SUBSTITUTE FOR

SENATE BILL NO. 978

A bill to amend 1993 PA 331, entitled "State education tax act,"

by amending section 5b (MCL 211.905b), as added by 2004 PA 108.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 5b. (1) This section applies only to a city or
 township, or that portion of a city or township, in which no
 property taxes, other than the <u>tax levied under this act or</u>
 <u>village taxes</u> following, are levied in the summer of 2003 and
 any summer after 2003: —

6 (a) The tax levied under this act.

7 (b) Village taxes.

8 (c) Beginning in the summer of 2005, that portion of the 9 number of mills allocated to a county by a county tax allocation 10 board or authorized for a county through a separate tax 11 limitation vote, if that portion of the number of mills allocated

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to a county by a county tax allocation board or authorized for a
 county through a separate tax limitation vote were not levied
 before the summer of 2005.

4 (2) A city or township shall collect the tax levied under 5 this act unless, before November 1, 2002, the legislative body of the city or township adopts a resolution declining to collect the 6 tax levied under this act and, for a township, the treasurer 7 concurs in writing with that resolution. Before November 1, 8 2002, if the city or township adopts a resolution declining to 9 collect the tax under this act and, for a township, the treasurer 10 concurs in writing with that resolution, the appropriate 11 12 assessing officer shall send a copy of that resolution and, for a 13 township, that concurrence to the state treasurer and the treasurer of the county in which the city or township is 14 located. In January 2004 and each January thereafter, the 15 legislative body of a city or township that has declined to 16 collect the tax under this subsection may by resolution adopted 17 by a majority of the legislative body rescind the earlier 18 19 decision to decline to collect the tax. The city or township 20 shall immediately send a copy of the resolution rescinding the earlier decision to decline to collect the tax to the state 21 22 treasurer and the treasurer of the county in which the city or township is located. If a city or township collects the tax 23 levied under this act pursuant to this section, that city or 24 township shall retain \$2.50 for each parcel of property in that 25 city or township on which the tax levied under this act is billed 26 27 under this section from the tax collected under this act before

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1 transmitting the tax collected as provided in this act.

2 (3) A county that receives a copy of a resolution declining to collect the tax under this act and, for a township, a written 3 concurrence as provided in subsection (2) shall collect the tax 4 5 levied under this act pursuant to this section unless, before February 1, 2003, the county board of commissioners adopts a 6 resolution declining to collect the tax levied under this act and 7 the county treasurer concurs in writing with that resolution. 8 Before February 1, 2003, if the county board of commissioners 9 10 adopts a resolution declining to collect the tax under this act and the county treasurer concurs in writing with that resolution, 11 12 the county treasurer shall send a copy of that resolution and 13 that concurrence to the state treasurer. In February 2004 and each February thereafter, a county board of commissioners that 14 has declined to collect the tax under this subsection may by 15 resolution, with the written concurrence of the county treasurer, 16 rescind the earlier decision to decline to collect the tax. 17 The county treasurer shall immediately send a copy of the resolution 18 rescinding the earlier decision to decline to collect the tax and 19 20 the written concurrence of the county treasurer to the state treasurer. If a county collects the tax levied under this act 21 pursuant to this section, that county shall retain \$2.50 for each 22 parcel for property in that county on which the tax levied under 23 this act is billed under this section from the tax collected 24 under this act before transmitting the tax collected under this 25 act to the state treasurer as provided in this act. 26

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(4) If a city or township does not collect the tax levied

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1 under this act pursuant to subsection (2) and if a county does 2 not collect the tax levied under this act pursuant to subsection 3 (3), the state treasurer shall collect the tax under the 4 provisions of the general property tax act. The collection of 5 the tax levied under this act is not subject to 1941 PA 122, 6 MCL 205.1 to 205.31. The tax levied under this act collected 7 pursuant to this subsection is subject to a 1% administration 8 fee.

9 (5) All of the following apply to the collection of the tax
10 levied under this act by a county treasurer or the state
11 treasurer:

(a) Not later than June 1, the township or city for which the 12 tax is being collected shall deliver to the county treasurer or 13 the state treasurer, as applicable, a certified copy of each 14 assessment roll for taxable property located in the township or 15 city. Each assessment roll shall include the taxable value of 16 each parcel subject to the collection of the tax levied under 17 this act. The county treasurer or state treasurer, as 18 applicable, shall remit the necessary cost incident to the 19 20 reproduction of the assessment roll to the township or city.

(b) Not later than June 30, the county treasurer or the state
treasurer, as applicable, shall spread the millage levied under
this act against the assessment roll and prepare the tax roll.

(c) The county treasurer or the state treasurer, as
applicable, may impose all or a portion of the fees and charges
authorized under section 44 of the general property tax act, 1893
PA 206, MCL 211.44, on taxes paid before March 1. The county

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treasurer or the state treasurer, as applicable, shall retain the
 fees and charges imposed under this subdivision regardless of
 whether all or part of the fees and charges have been waived by
 the township or city.

6) In relation to the assessment, spreading, and collection
of taxes pursuant to this section, a county treasurer or the
state treasurer, as applicable, shall have powers and duties
similar to those prescribed by the general property tax act for
township supervisors, township clerks, and township treasurers.
However, this section shall not be considered to transfer any
authority over the assessment of property.

12 (7) A county treasurer or state treasurer collecting taxes
13 pursuant to this section shall be bonded for tax collection in
14 the same amount and in the same manner as a township treasurer
15 would be for undertaking the duties prescribed by this section.

16 (8) If a county treasurer or the state treasurer collects the 17 tax levied under this act pursuant to this section, all payments from this state for collecting the tax levied under this act in a 18 summer levy, and all revenue generated by the administration fee, 19 20 shall be deposited in a restricted account designated as the "state education tax collection account". The county treasurer 21 or the state treasurer, as applicable, shall direct the 22 investment of the account. The county treasurer or the state 23 treasurer, as applicable, shall credit to the account interest 24 and earnings from the account investments. Proceeds in that 25 account shall only be used for the cost of collecting the tax 26 27 levied under this act. For a county collecting the tax under

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this act, the county board of commissioners shall appropriate
 sufficient money from the account to the county treasurer to
 cover the cost of collecting the tax levied under this act.

4 (9) The tax levied under this act that is collected by a city 5 pursuant to this section on a date other than a date it collects city taxes shall be subject to the same fees and charges a city 6 may impose under section 44 of the general property tax act, 1893 7 PA 206, MCL 211.44, except that a city may impose the 8 administration fee on the tax levied under this act that is 9 billed in the summer even if the fee is not imposed on taxes 10 billed in December. The tax levied under this act that is 11 12 collected pursuant to this section on or before September 14 of each year by a city that collects school taxes on a date other 13 than the date it collects city taxes shall be without interest, 14 but the tax levied under this act that is collected after 15 September 14 in each year shall bear interest at the rate imposed 16 by section 59 of the general property tax act, 1893 PA 206, 17 MCL 211.59, on delinquent property tax levies that become a lien 18 in the same year. All interest and penalties that are imposed 19 20 prior to the date the tax levied under this act is returned as delinquent, other than the administration fee, shall be 21 transmitted to the state treasurer for deposit into the state 22 school aid fund established in section 11 of article IX of the 23 state constitution of 1963. If imposed, the administration fee 24 shall be retained by the city. 25

26 (10) The tax levied under this act that is collected by a27 township on or before September 14 in each year shall be without

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1 interest. The tax levied under this act that is collected after September 14 of any year shall bear interest at the rate imposed 2 by section 59 of the general property tax act, 1893 PA 206, 3 MCL 211.59, on delinquent property tax levies that become a lien 4 5 in the same year. The tax levied under this act that is collected by a township is subject to the same fees and charges 6 the township may impose under section 44 of the general property 7 tax act, 1893 PA 206, MCL 211.44, except that a township may 8 impose the administration fee on the tax levied under this act 9 that is billed in the summer even if the fee is not imposed on 10 taxes billed in December. All interest and penalties that are 11 12 imposed prior to the date the tax levied under this act is 13 returned delinquent, other than the administration fee, shall be transmitted to the state treasurer for deposit into the state 14 school aid fund established in section 11 of article IX of the 15 state constitution of 1963. If imposed, the administration fee 16 17 shall be retained by the township.

18 (11) For taxes levied after December 31, 2003, not later than 19 June 1 of each year, the county treasurer shall deliver to the 20 state treasurer a statement of the total amount of the state education tax levy of the prior year not returned delinquent that 21 22 was collected by the county treasurer and collected and remitted to the county treasurer by each city or township treasurer, 23 together with a statement for the county and for each city or 24 township of the number of parcels from which the state education 25 tax was collected, the number of parcels for which the state 26 27 education tax was billed, and the total amount retained by the

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- 1 county treasurer and by the city or township treasurer as
- **2** permitted by subsections (2) and (3).