

# HOUSE BILL No. 5481

December 1, 2005, Introduced by Reps. Drolet, Gosselin, Steil, Hoogendyk and Palmer and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 44a (MCL 211.44a), as amended by 2004 PA 357.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 44a. (1) Notwithstanding any other statutory or charter  
2 provision to the contrary, ~~beginning~~ in 2005 ~~and each year after~~  
3 ~~2005~~ **ONLY**, a county shall impose as a summer property tax levy  
4 that portion of the number of mills allocated to the county by a  
5 county tax allocation board or authorized for the county through a  
6 separate tax limitation vote as provided in this section. The  
7 treasurer that collects the state education tax shall collect the  
8 summer property tax levy under this section. ~~The portion of the~~  
9 ~~total number of mills allocated to a county by a county tax~~

~~allocation board or authorized for a county through a separate tax limitation vote that shall be imposed in each year as a summer property tax levy under this section is as follows:~~

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

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

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

**IN 2005 ONLY, ANY MILLS ALLOCATED TO THE COUNTY BY A COUNTY TAX ALLOCATION BOARD OR AUTHORIZED FOR THE COUNTY THROUGH A SEPARATE TAX LIMITATION VOTE THAT ARE NOT COLLECTED AS A SUMMER PROPERTY TAX LEVY SHALL BE COLLECTED IN THE DECEMBER LEVY. IN 2006 AND EACH YEAR AFTER 2006, A COUNTY MAY IMPOSE AS A SUMMER PROPERTY TAX LEVY THAT PORTION OF THE NUMBER OF MILLS ALLOCATED TO THE COUNTY BY A COUNTY TAX ALLOCATION BOARD OR AUTHORIZED FOR THE COUNTY THROUGH A SEPARATE TAX LIMITATION VOTE AS PROVIDED IN THIS SECTION.**

(2) Before June 30 and in conformance with the procedures prescribed by this act, the taxes being collected as a summer property tax levy shall be spread in terms of millages on the assessment roll, the amount of tax levied shall be assessed in proportion to the taxable value, and a tax roll shall be prepared that commands the appropriate treasurer to collect on July 1 the taxes indicated as due on the tax roll.

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

4       (4) All taxes and interest imposed pursuant to this section  
5 that are unpaid before March 1 shall be returned as delinquent on  
6 March 1 and collected pursuant to this act.

7       (5) Interest shall be added to taxes collected after September  
8 14 at that rate imposed by section 78a on delinquent property tax  
9 levies that became a lien in the same year. The tax levied under  
10 this act that is collected with the city taxes shall be subject to  
11 the same penalties, interest, and collection charges as city taxes  
12 and shall be returned as delinquent to the county treasurer in the  
13 same manner and with the same interest, penalties, and fees as city  
14 taxes.

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

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

23       (8) To the extent applicable and consistent with the  
24 requirements of this section, this act shall apply to proceedings  
25 in relation to the assessment, spreading, and collection of taxes  
26 pursuant to this section.

27 ~~— (9) Each county shall establish a restricted fund known as the~~

~~revenue sharing reserve fund. The total amount required to be placed in the revenue sharing reserve fund for each county shall equal the amount of that county's December 2004 property tax levy of the total number of mills allocated to the county by a county tax allocation board or authorized for the county through a separate tax limitation vote and shall be deposited in the revenue sharing reserve fund as provided in this section. Revenues credited to the revenue sharing reserve fund from the December tax levy of a county with a fiscal year ending December 31 shall be accrued to the fiscal year ending in the year of that December property tax levy. Revenue shall be credited to the fund by each county as follows:~~

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

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

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

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

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

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

~~1 (c) Interest earnings on funds deposited in the revenue  
2 sharing reserve fund shall be credited to the revenue sharing  
3 reserve fund. However, the county is not required to reimburse the  
4 revenue sharing reserve fund for a reduction of interest earnings  
5 that occurs because funds in the revenue sharing reserve fund were  
6 used for cash flow purposes.~~

~~7 (d) The revenue sharing reserve fund shall be separately  
8 reported in the annual financial report required under section 4 of  
9 1919 PA 71, MCL 21.44.~~

~~10 (11) For a county fiscal year that ends on December 31, 2004,  
11 a county may expend in that fiscal year an amount not to exceed the  
12 payments made to that county under the Glenn Steil state revenue  
13 sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, in  
14 October and December 2003 and, if the payment is accrued back to  
15 the county's 2003 fiscal year, February 2004.~~

~~16 (12) Not later than March 1, 2005, a county that receives a  
17 payment in October 2004 as provided in a bill making appropriations  
18 to the department of treasury for the 2004-05 fiscal year shall pay  
19 the amount of that payment to the state treasurer from the revenue  
20 sharing reserve fund. A county that does not make the payment  
21 required under this subsection shall not make any expenditures from  
22 the fund provided under subsection (13).~~

~~23 (13) For each fiscal year of a county that begins after  
24 September 30, 2004, a county may expend from the revenue sharing  
25 reserve fund an amount not to exceed the total payments made to  
26 that county under the Glenn Steil state revenue sharing act of  
27 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal year~~

1 ~~ending September 30, 2004, adjusted annually by the inflation rate,~~  
2 ~~without regard to any executive orders issued after May 17, 2004.~~  
3 ~~As used in this subsection, "inflation rate" means that term as~~  
4 ~~defined in section 34d.~~