U.S. PAYMENTS IN LIEU OF TAXES
Act 318 of 1941

AN ACT to provide for the consummation of agreements for and on behalf of the political subdivisions of the state of Michigan, for payments of sums in lieu of taxes by the United States.

History: 1941, Act 318, Eff. Jan. 10, 1942.

The People of the State of Michigan enact:

3.221 Federal payments in lieu of taxes, definition.

Sec. 1. The following definitions shall be applied to the terms used in this act:

(1) "Agreement" shall mean "contract" and shall include renewals and alterations of a contract.

(2) "Political subdivision" shall mean any agency or unit of this state which now is, or hereafter shall be, authorized to levy taxes or empowered to cause taxes to be levied.

(3) "Services" shall mean such public and municipal functions as are performed for property in, and for persons residing within, a political subdivision.

(4) "Project" shall mean any resettlement project or rural rehabilitation project for resettlement purposes of the United States located within a political subdivision, and shall include the persons inhabiting such project.

(5) "Governing body" shall mean the board, body, or persons in which the powers of a political subdivision as a body corporate, or otherwise, are vested.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.221.

3.222 Contracts between United States and state political subdivisions; authorization.

Sec. 2. The board of supervisors of any county in this state is hereby authorized and empowered (a) to make requests of the United States, for and on behalf of the county and political subdivisions whose jurisdictional limits are within or coextensive with the limits of the county, for the payment of such sums in lieu of taxes as the United States may agree to pay, and (b) to enter into agreements with the United States, in the name of the county, for the performance of services by the county and such political subdivisions for the benefit of a project, and for the payment by the United States to the county, in 1 or more installments, of sums in lieu of taxes.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.222.

3.223 Agreements on division of payment among political subdivisions.

Sec. 3. Each agreement entered into pursuant to section 2 shall contain the names of the political subdivisions in whose behalf it is consummated and a statement of the proportionate share of the payment by the United States to which each political subdivision shall be entitled. The board of supervisors shall immediately notify each political subdivision in whose behalf an agreement is entered into of the consummation thereof.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.223.

3.224 County treasurers' duties.

Sec. 4. The board of supervisors shall file 1 copy of any agreement for a payment of sums in lieu of taxes with the county treasurer. On or before the date on which any payment of sums in lieu of taxes is due, the county treasurer shall present a bill to the United States, in the name of the county, in the amount of such payment. Whenever such payment is received, the county treasurer shall issue a receipt therefor in the name of the county.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.224.

3.225 Distribution of payments; acceptance and refusal.

Sec. 5. Immediately after receiving a payment in lieu of taxes, the county treasurer shall, without any deduction, apportion and pay it to the several political subdivisions in accordance with the agreement under which the payment was received, notwithstanding any other law controlling the expenditure of county funds. The acceptance by the governing body of a political subdivision of its share of a payment in lieu of taxes shall be construed as an approval of the agreement under which the payment was received. If any governing body shall refuse to accept a political subdivision's share of a payment in lieu of taxes, the county treasurer shall refund the same, without any deduction, to the United States.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.225.

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3.226 Direct United States-political subdivision contract; authorization.

Sec. 6. If the United States declines to deal with a board of supervisors with respect to any political subdivision whose jurisdictional limits are within or coextensive with the limits of the county, or in the event the jurisdictional limits of a political subdivision lie within more than 1 county, that political subdivision is authorized to make requests of the United States for such payments in lieu of taxes as the United States may agree to pay. Such political subdivision is hereby empowered to enter into agreements with the United States for the performance by the political subdivision of services for the benefit of a project and for the payment by the United States to the political subdivision, in 1 or more installments, of sums in lieu of taxes.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.226.

3.227 Basis for determination of amount of payment.

Sec. 7. The amount of any payment of sums in lieu of taxes may be based on the estimated cost to each political subdivision, for and on whose behalf an agreement is entered into, of performing services for the benefit of a project during the period of an agreement, after taking into consideration the benefits to be derived by each political subdivision from such project, but shall not be in excess of the taxes which would result to each political subdivision for said period if the real property of the project within each political subdivision were taxable.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.227.

3.228 Depositing funds received by political subdivisions.

Sec. 8. All money received by a political subdivision pursuant to section 5 or 6 shall be deposited in such fund or funds as may be designated in the agreement: Provided, however, That if the agreement does not make such designation, the money shall be deposited in such fund or funds as the governing body of such political subdivision shall by appropriate resolution direct.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.228.

3.229 Duty of political subdivision to furnish services.

Sec. 9. No provision of this act shall be construed to relieve any political subdivision of this state, in the absence of an agreement for payment of sums in lieu of taxes by the United States, as provided in this act, of the duty of furnishing for the benefit of a project all services which the political subdivision usually furnishes to property in, and to persons residing within, the political subdivision without a payment of sums in lieu of taxes.

History: 1941, Act 318, Eff. Jan. 10, 1942;—CL 1948, 3.229.

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