

SUBSTITUTE FOR  
SENATE BILL NO. 1112

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 44a (MCL 211.44a), as added by 1993 PA 313.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 44a. (1) Notwithstanding any other statutory or  
2 charter provision to the contrary, **beginning in 2005 and each**  
3 **year after 2005**, a county ~~in which 1 or more local units of~~  
4 ~~government levies a summer property tax may by resolution of its~~  
5 ~~governing body determine to~~ **shall impose** ~~in 1995 one quarter~~  
6 ~~of, in 1996 one half of and for collections after 1996 all or one~~  
7 ~~half of its property tax levy~~ as a summer property tax levy ~~in~~  
8 ~~those local units of government where a summer tax is being~~  
9 ~~collected by the local tax collecting treasurer. The resolution~~  
10 ~~by its terms may be applicable until revoked by the governing~~  
11 ~~body of the county.~~ **that portion of the number of mills**

1 allocated to the county by a county tax allocation board or  
2 authorized for the county through a separate tax limitation vote  
3 as provided in this section. The treasurer that collects the  
4 state education tax shall collect the summer property tax levy  
5 under this section. The portion of the total number of mills  
6 allocated to a county by a county tax allocation board or  
7 authorized for a county through a separate tax limitation vote  
8 that shall be imposed in each year as a summer property tax levy  
9 under this section is as follows:

10 (a) In 2005, 1/3 of the total number of mills allocated to  
11 the county by a county tax allocation board or authorized for the  
12 county through a separate tax limitation vote.

13 (b) In 2006, 2/3 of the total number of mills allocated to  
14 the county by a county tax allocation board or authorized for the  
15 county through a separate tax limitation vote.

16 (c) In 2007 and each year after 2007, the total number of  
17 mills allocated to the county by a county tax allocation board or  
18 authorized for the county through a separate tax limitation vote.

19 (2) ~~Upon adoption of a resolution authorized by subsection~~  
20 ~~(1), the county shall notify by April 15 of each year each~~  
21 ~~applicable local tax collecting unit of its determination to~~  
22 ~~impose a summer property tax levy in that year.~~ Before June 30  
23 and in conformance with the procedures prescribed by this act,  
24 the taxes being collected **as a summer property tax levy** shall be  
25 spread in terms of millages on the assessment roll, the amount of  
26 tax levied shall be assessed in proportion to the ~~state~~  
27 ~~equalized valuation~~ **taxable value**, and a tax roll shall be

1 prepared ~~which~~ **that** commands the appropriate treasurer to  
2 collect on July 1 the taxes indicated as due on the tax roll.

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

6 (4) ~~Taxes shall be collected on or before September 14 and~~  
7 ~~all~~ **All** taxes and interest imposed pursuant to this section **that**  
8 **are** unpaid before March 1 shall be returned as delinquent on  
9 March 1 and collected pursuant to this act.

10 (5) Interest shall be added to taxes collected after  
11 September 14 at that rate imposed by section ~~59~~ **78a** on  
12 delinquent property tax levies ~~which~~ **that** became a lien in the  
13 same year. **The tax levied under this act that is collected with**  
14 **the city taxes shall be subject to the same penalties, interest,**  
15 **and collection charges as city taxes and shall be returned as**  
16 **delinquent to the county treasurer in the same manner and with**  
17 **the same interest, penalties, and fees as city taxes.**

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

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

27 (8) To the extent applicable and consistent with the

1 requirements of this section, this act shall apply to proceedings  
2 in relation to the assessment, spreading, and collection of taxes  
3 pursuant to this section.

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

9 (9) Each county shall establish a restricted fund known as  
10 the revenue sharing reserve fund. The total amount required to  
11 be placed in the revenue sharing reserve fund for each county  
12 shall equal the amount of that county's December 2004 property  
13 tax levy of the total number of mills allocated to the county by  
14 a county tax allocation board or authorized for the county  
15 through a separate tax limitation vote and shall be deposited in  
16 the revenue sharing reserve fund as provided in this section.  
17 Revenues credited to the revenue sharing reserve fund from the  
18 December tax levy of a county with a fiscal year ending  
19 December 31 shall be accrued to the fiscal year ending in the  
20 year of that December property tax levy. Revenue shall be  
21 credited to the fund by each county as follows:

22 (a) From the county's December 2004 property tax levy, 1/3 of  
23 the total December levy of the total number of mills allocated to  
24 the county by a county tax allocation board or authorized for the  
25 county through a separate tax limitation vote.

26 (b) From the county's December 2005 property tax levy, 1/2 of  
27 the remaining balance required to be deposited in the fund.

1 (c) From the county's December 2006 property tax levy, the  
2 balance required to be deposited in the fund.

3 (10) All of the following apply to a revenue sharing reserve  
4 fund established under subsection (9):

5 (a) Funds in the revenue sharing reserve fund may not be  
6 expended in any fiscal year except as provided in this section.

7 (b) Funds in the revenue sharing reserve fund may be used  
8 within a county fiscal year for cash flow purposes at the  
9 discretion of the county.

10 (c) Interest earnings on funds deposited in the revenue  
11 sharing reserve fund shall be credited to the revenue sharing  
12 reserve fund. However, the county is not required to reimburse  
13 the revenue sharing reserve fund for a reduction of interest  
14 earnings that occurs because funds in the revenue sharing reserve  
15 fund were used for cash flow purposes.

16 (d) The revenue sharing reserve fund shall be separately  
17 reported in the annual financial report required under section 4  
18 of 1919 PA 71, MCL 21.44.

19 (11) For a county fiscal year that ends on December 31, 2004,  
20 a county may expend in that fiscal year an amount not to exceed  
21 the payments made to that county under the Glenn Steil state  
22 revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921,  
23 in October and December 2003 and, if the payment is accrued back  
24 to the county's 2003 fiscal year, February 2004.

25 (12) Not later than March 1, 2005, a county that receives a  
26 payment in October 2004 as provided in a bill making  
27 appropriations to the department of treasury for the 2004-05

1 fiscal year shall pay the amount of that payment to the state  
2 treasurer from the revenue sharing reserve fund. A county that  
3 does not make the payment required under this subsection shall  
4 not make any expenditures from the fund provided under subsection  
5 (13).

6 (13) For each fiscal year of a county that begins after  
7 September 30, 2004, a county may expend from the revenue sharing  
8 reserve fund an amount not to exceed the total payments made to  
9 that county under the Glenn Steil state revenue sharing act of  
10 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal  
11 year ending September 30, 2004, adjusted annually by the  
12 inflation rate, without regard to any executive orders issued  
13 after May 17, 2004. As used in this subsection, "inflation rate"  
14 means that term as defined in section 34d.