

HOUSE BILL No. 6179

May 18, 2010, Introduced by Reps. Denby, McDowell, Slezak, Rogers, Marleau, Walsh, McMillin and Daley and referred to the Committee on Intergovernmental and Regional Affairs.

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

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

24 (2) If a delinquent tax revolving fund is established, the
25 county treasurer shall be the agent for the county and, without
26 further action by the county board of commissioners, may enter into
27 contracts with other municipalities, this state, or private

1 persons, firms, or corporations in connection with any transaction
2 relating to the fund or any borrowing made by the county pursuant
3 to section 87c or 87d, including all services necessary to complete
4 this borrowing.

5 (3) The county treasurer shall pay from the fund any or all
6 delinquent taxes that are due and payable to the county and any
7 school district, intermediate school district, community college
8 district, city, township, special assessment district, this state,
9 or any other political unit for which delinquent tax payments are
10 due within 20 days after sufficient funds are deposited within the
11 delinquent tax revolving fund or, if the county treasurer is
12 treasurer for a county with a population greater than 1,500,000
13 persons, within 30 days after sufficient funds are deposited within
14 the delinquent tax revolving fund. In a county with a delinquent
15 tax revolving fund where the county does not borrow pursuant to
16 section 87c or 87d, if the county treasurer does not make payment
17 of the delinquent taxes to the local units within 10 days after the
18 completion of county settlement with all local units under section
19 55, the county shall pay interest on the unpaid delinquent taxes
20 from the date of actual county settlement at the rate of 12% per
21 annum for the number of days involved.

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

26 (5) If a local taxing unit has borrowed money in anticipation
27 of collecting taxes for any school district or other municipality

1 and the county treasurer has been so notified in writing, the
2 county treasurer shall pay to the local taxing unit the shares of
3 the fund for that school district or municipality. For purposes of
4 this subsection, "local taxing unit" means a city, village, or
5 township.

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

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

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

16 (9) This section shall not supersede section 87 but is an
17 alternative method for paying delinquent taxes to local units.
18 However, where this section is used by a county, section 87 shall
19 not be used.