

# HOUSE BILL No. 5074

October 10, 2013, Introduced by Reps. Denby, Rogers, Kowall, Haveman, Cavanagh and Graves and referred to the Committee on Local Government.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
by amending section 87b (MCL 211.87b), as amended by 2002 PA 198.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 87b. (1) The county board of commissioners of any county  
2 may create a delinquent tax revolving fund that, at the option of  
3 the county treasurer, may be designated as the "100% tax payment  
4 fund". Upon the establishment of the fund, all delinquent taxes,  
5 except taxes on personal property, due and payable to the taxing  
6 units in the county, except those units that collect their own  
7 delinquent taxes after March 1 by charter or otherwise, are due and  
8 payable to the county. The primary obligation to pay to the county  
9 the amount of taxes and the interest on the taxes shall rest with  
10 the local taxing units and the state for the state education tax

1 under the state education tax act, 1993 PA 331, MCL 211.901 to  
2 211.906. If the delinquent taxes that are due and payable to the  
3 county are not received by the county for any reason, the county  
4 has full right of recourse against the taxing unit or to the state  
5 for the state education tax under the state education tax act, 1993  
6 PA 331, MCL 211.901 to 211.906, to recover the amount of the  
7 delinquent taxes and interest at the rate of **UP TO** 1% per month or  
8 fraction of a month until repaid to the county by the taxing unit.  
9 However, if the county borrows to provide funds for those payments,  
10 the interest rate shall not exceed the highest interest rate paid  
11 on that borrowing. A resolution or agreement previously executed or  
12 adopted to this effect is validated and confirmed. For delinquent  
13 state education taxes under the state education tax act, 1993 PA  
14 331, MCL 211.901 to 211.906, the county may offset uncollectible  
15 delinquent taxes against collections of the state education tax  
16 under the state education tax act, 1993 PA 331, MCL 211.901 to  
17 211.906, received by the county and owed to this state under this  
18 act. The fund shall be segregated into separate funds or accounts  
19 for each year's delinquent taxes.

20 (2) If a delinquent tax revolving fund is established, the  
21 county treasurer shall be the agent for the county and, without  
22 further action by the county board of commissioners, may enter into  
23 contracts with other municipalities, this state, or private  
24 persons, firms, or corporations in connection with any transaction  
25 relating to the fund or any borrowing made by the county pursuant  
26 to section 87c or 87d, including all services necessary to complete  
27 this borrowing.

1           (3) The county treasurer shall pay from the fund any or all  
2 delinquent taxes that are due and payable to the county and any  
3 school district, intermediate school district, community college  
4 district, city, township, special assessment district, this state,  
5 or any other political unit for which delinquent tax payments are  
6 due within 20 days after sufficient funds are deposited within the  
7 delinquent tax revolving fund or, if the county treasurer is  
8 treasurer for a county with a population greater than 1,500,000  
9 persons, within 30 days after sufficient funds are deposited within  
10 the delinquent tax revolving fund. In a county with a delinquent  
11 tax revolving fund where the county does not borrow pursuant to  
12 section 87c or 87d, if the county treasurer does not make payment  
13 of the delinquent taxes to the local units within 10 days after the  
14 completion of county settlement with all local units under section  
15 55, the county shall pay interest on the unpaid delinquent taxes  
16 from the date of actual county settlement at the rate of 12% per  
17 annum for the number of days involved.

18           (4) Except as provided in subsection (5), the county treasurer  
19 shall pay from the fund directly to a school district its share of  
20 the fund when a single school district exists within a political  
21 unit.

22           (5) If a local taxing unit has borrowed money in anticipation  
23 of collecting taxes for any school district or other municipality  
24 and the county treasurer has been so notified in writing, the  
25 county treasurer shall pay to the local taxing unit the shares of  
26 the fund for that school district or municipality. For purposes of  
27 this subsection, "local taxing unit" means a city, village, or

1 township.

2 (6) The interest charges, penalties, and county property tax  
3 administration fee rates established under this act shall remain in  
4 effect and shall be payable to the county delinquent tax revolving  
5 fund.

6 (7) Any surplus in the fund may be transferred to the county  
7 general fund by appropriate action of the county board of  
8 commissioners.

9 (8) A county board of commissioners may borrow money to create  
10 a delinquent tax revolving fund as provided in section 87c or 87d,  
11 or both.

12 (9) This section shall not supersede section 87 but is an  
13 alternative method for paying delinquent taxes to local units.  
14 However, where this section is used by a county, section 87 shall  
15 not be used.