF A HOMESTEAD AND ANY OUTSTANDING MORTGAGE,
19 LAND CONTRACT, LIEN, OR OTHER ENCUMBRANCE, INCLUDING A LIEN
20 IMPOSED UNDER THIS ACT.

21 (C) ~~(b)~~ "Totally and permanently disabled" means a person
22 ~~as defined~~ DESCRIBED in ~~42 U.S.C. section 416~~ SECTION 216(i)
23 OF TITLE II OF THE SOCIAL SECURITY ACT, CHAPTER 531, 49 STAT.
24 620, 42 U.S.C. 416.

25 (D) ~~(c)~~ "Homestead" means a dwelling or a unit in a
26 multiple-unit dwelling, owned and occupied as a home by ~~the~~ AN
27 owner, ~~thereof~~, including all contiguous unoccupied real

1 property owned by the ~~person~~ OWNER. Homestead includes a
2 dwelling and an outbuilding used in connection with a dwelling,
3 situated on the ~~lands~~ PROPERTY of another.

4 (E) ~~(d)~~ "Owner" includes a person eligible for the exemp-
5 tion specified in this act, who is purchasing a homestead under a
6 mortgage or land contract, ~~or~~ who owns a dwelling situated on
7 the leased lands of another, or WHO is a tenant-stockholder of a
8 cooperative housing corporation.

9 (F) ~~(e)~~ "Special assessment" means an assessment against
10 real property calculated on a benefit or ad valorem basis for
11 curb and gutter, sidewalk, sewer, water, or street paving; a
12 drain; a connection fee or similar charge for a sewer or water
13 system; or the land contract on a parcel of property acquired
14 under the circumstances set forth in section ~~3(2)~~ 3(3).
15 Special assessment does not include charges for current service.

16 Sec. 2. (1) The payment of special assessments ~~assessed~~
17 AND PROPERTY TAXES LEVIED and due and payable on a homestead in
18 any year in which the owner meets all of the terms and conditions
19 of this act shall be deferred until 1 year after the owner's
20 death, subject to further order by the probate court or until the
21 homestead or any part of the homestead is conveyed or transferred
22 to another or a contract to sell THE HOMESTEAD is entered into.
23 The death of a spouse ~~shall~~ DOES not terminate the deferment of
24 special assessments OR PROPERTY TAXES for a homestead owned by
25 husband and wife under tenancy by the entirety as long as the
26 surviving spouse does not remarry. Special assessments AND

1 PROPERTY TAXES deferred under this act may be paid in full at any
2 time.

3 (2) If the collecting officer or the department determines
4 that legal or equitable title to a homestead or any part of a
5 homestead for which special assessments OR PROPERTY TAXES are
6 deferred under this act is conveyed or transferred or a contract
7 to sell the homestead or part of a homestead is entered into, and
8 the deferment is not terminated, the owner or owner's estate
9 ~~shall be~~ IS subject to an interest rate of 1% per month or
10 fraction of a month, on the amount deferred, computed from the
11 date of conveyance, transfer, or contractual agreement. The
12 amount of interest shall be payable to the collecting officer and
13 transmitted by that office pursuant to section 9.

14 (3) The department shall notify each owner whose special
15 assessments OR PROPERTY TAXES are authorized to be deferred under
16 this act that if legal or equitable title to the homestead or any
17 part of the homestead is conveyed or transferred or a contract to
18 sell the homestead or part of the homestead is entered into, the
19 deferment is terminated and the amount deferred is immediately
20 due and payable, plus interest as provided in subsection (2).

21 Sec. 3. (1) An owner of a homestead who is 65 years of age
22 or older, ~~or~~ who is totally and permanently disabled, WHO
23 CLAIMS A DEPENDENCY EXEMPTION UNDER SECTION 30(2) OF THE INCOME
24 TAX ACT OF 1967, 1967 PA 281, MCL 206.30, FOR A CHILD WHO IS LESS
25 THAN 18 YEARS OLD, OR WHO IS AN ADULT IN NEED OF PROTECTIVE SERV-
26 ICES AS DEFINED IN SECTION 11 OF THE SOCIAL WELFARE ACT, 1939
27 PA 280, MCL 400.11, AND WHO IS a citizen of the United States, a

1 resident of this state for 5 or more years, and the sole owner of
2 the homestead for ~~5~~ 3 or more years is eligible for the defer-
3 ment of special assessments AND PROPERTY TAXES LEVIED on that
4 homestead pursuant to this act, IF THE EQUITY IN THAT OWNER'S
5 HOMESTEAD IS NOT LESS THAN 25% OF TWICE THE STATE EQUALIZED VALU-
6 ATION OF THAT HOMESTEAD. The owner and the owner's spouse shall
7 not have received during the last calendar year household income
8 as defined in section 508 of ~~Act No. 281 of the Public Acts of~~
9 ~~1967, as amended, being section 206.508 of the Michigan Compiled~~
10 ~~Laws,~~ THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.508, in
11 excess of ~~\$8,000.00; this amount shall be increased to~~
12 ~~\$10,000.00. for the determination of eligibility for a defer-~~
13 ~~ment after December 31, 1982.~~ The gross amount of ~~the~~ A spe-
14 cial assessment DEFERRED UNDER THIS ACT, exclusive of interest,
15 shall not be less than \$300.00.

16 (2) The maximum dollar amount of household income required
17 by subsection (1) to be eligible for the deferment of special
18 assessments OR PROPERTY TAXES under this act shall be adjusted
19 each year, beginning on January 1, 1984, pursuant to the annual
20 average percentage increase or decrease in the Detroit consumer
21 price index ~~---all items~~ as defined and reported by the United
22 States department of labor, bureau of labor statistics. ~~The~~
23 ~~adjustment shall be made by multiplying the annual average per-~~
24 ~~centage increase or decrease in the Detroit consumer price index~~
25 ~~for the prior calendar year by the current maximum dollar amount~~
26 ~~of the household income requirement as adjusted by this~~
27 ~~subsection. The resultant product shall be added to the maximum~~

~~1 dollar amount of the household income requirement as adjusted by~~
~~2 this subsection and then rounded off to the nearest whole number,~~
~~3 which shall be the new household income requirement for the cur-~~
~~4 rent year.~~

5 (3) ~~After January 1, 1975, a~~ A person ~~65 years of age or~~
~~6 older~~ who ~~otherwise~~ qualifies under this section for deferral
~~7 of special assessments OR PROPERTY TAXES who~~ ~~fails~~ FAILED to
~~8 pay a prior delinquent special assessment OR PROPERTY TAX~~
~~9 ASSESSMENT and thereby lost the property~~ HIS OR HER HOMESTEAD
~~10 to the local unit of government who purchased the property~~
~~11 through tax FORFEITURE, FORECLOSURE, AND sale may reacquire the~~
~~12 property from the local unit of government through a land~~
~~13 contract. The~~ A land contract for a ~~parcel of property~~
~~14 HOMESTEAD reacquired under the circumstances set forth in this~~
~~15 subsection shall be treated as a special assessment for purposes~~
~~16 of this act.~~

17 (4) ~~The owner of a homestead who is 65 years of age or~~
~~18 older or is totally and permanently disabled, a citizen of the~~
~~19 United States, a resident of this state for 5 or more years, and~~
~~20 the sole owner of the homestead for 5 or more years, in the year~~
~~21 the special assessment was levied, and~~ A PERSON WHO QUALIFIES
~~22 UNDER THIS SECTION FOR DEFERRAL OF SPECIAL ASSESSMENTS OR PROP-~~
~~23 ERTY TAXES who has borrowed money from a lending institution to~~
~~24 pay a special assessment OR PROPERTY TAXES before the effective~~
~~25 date of this subsection, shall be~~ JANUARY 8, 1981 IS eligible to
~~26 receive money from the special revolving fund created in section~~
~~27 10, to be used for the purpose of repaying~~ TO REPAY the lending

1 institution the principal amount used by the person to pay the
2 special assessment OR PROPERTY TAXES. The department shall cause
3 a lien on the homestead in favor of the state to be recorded with
4 the appropriate register of deeds, indicating the amount of the
5 money paid and identifying the homestead. Money paid from the
6 fund under this subsection shall be treated as if the money had
7 been paid as deferred PROPERTY TAXES OR special assessment.

8 Sec. 4. An owner may apply to the local assessing officer
9 for deferment of the payment of special assessments on the
10 owner's homestead. AN OWNER MAY APPLY TO THE DEPARTMENT FOR
11 DEFERMENT OF THE PAYMENT OF PROPERTY TAXES LEVIED ON THE OWNER'S
12 HOMESTEAD. The application shall be made upon an affidavit form
13 to be furnished and made available by the department at conven-
14 ient locations throughout the state. The affidavit form shall
15 contain the following statement in 10-point ~~boldface~~ BOLDFACED
16 type located immediately above the affiant's signature: "If this
17 deferment is authorized the state will place a lien on your
18 property." THE AFFIDAVIT SHALL CONTAIN A STATEMENT THAT THE
19 OWNER APPLYING FOR THE DEFERMENT OF SPECIAL ASSESSMENTS OR PROP-
20 ERTY TAXES UNDER THIS ACT HAS RECEIVED OR HAS APPLIED FOR ALL
21 CREDITS AVAILABLE TO THAT OWNER UNDER SECTIONS 520 AND 522 OF THE
22 INCOME TAX ACT OF 1967, 1967 PA 281, MCL 206.520 AND 206.522. A
23 person making a false affidavit for the purpose of obtaining
24 deferment of special assessments OR PROPERTY TAXES under this act
25 is guilty of perjury. If the homestead is owned jointly by hus-
26 band and wife, each spouse shall sign and file the affidavit. If
27 the homestead is encumbered by a mortgage or an unpaid balance on

1 a land contract, a deferment of special assessments OR PROPERTY
2 TAXES shall not be made without the written consent of the mort-
3 gagee or the land contract vendor, which shall be filed with the
4 affidavit. The affidavit shall be filed with the local assessing
5 officer FOR THE DEFERMENT OF SPECIAL ASSESSMENTS AND WITH THE
6 DEPARTMENT FOR THE DEFERMENT OF PROPERTY TAXES at least 30 days
7 ~~after~~ BEFORE the due date of a special assessment or install-
8 ment of a special assessment OR PROPERTY TAX BILL for which
9 deferment is requested.

10 SEC. 4A. THE APPLICATION PROVIDED FOR IN SECTION 4 SHALL
11 CONTAIN BOTH OF THE FOLLOWING:

12 (A) A STATEMENT THAT THE OWNER APPLYING FOR THE DEFERMENT
13 HAS PROPERTY AND CASUALTY INSURANCE ON THAT OWNER'S HOMESTEAD IN
14 AN AMOUNT NOT LESS THAN THE AMOUNT OF ALL SPECIAL ASSESSMENTS AND
15 PROPERTY TAXES DEFERRED.

16 (B) AN ASSIGNMENT TO THE STATE OF THE OWNER'S INTEREST IN
17 THE PROPERTY AND CASUALTY INSURANCE ON THAT OWNER'S HOMESTEAD IN
18 AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF ALL SPECIAL ASSESSMENTS
19 AND PROPERTY TAXES DEFERRED.

20 Sec. 5. (1) Upon receipt of the affidavit, the local
21 assessing officer FOR THE DEFERMENT OF A SPECIAL ASSESSMENT AND
22 THE DEPARTMENT FOR THE DEFERMENT OF PROPERTY TAXES shall promptly
23 examine it to determine if the applicant meets the requirements
24 of this act and shall make an inspection of the property and
25 property records and conduct an investigation and survey as ~~it~~
26 ~~deems~~ necessary. An applicant shall not be compelled to supply
27 information not reasonably essential to a proper determination of

1 the eligibility of the owner and the homestead for the relief
2 provided under this act. The local assessing officer FOR THE
3 DEFERMENT OF A SPECIAL ASSESSMENT AND THE DEPARTMENT FOR THE
4 DEFERMENT OF PROPERTY TAXES shall promptly make ~~its~~ A decision
5 with respect to an application under this section and shall
6 notify the applicant of ~~its~~ THAT decision not later than the
7 due date for a special assessment OR FOR THE PROPERTY TAXES
8 involved in the application. A decision of the local assessing
9 officer ~~shall be~~ IS final except as otherwise provided
10 ~~pursuant to~~ UNDER the STATE constitution OF 1963.

11 (2) THE DEPARTMENT SHALL ANNUALLY DO ALL OF THE FOLLOWING
12 FOR THE DEFERMENT OF PROPERTY TAXES UNDER THIS ACT:

13 (A) DETERMINE THAT THE PERSON ON WHOSE BEHALF PROPERTY TAXES
14 ARE DEFERRED IS ELIGIBLE FOR THE DEFERRAL OF PROPERTY TAXES UNDER
15 SECTION 3.

16 (B) SECURE AN ASSIGNMENT TO THIS STATE OF ANY CREDIT ALLOWED
17 UNDER SECTIONS 520 OR 522 OF THE INCOME TAX ACT OF 1967, 1967
18 PA 281, MCL 206.520 AND 206.522, PAYABLE TO THE PERSON ON WHOSE
19 BEHALF THE PROPERTY TAXES ARE DEFERRED DURING THE PERIOD IN WHICH
20 PROPERTY TAXES ARE DEFERRED ON THAT PERSON'S HOMESTEAD, WHICH
21 CREDIT SHALL BE APPLIED TO ANY LIEN IMPOSED ON THAT HOMESTEAD
22 UNDER THIS ACT.

23 (C) DETERMINE THAT THE PERSON ON WHOSE BEHALF PROPERTY TAXES
24 ARE DEFERRED HAS PROPERTY AND CASUALTY INSURANCE ON HIS OR HER
25 HOMESTEAD IN AN AMOUNT NOT LESS THAN THE AMOUNT OF ALL SPECIAL
26 ASSESSMENTS AND PROPERTY TAXES DEFERRED AND THAT THE PERSON ON
27 WHOSE BEHALF PROPERTY TAXES ARE DEFERRED HAS ASSIGNED TO THE

1 STATE HIS OR HER INTEREST IN THAT PROPERTY AND CASUALTY INSURANCE
2 IN AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF ALL SPECIAL ASSESSMENTS
3 AND PROPERTY TAXES DEFERRED.

4 Sec. 6. The department shall pay the entire balance owing,
5 including delinquent amounts, of the special assessment OR PROP-
6 ERTY TAX of an applicant who qualifies under this act. The
7 department shall transmit to the collecting officer the sum of
8 money required to indemnify the local special assessment district
9 OR LOCAL TAX COLLECTING UNIT for a revenue loss resulting from
10 the deferment of the special assessment OR PROPERTY TAX. At the
11 same time, the department shall ~~cause the recording of~~ RECORD a
12 lien in favor of the state with the register of deeds OF THE
13 COUNTY IN WHICH THE HOMESTEAD IS LOCATED and notify the county
14 treasurer OF THE COUNTY IN WHICH THE HOMESTEAD IS LOCATED of the
15 special assessment OR PROPERTY TAXES deferred, indicating the
16 amount deferred for PROPERTY TAXES AND FOR each special assess-
17 ment and identifying the homestead. ~~The~~ IF PAYMENT IS MADE AS
18 REQUIRED BY THIS SECTION, THE county treasurer shall keep a
19 record of the notice and shall require that the homestead be
20 included in the subsequent return of delinquent taxes by each
21 collecting officer, that the property is identified on the delin-
22 quent roll as provided in this act, and that the amount of spe-
23 cial assessment OR PROPERTY TAXES shown on the roll as due and
24 unpaid are the same as the amount approved by the department for
25 deferment. The sum received by the collecting officer from the
26 department shall be distributed ~~to the several special~~
27 ~~assessment districts in direct proportion to their respective~~

1 ~~shares of the total of special assessments deferred~~ in the same
2 manner that distribution would be made had the same amount been
3 received from the payment of the special assessments OR PROPERTY
4 TAXES. ~~The~~ IF PAYMENT IS MADE AS REQUIRED BY THIS SECTION, THE
5 collecting officer shall enter on the current tax roll opposite
6 each homestead for which deferment is allowed a notation that
7 payment is deferred pursuant to this act.

8 Sec. 7. The treasurer of ~~any~~ A city, township, or vil-
9 lage, required by ~~Act No. 206 of the Public Acts of 1893, as~~
10 ~~amended, being sections 211.1 to 211.157 of the Michigan Compiled~~
11 ~~Laws~~ THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO
12 211.157, to make a return of delinquent taxes to the county trea-
13 surer, shall include in the delinquent tax roll all homesteads
14 for which deferment of special assessments ~~are~~ OR PROPERTY
15 TAXES IS approved, and shall enter on the delinquent tax roll
16 opposite each ~~such item~~ SPECIAL ASSESSMENT OR PROPERTY TAX LEVY
17 a notation that payment is deferred ~~pursuant to~~ UNDER this
18 act. In a city collecting its own delinquent taxes, the trea-
19 surer ~~similarly~~ shall note on the city tax record of each
20 ~~such~~ property FOR WHICH SPECIAL ASSESSMENTS OR PROPERTY TAXES
21 ARE DEFERRED that payment is deferred ~~pursuant to~~ UNDER this
22 act. The collection of special assessments OR PROPERTY TAXES
23 deferred ~~for all such homesteads~~ UNDER THIS ACT shall be made
24 ~~thereafter only~~ in accordance with this act, any law, ordi-
25 nance, or charter to the contrary notwithstanding.

26 Sec. 8. Upon termination of the deferment of special
27 assessments OR PROPERTY TAXES under this act, the collection

1 procedures of ~~Act No. 206 of the Public Acts of 1893, as~~
2 ~~amended~~ THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.1 TO
3 211.157, and any provisions of any law, ordinance, or charter
4 applicable to the collection of delinquent taxes in a city col-
5 lecting its own delinquent taxes, suspended ~~by the terms of~~
6 UNDER this act during the period of deferment, shall again apply
7 to the deferred special assessments ~~the same as they would have~~
8 ~~applied had no~~ OR PROPERTY TAXES AS IF A deferment HAD NOT been
9 authorized and all of the special assessments OR PROPERTY TAXES
10 had been levied initially in the third year preceding the calen-
11 dar year in which the deferment was terminated, except that the
12 provisions of those laws, ordinances, and charters with respect
13 to collection fees, interest, penalties, and other charges shall
14 not be applicable to the collection of, or foreclosure of the
15 lien for special assessments OR PROPERTY TAXES deferred.
16 ~~hereunder.~~ The lien for deferred special assessments OR PROP-
17 ERTY TAXES shall be for the amount of the special assessments OR
18 PROPERTY TAXES only and shall not have any additional fee, penal-
19 ty, or interest added except as provided in this act.

20 Sec. 8a. (1) Except for an owner or owner's estate qualify-
21 ing for deferment of special assessments under this act before
22 January 8, 1981, the payment of special assessments OR PROPERTY
23 TAXES deferred under this act made by the owner or owner's estate
24 shall include interest computed for periods after January 8,
25 1981, at a rate of 1/2 of 1% per month or fraction of a month.

1 (2) The department shall notify each owner whose special
2 assessments OR PROPERTY TAXES are authorized to be deferred under
3 this act of the interest rate provided in this section.

4 (3) The lien created in section 6 for special assessments OR
5 PROPERTY TAXES deferred under this act shall include ~~an amount~~
6 ~~of~~ interest as provided in this section.

7 (4) The department of treasury shall refund to each owner
8 who, before ~~the effective date of this subsection~~ JANUARY 8,
9 1981, paid their special assessment OR PROPERTY TAXES and was
10 subject to the interest payment of subsection (1), an amount
11 equal to the difference between the interest paid and the inter-
12 est ~~which~~ THAT would have been due at a rate of 1/2 of 1% per
13 month or fraction of a month.

14 (5) If a deferment of a special assessment was terminated by
15 an owner solely by payment of the deferred special assessment
16 after January 8, 1981, and before ~~the effective date of this~~
17 ~~subsection~~ JUNE 4, 1981, the owner may reapply within 60 days of
18 the effective date of this subsection to the local assessing
19 officer for reinstitution of the previously deferred special
20 assessment and the department of treasury shall refund the amount
21 of the special assessment paid and redeferred to the owner.

22 Sec. 9. Upon receipt of payment of special assessments OR
23 PROPERTY TAXES deferred under this act, the collecting officer
24 shall ~~forthwith~~ transmit the amount received to the department
25 as reimbursement for the sums ~~theretofore~~ advanced ~~—~~ to
26 indemnify the local special assessment districts OR LOCAL TAX
27 COLLECTING UNIT.

1 Sec. 10. (1) There is created a special revolving fund
2 within the department to pay special assessments AND PROPERTY
3 TAXES under this act and the sum of \$3,000,000.00 of the princi-
4 pal of the Michigan veterans' trust fund shall be used for this
5 investment purpose.

6 (2) An amount ~~which~~ THAT is paid by the department to a
7 local assessment district OR LOCAL TAX COLLECTING UNIT for a
8 deferred special assessment OR DEFERRED PROPERTY TAXES shall be
9 paid from the special revolving fund created in subsection (1).

10 (3) From the amounts received by the department as payment
11 for deferred special assessments OR PROPERTY TAXES under this
12 act, the department shall credit, on a quarterly basis, 1/2 of
13 the total amount received to the special revolving fund created
14 in this section, and shall transmit the remainder of this quar-
15 terly payment to the Michigan veterans' trust fund UNTIL THE INI-
16 TIAL \$3,000,000.00 SET FORTH IN SUBSECTION (1) IS REPAID TO THE
17 MICHIGAN VETERANS' TRUST FUND.

18 (4) AFTER THE INITIAL \$3,000,000.00 SET FORTH IN
19 SUBSECTION (1) IS REPAID TO THE MICHIGAN VETERANS' TRUST FUND,
20 THE DEPARTMENT SHALL CREDIT, ON A QUARTERLY BASIS, THE TOTAL
21 AMOUNT RECEIVED TO THE SPECIAL REVOLVING FUND CREATED IN THIS
22 SECTION.

23 (5) ~~-(4)-~~ Interest received pursuant to section 8a, and
24 civil penalties received pursuant to section 2, shall be credited
25 in full to the special revolving fund created in this section.

26 (6) ~~-(5)-~~ Amounts required to be transmitted to the Michigan
27 veterans' trust fund under subsection (3) shall be reduced by the

1 amount of principal and earnings ~~which was~~ returned to the
2 Michigan veterans' trust fund before ~~the effective date of this~~
3 ~~subsection~~ JANUARY 8, 1981.