



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 5160 (as passed by the House)  
Sponsor: Representative Amanda Price  
House Committee: Local Government  
Senate Committee: Local Government and Elections

Date Completed: 9-24-14

### **CONTENT**

**The bill would amend Public Act 160 of 1972, which allows units and subdivisions of government to enter into agreements, to authorize a city, village, or township to enter into an agreement with a county treasurer for the county treasurer to administer tax collection functions for the city, village, or township.**

Specifically, the bill would allow a city, township, or village to enter into an agreement with the county treasurer of the county in which the municipality was located for the treasurer to administer some or all of the municipality's tax collection functions on behalf of that municipality. Before taking effect, the agreement would have to be approved by the governing body of the city, township, or village and by the county's board of commissioners.

The bill would define "collection functions" as the powers, duties, rights, obligations, functions, and responsibilities administered by a city, village, or township as a tax collecting unit relating to a tax after the certification of the tax roll and before the tax is returned as delinquent, including billing, adjustment, collection, return, disbursement, reconciliation, and settlement. "Tax" would include a tax collected under the General Property Tax Act or the State Education Tax Act, as well as a specific tax levied on real or personal property, a special assessment on real or personal property, and associated penalties, fees, interest, and charges.

An agreement under the bill would have to provide for all of the following:

- A description of the tax collection functions to be administered by the county treasurer.
- The agreement's effective date and term of operation.
- The employer of personnel and staff needed for administration of the tax collection functions by the county treasurer under the agreement.
- That funds of the city, village, or township would remain funds of that municipality while the county treasurer administered tax collection functions on its behalf.
- The manner in which any property, facilities, equipment, or data of the city, village, or township required to execute the agreement would be made available to and used by the county treasurer.
- Payment for services provided under the agreement, including providing for the county treasurer to retain local property tax administration fees collected by the treasurer.
- Other legal, financial, and administrative arrangements necessary to facilitate and effectuate the agreement.

Before taking effect, the agreement would have to be filed with the county clerk and the State Treasurer. It would not be required to comply with the Urban Cooperation Act.

A county treasurer administering tax collection functions under the bill and an employee, appointee, or agent of the county treasurer would not be deemed to hold a public office of a city, village, or township while administering tax collection functions for that municipality.

MCL 211.731

Legislative Analyst: Patrick Affholter

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

S1314\ss5160sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.