



HOUSE BILL No. 5308

October 25, 1995, Introduced by Rep. Bodem and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend sections 7dd and 44 of Act No. 206 of the Public Acts of 1893, entitled as amended "The general property tax act," section 7dd as added by Act No. 237 of the Public Acts of 1994 and section 44 as amended by Act No. 415 of the Public Acts of 1994, being sections 211.7dd and 211.44 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 7dd and 44 of Act No. 206 of the Public
2 Acts of 1893, section 7dd as added by Act No. 237 of the Public
3 Acts of 1994 and section 44 as amended by Act No. 415 of the
4 Public Acts of 1994, being sections 211.7dd and 211.44 of the
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 7dd. As used in sections 7cc and 7ee:

1 (a) "Homestead" means that portion of a dwelling or unit in
2 a multiple-unit dwelling that is subject to ad valorem taxes and
3 is owned and occupied as a principal residence by an owner of the
4 dwelling or unit. Homestead also includes all of an owner's
5 unoccupied property classified as residential that is adjoining
6 or contiguous to the dwelling subject to ad valorem taxes and
7 that is owned and occupied as a principal residence by the
8 owner. Contiguity is not broken by a road or a right-of-way.
9 Homestead also includes any portion of a principal residence of
10 an owner that is rented or leased to another person as a resi-
11 dence as long as that portion of the principal residence that is
12 rented or leased is less than 50% of the total square footage of
13 living space in that principal residence. Homestead also
14 includes a life care facility registered under the living care
15 disclosure act, Act No. 440 of the Public Acts of 1976, being
16 sections 554.801 to 554.844 of the Michigan Compiled Laws.
17 Homestead also includes property owned by a cooperative housing
18 corporation and occupied as a principal residence by tenant
19 stockholders.

20 (b) "Owner" means a person who is 1 of the following:

21 (i) A person who owns property or who is purchasing property
22 under a land contract.

23 (ii) A person who is a partial owner of property.

24 (iii) A person who owns property as a result of being a ben-
25 eficiary of a will or trust or as a result of intestate
26 succession.

1 (iv) A person who owns or is purchasing a dwelling on leased
2 land.

3 (v) A person holding a life lease in property previously
4 sold or transferred to another.

5 (vi) A grantor who has placed the property in a revocable
6 trust or a qualified personal residence trust.

7 (c) "Person", for purposes of defining owner as used in
8 section 7cc, means an individual and for purposes of defining
9 owner as used in section 7ee means an individual, partnership,
10 corporation, limited liability company, association, or other
11 legal entity.

12 (d) "Principal residence" means the 1 place where a person
13 has his or her true, fixed, and permanent home to which, whenever
14 absent, he or she intends to return and that shall continue as a
15 principal residence until another principal residence is
16 established.

17 (e) "Qualified agricultural property" means unoccupied prop-
18 erty and related buildings classified as agricultural, or other
19 unoccupied property and related buildings located on that prop-
20 erty devoted primarily to agricultural use as defined in section
21 ~~2 of the farmland and open space preservation act, Act No. 116~~
22 ~~of the Public Acts of 1974, being section 554.702~~ 36101 OF PART
23 361 (FARMLAND AND OPEN SPACE PRESERVATION) OF THE NATURAL
24 RESOURCES AND ENVIRONMENTAL PROTECTION ACT, ACT NO. 451 OF THE
25 PUBLIC ACTS OF 1994, BEING SECTION 324.36101 of the Michigan
26 Compiled Laws. Related buildings include a residence occupied by
27 a person employed in or actively involved in the agricultural use

1 and who has not claimed a homestead exemption on other property.
2 Property used for commercial storage, commercial processing, com-
3 mercial distribution, commercial marketing, or commercial ship-
4 ping operations or other commercial or industrial purposes is not
5 qualified agricultural property. A parcel of property is devoted
6 primarily to agricultural use only if more than 50% of the
7 parcel's acreage is devoted to agricultural use. An owner shall
8 not receive an exemption for that portion of the total state
9 equalized valuation of the property that is used for a commercial
10 or industrial purpose or that is a residence that is not a
11 related building.

12 Sec. 44. (1) Upon receipt of the tax roll, the township
13 treasurer or other collector shall proceed to collect the taxes.
14 The township treasurer or other collector shall mail to each tax-
15 payer at the taxpayer's last known address on the tax roll or to
16 the taxpayer's designated agent a statement showing the descrip-
17 tion of the property against which the tax is levied, the taxable
18 value of the property, and the amount of the tax on the
19 property. If a tax statement is mailed to the taxpayer, a tax
20 statement sent to a taxpayer's designated agent may be in a sum-
21 mary form or may be in an electronic data processing format. If
22 the tax statement information is provided to both a taxpayer and
23 the taxpayer's designated agent, the tax statement mailed to the
24 taxpayer may be identified as an informational copy. A township
25 treasurer or other collector electing to send a tax statement to
26 a taxpayer's designated agent or electing not to include an
27 itemization in the manner described in subsection (9)(c) in a tax

1 statement mailed to the taxpayer shall, upon request, mail a
2 detailed copy of the tax statement, including an itemization of
3 the amount of tax in the manner described by subsection (9)(c),
4 to the taxpayer without charge, as previously required by this
5 section.

6 (2) The expense of preparing and mailing the statement shall
7 be paid from the county, township, city, or village funds.
8 Failure to send or receive the notice does not prejudice the
9 right to collect or enforce the payment of the tax. The township
10 treasurer shall remain in the office of the township treasurer at
11 some convenient place in the township on each Friday in the month
12 of December, from 9 a.m. to 5 p.m. to receive taxes, but shall
13 receive taxes upon a weekday when they are offered. However, if
14 a Friday in the month of December is Christmas eve, Christmas
15 day, New Year's eve, or a day designated by the township as a
16 holiday for township employees, the township treasurer shall not
17 be required to remain in the office of the township treasurer on
18 that Friday, but shall remain in the office of the township trea-
19 surer at some convenient place in the township from 9 a.m. to 5
20 p.m. on the day most immediately preceding that Friday that is
21 not Christmas eve, Christmas day, New Year's eve, or a day desig-
22 nated by the township as a holiday for township employees, to
23 receive taxes.

24 (3) Except as provided by subsection (7), on a sum volun-
25 tarily paid before February 15 of the succeeding year, the local
26 property tax collecting unit shall add 1% for a property tax
27 administration fee. However, unless otherwise provided for by an

1 agreement between the assessing unit and the collecting unit, if
2 a local property tax collecting unit other than a village does
3 not also serve as the local assessing unit, the excess of the
4 amount of property tax administration fees over the expense to
5 the local property tax collecting unit in collecting the taxes,
6 but not less than 80% of the fee imposed, shall be returned to
7 the local assessing unit. A property tax administration fee is
8 defined as a fee to offset costs incurred by a collecting unit in
9 assessing property values, collecting the property tax levies,
10 and in the review and appeal processes. The costs of any
11 appeals, in excess of funds available from the property tax
12 administration fee, may be shared by any taxing unit only if
13 approved by the governing body of the taxing unit. Except as
14 provided by subsection (7), on all taxes paid after February 14
15 and before March 1 the governing body of a city or township may
16 authorize the treasurer to add to the tax a property tax adminis-
17 tration fee to the extent imposed on taxes paid before February
18 15 and a late penalty charge equal to 3% of the tax. Interest
19 from February 15 to the last day of February on a summer property
20 tax that has been deferred under section 51 or any late penalty
21 charge may be waived by the governing body of a city or township
22 for the homestead property of a senior citizen, paraplegic, quad-
23 ripleptic, hemiplegic, eligible serviceperson, eligible veteran,
24 eligible widow or widower, totally and permanently disabled
25 person, or blind person, as those persons are defined in chapter
26 9 of the income tax act of 1967, Act No. 281 of the Public Acts
27 of 1967, ~~as amended,~~ being sections 206.501 to 206.532 of the

1 Michigan Compiled Laws, if the person makes a claim before
2 February 15 for a credit for that property provided by chapter 9
3 of Act No. 281 of the Public Acts of 1967, ~~as amended,~~ if the
4 person presents a copy of the form filed for that credit to the
5 local treasurer, and if the person has not received the credit
6 before February 15. Interest from February 15 to the last day of
7 February on a summer property tax deferred under section 51 or
8 any late penalty charge may be waived by the governing body of a
9 city or township for a person's property that is subject to a
10 farmland development rights agreement recorded with the register
11 of deeds of the county in which the property is situated as pro-
12 vided in section ~~5 of the farmland and open space preservation~~
13 ~~act, Act No. 116 of the Public Acts of 1974, being section~~
14 ~~554.705~~ 36104 OF PART 361 (FARMLAND AND OPEN SPACE PRESERVATION)
15 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, ACT
16 NO. 451 OF THE PUBLIC ACTS OF 1994, BEING SECTION 324.36104 of
17 the Michigan Compiled Laws, if the person presents a copy of the
18 development rights agreement or verification that the property is
19 subject to a development rights agreement before February 15. A
20 4% county property tax administration fee, a property tax admin-
21 istration fee to the extent imposed on and if authorized under
22 subsection (7) for taxes paid before March 1, and interest on the
23 tax at the rate of 1% per month shall be added to taxes collected
24 by the township or city treasurer after the last day of February
25 and before settlement with the county treasurer, and the payment
26 shall be treated as though collected by the county treasurer. If
27 the statements required to be mailed by this section are not

1 mailed before December 31, the treasurer shall not impose a late
2 penalty charge with respect to taxes collected after
3 February 14.

4 (4) The governing body of a local property tax collecting
5 unit may waive all or part of the property tax administration fee
6 or the late penalty charge, or both. A property tax administra-
7 tion fee collected by the township treasurer shall be used only
8 for the purposes for which it may collected as specified by sub-
9 section (3) and this subsection. If the bond of the treasurer,
10 as provided in section 43, is furnished by a surety company, the
11 cost of the bond may be paid by the township from the property
12 tax administration fee.

13 (5) If apprehensive of the loss of personal tax assessed
14 upon the roll, the township treasurer may enforce collection of
15 the tax at any time, and if compelled to seize property or bring
16 an action in December may add, if authorized under
17 subsection (7), 1% for a property tax administration fee and 3%
18 for a late penalty charge.

19 (6) Along with taxes returned delinquent to a county trea-
20 surer under section 55, the amount of the 1% property tax admin-
21 istration fee prescribed by subsection (3) that is imposed and
22 not paid shall be included in the return of delinquent taxes and,
23 when delinquent taxes are distributed by the county treasurer
24 under this act, the delinquent 1% property tax administration fee
25 shall be distributed to the treasurer of the local unit who
26 transmitted the statement of taxes returned as delinquent.
27 Interest imposed upon delinquent property taxes under this act

1 shall also be imposed upon the 1% property tax administration fee
2 and, for purposes of this act other than to which local unit the
3 county treasurer shall distribute a delinquent 1% property tax
4 administration fee, any reference to delinquent taxes shall be
5 considered to include the 1% property tax administration fee
6 returned as delinquent for the same property.

7 (7) The local property tax collecting treasurer shall not
8 impose a property tax administration fee, collection fee, or any
9 type of late penalty charge authorized by law or charter unless
10 the governing body of the local property tax collecting unit
11 approves, by resolution or ordinance adopted after
12 December 31, 1982, an authorization for the imposition of a prop-
13 erty tax administration fee, collection fee, or any type of late
14 penalty charge provided for by this section or by charter, which
15 authorization shall be valid for all levies that become a lien
16 after the resolution or ordinance is adopted. However, unless
17 otherwise provided for by an agreement between the assessing unit
18 and the collecting unit, a local property tax collecting unit
19 that does not also serve as the assessing unit shall impose a
20 property tax administration fee on each parcel at a rate equal to
21 the rate of the fee imposed for city or township taxes on that
22 parcel.

23 (8) The annual statement required by Act No. 125 of the
24 Public Acts of 1966, being sections 565.161 to 565.164 of the
25 Michigan Compiled Laws, or a monthly billing form or mortgagor
26 passbook provided instead of that annual statement shall include
27 a statement to the effect that a taxpayer who has not been mailed

1 the tax statement or a copy of the tax statement by the township
2 treasurer or other collector shall receive, upon request and
3 without charge, a copy of the tax statement from the township
4 treasurer or other collector or, if the tax statement has been
5 mailed to the taxpayer's designated agent, from either the
6 taxpayer's designated agent or the township treasurer or other
7 collector. A designated agent who is subject to Act No. 125 of
8 the Public Acts of 1966 and who has been mailed the tax statement
9 for taxes that became a lien in the calendar year immediately
10 preceding the year in which the annual statement may be required
11 to be furnished shall mail, upon the request of and without
12 charge to a taxpayer who has not been mailed that tax statement
13 or a copy of that tax statement, a copy of that tax statement to
14 that taxpayer.

15 (9) As used in this section:

16 (a) "Designated agent" means an individual, partnership,
17 association, corporation, receiver, estate, trust, or other legal
18 entity that has entered into an escrow account agreement or other
19 agreement with the taxpayer that obligates that individual or
20 legal entity to pay the property taxes for the taxpayer or, if an
21 agreement has not been entered into, that has been designated by
22 the taxpayer on a form made available to the taxpayer by the
23 township treasurer and filed with that treasurer. The designa-
24 tion by the taxpayer shall remain in effect until revoked by the
25 taxpayer in a writing filed with the township treasurer. The
26 form made available by the township treasurer shall include a
27 statement that submission of the form allows the treasurer to

1 mail the tax statement to the designated agent instead of to the
2 taxpayer and a statement notifying the taxpayer of his or her
3 right to revoke the designation by a writing filed with the town-
4 ship treasurer.

5 (b) "Taxpayer" means the owner of the property upon which
6 the tax is imposed.

7 (c) When describing in subsection (1) that the amount of tax
8 on the property must be shown in the tax statement, "amount of
9 tax" means an itemization by dollar amount of each of the several
10 ad valorem property taxes and special assessments that a person
11 may pay under section 53 and an itemization by millage rate, on
12 either the tax statement or a separate form accompanying the tax
13 statement, of each of the several ad valorem property taxes that
14 a person may pay under section 53. The township treasurer or
15 other collector may replace the itemization described in this
16 subdivision with a statement informing the taxpayer that the
17 itemization of the dollar amount and millage rate of the taxes is
18 available without charge from the local property tax collecting
19 unit.