



Senate Fiscal Agency
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Senate Bill 350 (as passed by the Senate)
Sponsor: Senator Kimberly LaSata
Committee: Finance

Date Completed: 3-20-20

RATIONALE

Currently, the General Law Village Act requires taxes collected by a village to be returned delinquent to the county treasurer on September 15 unless the governing body of the village by resolution adopted on or before June 1 of each year determines that the village taxes will be returned to the county treasurer on the same date that county taxes are returned delinquent for collection. Some believe that, for those villages that intend village taxes to be returned to the county treasurer on the same date that county taxes are returned delinquent for collection every year, the requirement to adopt a resolution annually is a burdensome step. Thus, it has been suggested that the Act be amended to allow for a village resolution to be effective until revoked.

CONTENT

The bill would amend the General Law Village Act to do the following:

- **Specify that a resolution determining that village taxes will be returned to the county treasurer on the same date that county taxes are returned delinquent for collection could remain in effect for subsequent tax levies until revoked.**
- **Require the resolution to be forwarded to the county treasurer before the July 1 tax levy to which it first applied.**

As written above, the taxes collected by a village must be returned delinquent to the county treasurer on September 15 unless the governing body of the village adopts a resolution on or before June 1 of each year determining that the village taxes will be returned to the county treasurer on the same date that county taxes are returned delinquent for collection.

Under the bill, the resolution would have to be adopted on or before June 1 to be effective as to the immediately succeeding summer tax levy and would be effective as to all subsequent tax levies until revoked by resolution of the governing body of the village. A revoking resolution would have to be adopted on or before June 1 to be effective as to the immediately succeeding summer tax levy and would be effective as to all subsequent tax levies.

Currently, a resolution must be forwarded to the county treasurer before the July 1 of each year. Under the bill, a resolution of either kind would have to be forwarded to the county treasurer before the July 1 tax levy to which it first applied.

MCL 69.18

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The current requirement for a village to adopt a resolution each year if it wishes to have village taxes returned to the county treasurer on the same date that county taxes are returned as delinquent is a repetitive process. By allowing a resolution to remain effective until revoked, the bill would save villages the effort of having to adopt a new resolution every year and remove an additional administrative step that could be forgotten or improperly executed.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on the State and could have a minor positive fiscal impact on certain villages. Since affected villages no longer would need to pass a new resolution each year, there could be some administrative savings to the affected villages.

Fiscal Analyst: Ryan Bergan