



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4136 (as reported without amendment)
Sponsor: Representative Jim Tedder
House Committee: Tax Policy
Senate Committee: Finance

CONTENT

The bill would amend the General Property Tax Act to require a delinquent tax revolving fund to be segregated into separate funds or accounts for each year's delinquent taxes, and require a separate delinquent tax revolving fund to be created for each year's delinquent taxes in any county that elects to borrow under Section 87f (which allows counties to issue delinquent tax revolving notes under the Revenue Bond Act).

Section 87b of the General Property Tax Act allows a county board of commissioners, on behalf of the taxing units in the county and, for the purposes of the State Education Tax, the State, to create a delinquent tax revolving fund. When the fund is established, all delinquent taxes, except taxes on personal property, due and payable to the taxing units in the county, except those units that collect their own delinquent taxes after March 1, are due and payable to the county on behalf of the taxing units in the county and the State. Money and other property and assets held in the fund must be kept separate from and may not be commingled with any other money, property, or assets in the custody of the county treasurer.

The bill would require a delinquent tax revolving fund to be segregated into separate funds or accounts for each year's delinquent taxes.

Currently, a separate delinquent tax revolving fund must be created for each year's delinquent taxes. Under the bill, a separate delinquent tax revolving fund would have to be created for each year's delinquent taxes in any county that elected to borrow under Section 87f.

In addition, the bill specifies that all powers granted to a county treasurer under Sections 87b and 87c would not be superseded by Section 87f as to a delinquent tax revolving fund. (Section 87c allows a county that has created a fund to borrow money and issue notes to establish or continue the fund.)

MCL 211.87b & 211.87f

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Date Completed: 3-15-17

Fiscal Analyst: Elizabeth Pratt