HOUSE BILL No. 4949

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September 13, 2017, Introduced by Reps. Yaroch, Lucido, Brann, Leutheuser and Zemke 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 2012 PA 184.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 44a. (1) Notwithstanding any other statutory or charter provision to the contrary, beginning in 2005 and each year after 2005, a county shall 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. The portion of the 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

HOUSE BILL No. 4949

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.

(2) Notwithstanding any other statutory or charter provision to the contrary, beginning in 2013 and each year after 2013, a millage that is levied by any taxing authority within a local tax collecting unit that had been previously billed and collected as part of the winter property tax levy in a preceding tax year may be accelerated and collected earlier in that tax year as a summer property tax levy if all of the following conditions are satisfied:

(a) The aggregate amount of the revenue from the levy and collection of all individual millages that would be levied and collected in the winter tax bill totals ~~$100.00~~ **$500.00** or less per individual tax bill, excluding any property tax administration fee. A millage may be accelerated and collected earlier for only those tax bills that total ~~$100.00~~ **$500.00** or less for all individual millages and that millage may be levied and collected as a winter property tax levy for all other tax bills that total more than ~~$100.00~~ **$500.00** for all individual millages. Any additional millage approved to be levied by any taxing authority after collection of the summer property tax levy shall be collected as part of a winter property tax levy as provided in this act.

(b) A resolution authorizing the summer collection is approved by all of the following:

(*i*) The county board of commissioners.

(*ii*) The legislative body of the local tax collecting unit.

(*iii*) The county tax allocation board, if any.

(c) Within 60 days of approval of the resolutions required under subdivision (b), the local tax collecting unit notifies all owners of property on the tax roll that if the aggregate amount of the revenue from the levy and collection of all individual millages that would be levied and collected in the winter tax bill totals ~~$100.00~~ **$500.00** or less, excluding any property tax administration fee, those millages will be accelerated and collected as a summer property tax levy.

(3) 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.

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

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

March 1 and collected pursuant to this act.

(6) Interest shall be added to taxes collected after September 14 at that rate imposed by section 78a on delinquent property tax levies that became a lien in the same year. However, if September 14 is on a Saturday, Sunday, or legal holiday, the last day taxes are due and payable before interest is added is on the next business day and interest shall be added to taxes that remain unpaid on the immediately succeeding business day. The tax levied under this act that is collected with the city taxes shall be subject to the same penalties, interest, and collection charges as city taxes and shall be returned as delinquent to the county treasurer in the same manner and with the same interest, penalties, and fees as city taxes.

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

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

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

(10) 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, less any amount of tax levy captured and used under a tax increment financing plan under 1975 PA 197, MCL 125.1651 to 125.1681; the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174; or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672,~~ **125.2670**, 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, less any amount of tax levy captured and used under a tax increment financing plan under 1975 PA 197, MCL 125.1651 to 125.1681; the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174; or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to ~~125.2672.~~ **125.2670.**

(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.

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

(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.

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

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

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

(13) Not later than March 1, 2005, a county that receives a

payment in October 2004 as provided in a bill making appropriations to the department of treasury for the 2004-05 fiscal year shall pay the amount of that payment to the state treasurer from the revenue sharing reserve fund. A county that does not make the payment required under this subsection shall not make any expenditures from the fund provided under subsection ~~(13).~~**(14)**.

(14) For each fiscal year of a county that begins after September 30, 2004, a county may expend from the revenue sharing reserve fund an amount not to exceed the total payments made to that county under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal year ending September 30, 2004, adjusted annually by the inflation rate, without regard to any executive orders issued after May 17, 2004. As used in this subsection, "inflation rate" means that term as defined in section 34d.

(15) A county's required 2012 revenue sharing reserve fund balance shall be reduced by an amount equal to the amount of county allocated property tax the county had to refund for the 2004 tax year due to a single court judgment, if the refund of 2004 county allocated tax due to that judgment was at least 70% of the county's 2011 allowable withdrawal from its revenue sharing reserve fund. The refund amount shall include the interest the county paid on the 2004 property tax refund.

(16) If a resolution authorizing a summer property tax levy for a tax previously billed as part of the winter property tax levy is approved under subsection (2), the treasurer that collects the summer property tax levy shall establish a restricted fund to be

known as the other levies reserve fund for any millage collected that was previously billed as part of the winter property tax levy. Any millage that had been previously billed and collected as part of the winter property tax levy in a preceding tax year that is accelerated and collected earlier as a summer property tax levy shall be deposited into the other levies reserve fund. The treasurer that collects the summer property tax levy shall distribute to the local taxing authorities the revenues credited to the other levies reserve fund from the summer property tax collection of a millage that had been previously billed and collected as part of a winter property tax levy on December 1 of the tax year that the December property tax levy would otherwise have been due and payable. If a millage previously billed and collected as part of the winter property tax levy is accelerated and collected earlier as a summer property tax levy, and if the millage collected in that summer property tax levy is less than that millage would have been if levied as part of the immediately succeeding winter property tax levy, the treasurer that collected the summer property tax levy may issue a supplemental winter tax bill for the deficiency or, if approved by a resolution of the legislative body of the local unit that collected the summer property tax levy, pay any deficiency from that local unit's general fund. The treasurer collecting the summer property tax levy shall account for interest earned on the other levies reserve fund and interest shall be transmitted to the various local tax collecting units in proportion to the revenue collected from a millage previously billed and collected as part of the winter property tax levy in a preceding tax year that is accelerated and collected earlier as a summer property tax levy, after a deduction of reasonable expenses incurred by the treasurer in administering the accounting and disbursement of funds, to the extent that those expenses are in addition to the expenses of accounting and disbursing other taxes.

(17) The treasurer that collects the state education tax shall collect the summer property tax levy under this section.