



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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Senate Bill 562 (Substitute S-1 as reported)  
Sponsor: Senator Tonya Schuitmaker  
Committee: Finance

### **CONTENT**

The bill would amend Section 87b of the General Property Tax Act, which allows counties to create a delinquent tax revolving fund, to provide that an amount due to a county from a local taxing unit or the State for a prior year's uncollected delinquent tax would be a lien against future delinquent tax payments payable to a local unit or the State. The lien would be satisfied by offsetting the amount due to the county from the local taxing unit or the State when the county made distributions from the delinquent tax revolving fund to the local taxing unit or the State in a subsequent year.

The bill also specifies that the powers, duties, functions, or responsibilities of a county treasurer under Section 87b or as a foreclosing governmental unit under the Act could not be transferred to or by an officer exercising the powers, duties, functions, or responsibilities of another county office or county board. An officer exercising the powers, duties, functions, or responsibilities of a county office or county board other than the county treasurer could not issue an order restraining or contravening the powers, duties, functions, responsibilities, or actions of a county treasurer under Section 87b or as a foreclosing governmental unit under the Act.

(When a county creates a delinquent tax revolving fund, all delinquent taxes on real property that are due and payable to the taxing units in the county, except those that collect their own delinquent taxes after March 1, are due and payable to the county. Also, the State is obligated to pay the State Education Tax to the county. If the county does not receive delinquent taxes that are payable to it, the county has full right of recourse against the taxing unit or the State to recover the amount of taxes and interest. The county treasurer is required to pay from the fund delinquent taxes that are due to the county and any school district, community college district, city, township, special assessment district, the State, or any other political unit for which delinquent tax payments are due.)

MCL 211.87b

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill would change the timing of local unit revenue by an unknown amount. The bill would allow distributions to local units or the State from a delinquent tax revolving fund to be reduced by the amount of any delinquent amount due from that local unit or the State. The number of times this circumstance would arise is unknown and the magnitude of any timing changes would depend on the specific characteristics of the affected liabilities.

Date Completed: 10-31-13

Fiscal Analyst: David Zin