

# SENATE BILL No. 978

February 12, 2004, Introduced by Senators BROWN, GARCIA and GOSCHKA and referred to the Committee on Finance.

A bill to amend 1993 PA 331, entitled  
"State education tax act,"  
by amending section 5b (MCL 211.905b), as added by 2002 PA 244.

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

1       Sec. 5b. (1) This section applies only to a city or  
2 township, or that portion of a city or township, in which no  
3 property taxes, other than the tax levied under this act or  
4 village taxes, are levied in the summer of 2003 and any summer  
5 after 2003.

6       (2) A city or township shall collect the tax levied under  
7 this act unless, before November 1, 2002, the legislative body of  
8 the city or township adopts a resolution declining to collect the  
9 tax levied under this act and, for a township, the treasurer  
10 concurs in writing with that resolution. Before November 1,  
11 2002, if the city or township adopts a resolution declining to

1 collect the tax under this act and, for a township, the treasurer  
2 concurs in writing with that resolution, the appropriate  
3 assessing officer shall send a copy of that resolution and, for a  
4 township, that concurrence to the state treasurer and the  
5 treasurer of the county in which the city or township is  
6 located. In January 2004 and each January thereafter, the  
7 legislative body of a city or township that has declined to  
8 collect the tax under this subsection may by resolution adopted  
9 by a majority of the legislative body rescind the earlier  
10 decision to decline to collect the tax. The city or township  
11 shall immediately send a copy of the resolution rescinding the  
12 earlier decision to decline to collect the tax to the state  
13 treasurer and the treasurer of the county in which the city or  
14 township is located. If a city or township collects the tax  
15 levied under this act pursuant to this section, ~~this state shall~~  
16 ~~transmit to~~ that city or township **shall retain** \$2.50 for each  
17 parcel of property in that city or township on which the tax  
18 levied under this act is ~~collected~~ **billed** under this section  
19 **from the tax collected under this act before transmitting the tax**  
20 **collected under this act to the state treasurer as provided in**  
21 **this act.**

22 (3) A county that receives a copy of a resolution declining  
23 to collect the tax under this act and, for a township, a written  
24 concurrence as provided in subsection (2) shall collect the tax  
25 levied under this act pursuant to this section unless, before  
26 February 1, 2003, the county board of commissioners adopts a  
27 resolution declining to collect the tax levied under this act and

1 the county treasurer concurs in writing with that resolution.  
2 Before February 1, 2003, if the county board of commissioners  
3 adopts a resolution declining to collect the tax under this act  
4 and the county treasurer concurs in writing with that resolution,  
5 the county treasurer shall send a copy of that resolution and  
6 that concurrence to the state treasurer. In February 2004 and  
7 each February thereafter, a county board of commissioners that  
8 has declined to collect the tax under this subsection may by  
9 resolution, with the written concurrence of the county treasurer,  
10 rescind the earlier decision to decline to collect the tax. The  
11 county treasurer shall immediately send a copy of the resolution  
12 rescinding the earlier decision to decline to collect the tax and  
13 the written concurrence of the county treasurer to the state  
14 treasurer. If a county collects the tax levied under this act  
15 pursuant to this section, ~~this state shall transmit to~~ that  
16 county **shall retain** \$2.50 for each parcel for property in that  
17 county on which the tax levied under this act is ~~collected~~  
18 **billed** under this section **from the tax collected under this act**  
19 **before transmitting the tax collected under this act to the state**  
20 **treasurer as provided in this act.**

21 (4) If a city or township does not collect the tax levied  
22 under this act pursuant to subsection (2) and if a county does  
23 not collect the tax levied under this act pursuant to subsection  
24 (3), the state treasurer shall collect the tax under the  
25 provisions of the general property tax act. The collection of  
26 the tax levied under this act is not subject to 1941 PA 122,  
27 MCL 205.1 to 205.31. The tax levied under this act collected

1 pursuant to this subsection is subject to a 1% administration  
2 fee.

3 (5) All of the following apply to the collection of the tax  
4 levied under this act by a county treasurer or the state  
5 treasurer:

6 (a) Not later than June 1, the township or city for which the  
7 tax is being collected shall deliver to the county treasurer or  
8 the state treasurer, as applicable, a certified copy of each  
9 assessment roll for taxable property located in the township or  
10 city. Each assessment roll shall include the taxable value of  
11 each parcel subject to the collection of the tax levied under  
12 this act. The county treasurer or state treasurer, as  
13 applicable, shall remit the necessary cost incident to the  
14 reproduction of the assessment roll to the township or city.

15 (b) Not later than June 30, the county treasurer or the state  
16 treasurer, as applicable, shall spread the millage levied under  
17 this act against the assessment roll and prepare the tax roll.

18 (c) The county treasurer or the state treasurer, as  
19 applicable, may impose all or a portion of the fees and charges  
20 authorized under section 44 of the general property tax act, 1893  
21 PA 206, MCL 211.44, on taxes paid before March 1. The county  
22 treasurer or the state treasurer, as applicable, shall retain the  
23 fees and charges imposed under this subdivision regardless of  
24 whether all or part of the fees and charges have been waived by  
25 the township or city.

26 (6) In relation to the assessment, spreading, and collection  
27 of taxes pursuant to this section, a county treasurer or the

1 state treasurer, as applicable, shall have powers and duties  
2 similar to those prescribed by the general property tax act for  
3 township supervisors, township clerks, and township treasurers.  
4 However, this section shall not be considered to transfer any  
5 authority over the assessment of property.

6 (7) A county treasurer or state treasurer collecting taxes  
7 pursuant to this section shall be bonded for tax collection in  
8 the same amount and in the same manner as a township treasurer  
9 would be for undertaking the duties prescribed by this section.

10 (8) If a county treasurer or the state treasurer collects the  
11 tax levied under this act pursuant to this section, all payments  
12 from this state for collecting the tax levied under this act in a  
13 summer levy, and all revenue generated by the administration fee,  
14 shall be deposited in a restricted account designated as the  
15 "state education tax collection account". The county treasurer  
16 or the state treasurer, as applicable, shall direct the  
17 investment of the account. The county treasurer or the state  
18 treasurer, as applicable, shall credit to the account interest  
19 and earnings from the account investments. Proceeds in that  
20 account shall only be used for the cost of collecting the tax  
21 levied under this act. For a county collecting the tax under  
22 this act, the county board of commissioners shall appropriate  
23 sufficient money from the account to the county treasurer to  
24 cover the cost of collecting the tax levied under this act.

25 (9) The tax levied under this act that is collected by a city  
26 pursuant to this section on a date other than a date it collects  
27 city taxes shall be subject to the same fees and charges a city

1 may impose under section 44 of the general property tax act, 1893  
2 PA 206, MCL 211.44, except that a city may impose the  
3 administration fee on the tax levied under this act that is  
4 billed in the summer even if the fee is not imposed on taxes  
5 billed in December. The tax levied under this act that is  
6 collected pursuant to this section on or before September 14 of  
7 each year by a city that collects school taxes on a date other  
8 than the date it collects city taxes shall be without interest,  
9 but the tax levied under this act that is collected after  
10 September 14 in each year shall bear interest at the rate imposed  
11 by section 59 of the general property tax act, 1893 PA 206,  
12 MCL 211.59, on delinquent property tax levies that become a lien  
13 in the same year. All interest and penalties that are imposed  
14 prior to the date the tax levied under this act is returned as  
15 delinquent, other than the administration fee, shall be  
16 transmitted to the state treasurer for deposit into the state  
17 school aid fund established in section 11 of article IX of the  
18 state constitution of 1963. If imposed, the administration fee  
19 shall be retained by the city.

20 (10) The tax levied under this act that is collected by a  
21 township on or before September 14 in each year shall be without  
22 interest. The tax levied under this act that is collected after  
23 September 14 of any year shall bear interest at the rate imposed  
24 by section 59 of the general property tax act, 1893 PA 206,  
25 MCL 211.59, on delinquent property tax levies that become a lien  
26 in the same year. The tax levied under this act that is  
27 collected by a township is subject to the same fees and charges

1 the township may impose under section 44 of the general property  
2 tax act, 1893 PA 206, MCL 211.44, except that a township may  
3 impose the administration fee on the tax levied under this act  
4 that is billed in the summer even if the fee is not imposed on  
5 taxes billed in December. All interest and penalties that are  
6 imposed prior to the date the tax levied under this act is  
7 returned delinquent, other than the administration fee, shall be  
8 transmitted to the state treasurer for deposit into the state  
9 school aid fund established in section 11 of article IX of the  
10 state constitution of 1963. If imposed, the administration fee  
11 shall be retained by the township.