

SENATE BILL No. 582

October 27, 2015, Introduced by Senator BRANDENBURG and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending sections 87b and 87c (MCL 211.87b and 211.87c), section
87b as amended by 2014 PA 126 and section 87c as amended by 2012 PA
431, and by adding section 87f.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 87b. (1) The county board of commissioners of any county,
2 **ON BEHALF OF THE TAXING UNITS IN THE COUNTY AND, FOR PURPOSES OF**
3 **THE STATE EDUCATION TAX UNDER THE STATE EDUCATION TAX ACT, 1993 PA**
4 **331, MCL 211.901 TO 211.906, THIS STATE,** may create a delinquent
5 tax revolving fund that, at the option of the county treasurer, may
6 be designated as the "100% tax payment fund". Upon the
7 establishment of the fund, all delinquent taxes, except taxes on
8 personal property, due and payable to the taxing units in the

1 county, except those units that collect their own delinquent taxes
2 after March 1 by charter or otherwise, are due and payable to the
3 county, ~~The~~ **ON BEHALF OF THE TAXING UNITS IN THE COUNTY AND THIS**
4 **STATE. MONEY AND OTHER PROPERTY AND ASSETS HELD IN THE DELINQUENT**
5 **TAX REVOLVING FUND SHALL BE KEPT SEPARATE FROM AND SHALL NOT BE**
6 **COMMINGLED WITH ANY OTHER MONEY, PROPERTY, OR ASSETS IN THE CUSTODY**
7 **OF THE COUNTY TREASURER. ALL MONEY, PROPERTY, AND ASSETS ACQUIRED**
8 **BY THE COUNTY TREASURER, WHETHER AS REVENUES OR OTHERWISE, SHALL BE**
9 **HELD BY IT IN TRUST FOR THE TAXING UNITS IN THE COUNTY FOR WHICH**
10 **THE TAXES ARE LEVIED. THE COUNTY SHALL HAVE NO RIGHT, TITLE, OR**
11 **INTEREST IN THE DELINQUENT TAX REVOLVING FUND EXCEPT FOR THE RIGHT**
12 **TO PAYMENT PROVIDED FOR IN SECTION 87C(3). IF THE COUNTY DETERMINES**
13 **TO BORROW PURSUANT TO SECTION 87C OR 87D, THAT BORROWING SHALL BE**
14 **DONE ON BEHALF OF THE COUNTY AND ITS TAXING UNITS AND THE** primary
15 obligation to pay to the county the amount of taxes and the
16 interest on the taxes shall rest with the local taxing units and
17 ~~the~~ **THIS** state for the state education tax under the state
18 education tax act, 1993 PA 331, MCL 211.901 to 211.906. If the
19 delinquent taxes that are due and payable to the county are not
20 received by the county **ON BEHALF OF THE TAXING UNITS IN THE COUNTY**
21 **AND THIS STATE** for any reason, the county has full right of
22 recourse against the taxing unit or to ~~the~~ **THIS** state for the state
23 education tax under the state education tax act, 1993 PA 331, MCL
24 211.901 to 211.906, to recover the amount of the delinquent taxes
25 and interest at the rate of 1% per month or fraction of a month or
26 a lower rate as established by resolution of the board of
27 commissioners until repaid to the county by the taxing unit.

1 However, if the county borrows to provide funds for those payments,
2 the interest rate shall not exceed the highest interest rate paid
3 on that borrowing. If the board of commissioners reduces the
4 interest rate on the recovery of uncollected delinquent taxes as
5 provided in this subsection, that decrease shall not apply to any
6 year's delinquent taxes when borrowing against that year's
7 delinquent taxes occurred before the board of commissioners adopted
8 a resolution to reduce the interest rate on the recovery of
9 uncollected delinquent taxes. Any amount that is due from a local
10 taxing unit or ~~the-THIS~~ state for a prior year's uncollected
11 delinquent tax is a lien against any future delinquent tax payments
12 that may be payable to a local taxing unit or ~~the-THIS~~ state and
13 the lien shall be satisfied by offsetting the amount due to the
14 county from the local taxing unit or ~~the-THIS~~ state when
15 distributions from the delinquent tax revolving fund are made by
16 the county to the local taxing unit or ~~the-THIS~~ state in a
17 subsequent year. A resolution or agreement previously executed or
18 adopted to this effect is validated and confirmed. For delinquent
19 state education taxes under the state education tax act, 1993 PA
20 331, MCL 211.901 to 211.906, the county may offset uncollectible
21 delinquent taxes against collections of the state education tax
22 under the state education tax act, 1993 PA 331, MCL 211.901 to
23 211.906, received by the county and owed to this state under this
24 act. ~~The-~~**A SEPARATE DELINQUENT TAX REVOLVING FUND SHALL BE CREATED**
25 **FOR EACH YEAR'S DELINQUENT TAXES, AND THAT** fund shall be segregated
26 into separate funds or accounts for each year's delinquent taxes.

27 (2) If a delinquent tax revolving fund is established, the

1 county treasurer shall be the agent for the county, **ON BEHALF OF**
2 **THE TAXING UNITS IN THE COUNTY AND THIS STATE**, and, without further
3 action by the county board of commissioners, may enter into
4 contracts with other municipalities, this state, or private
5 persons, firms, or corporations in connection with any transaction
6 relating to the fund or any borrowing made by the county pursuant
7 to section 87c or 87d, including all services necessary to complete
8 this borrowing.

9 (3) The county treasurer shall pay from the fund any or all
10 delinquent taxes that are due and payable to the county and any
11 school district, intermediate school district, community college
12 district, city, township, special assessment district, this state,
13 or any other political unit for which delinquent tax payments are
14 due within 20 days after sufficient funds are deposited within the
15 delinquent tax revolving fund or, if the county treasurer is
16 treasurer for a county with a population greater than 1,500,000
17 persons, within 30 days after sufficient funds are deposited within
18 the delinquent tax revolving fund. In a county with a delinquent
19 tax revolving fund where the county does not borrow pursuant to
20 section 87c or 87d, if the county treasurer does not make payment
21 of the delinquent taxes to the local units within 10 days after the
22 completion of county settlement with all local units under section
23 55, the county shall pay interest on the unpaid delinquent taxes
24 from the date of actual county settlement at the rate of 12% per
25 annum for the number of days involved.

26 (4) Except as provided in subsection (5), the county treasurer
27 shall pay from the fund directly to a school district its share of

1 the fund when a single school district exists within a political
2 unit.

3 (5) If a local taxing unit has borrowed money in anticipation
4 of collecting taxes for any school district or other municipality
5 and the county treasurer has been so notified in writing, the
6 county treasurer shall pay to the local taxing unit the shares of
7 the fund for that school district or municipality. For purposes of
8 this subsection, "local taxing unit" means a city, village, or
9 township.

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

14 (7) Any surplus in the fund may be transferred to the county
15 general fund by appropriate action of the county board of
16 commissioners.

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

20 (9) This section shall not supersede section 87 but is an
21 alternative method for paying delinquent taxes to local units.
22 However, where this section is used by a county, section 87 shall
23 not be used.

24 **(10) THIS SECTION MAY BE SUPERSEDED BY SECTION 87F, AS**
25 **PROVIDED IN SECTION 87F(1).**

26 Sec. 87c. (1) A county that has created a fund pursuant to
27 section 87b by resolution of its board of commissioners and without

1 a vote of its electors may borrow money and issue its revolving
2 fund notes to establish or continue, in whole or in part, the
3 delinquent tax revolving fund and to pay the expenses of the
4 borrowing.

5 (2) If a fund is created and a county determines to borrow
6 pursuant to this section, the county treasurer shall be the agent
7 for the county, **ON BEHALF OF THE TAXING UNITS IN THE COUNTY AND**
8 **THIS STATE**, in connection with all transactions relative to the
9 fund.

10 (3) If provided by separate resolution of the county board of
11 commissioners for any year in which a county determines to borrow
12 for the purposes provided in this section and subject to subsection
13 (4), there shall be payable to the county treasurer's office from
14 the surplus in the fund **AFTER PAYMENT OF THE PRINCIPAL OF AND**
15 **INTEREST ON THE NOTES AND THE EXPENSES OF THE BORROWING** an amount
16 equal to the following for delinquent tax administration expenses:

17 (a) For any delinquent tax on which the interest rate before
18 sale exceeds 1% per month, 1/27 of the interest collected per
19 month.

20 (b) For any delinquent tax on which the interest rate before
21 sale is 1% per month or less, 3/64 of the interest collected each
22 month.

23 (c) Notwithstanding any other provision of this act or other
24 law to the contrary, a county shall not pay any sums due to a
25 county treasurer for services as agent for that county that have
26 not been paid prior to ~~the effective date of the amendatory act~~
27 ~~that added this subdivision.~~ **DECEMBER 21, 2012.**

1 (4) The total sum payable under subsection (3) shall not
2 exceed 5% of the total budget of the treasurer's office for that
3 year.

4 ~~(5) In the resolution authorizing the borrowing and issuance~~
5 ~~of notes, the delinquent taxes from which the borrowing is to be~~
6 ~~repaid shall be pledged to the payment of the principal and~~
7 ~~interest of the notes, and the proceeds of the collection of the~~
8 ~~delinquent taxes pledged and the interest on the proceeds shall be~~
9 ~~placed in a segregated fund or account and shall not be used for~~
10 ~~any other purpose until the notes are paid in full, including~~
11 ~~interest.~~ **IF A COUNTY DETERMINES TO BORROW PURSUANT TO THIS**
12 **SECTION, THE DELINQUENT TAXES FROM WHICH THE BORROWING IS TO BE**
13 **REPAID AND ANY MONEY AND OTHER PROPERTY AND ASSETS RECEIVED IN**
14 **CONNECTION WITH THOSE DELINQUENT TAXES AND REVENUES DERIVED FROM**
15 **THE DELINQUENT TAXES AND MONEY AND OTHER PROPERTY AND ASSETS,**
16 **INCLUDING ANY MONEY IN A NOTE RESERVE FUND, SHALL BE PLEDGED AS**
17 **SECURITY FOR, AND USED FOR THE PAYMENT OF, THE PRINCIPAL AND**
18 **INTEREST OF THE NOTES AND FOR NO OTHER PURPOSE UNTIL THE NOTES ARE**
19 **PAID IN FULL, INCLUDING INTEREST. MONEY AND OTHER PROPERTY HELD IN**
20 **THE DELINQUENT TAX REVOLVING FUND SHALL BE KEPT SEPARATE FROM AND**
21 **SHALL NOT BE COMMINGLED WITH ANY OTHER MONEY IN THE CUSTODY OF THE**
22 **COUNTY TREASURER.** The segregated fund or account shall be
23 established as a part of the delinquent tax revolving fund and
24 shall be accounted for separately on the books of the county
25 treasurer. **NOTES ISSUED AND SOLD PURSUANT TO THIS SECTION SHALL BE**
26 **SECURED BY A STATUTORY LIEN ON THE DELINQUENT TAXES FROM WHICH THE**
27 **BORROWING IS TO BE REPAID AND ALL OTHER PROPERTY AND ASSETS AND ANY**

1 REVENUES DERIVED FROM THE DELINQUENT TAXES AND OTHER PROPERTY AND
2 ASSETS. THE LIEN SHALL AUTOMATICALLY ATTACH WITHOUT FURTHER ACTION
3 OR AUTHORIZATION BY THE COUNTY. THE LIEN ON THE DELINQUENT TAXES
4 AND ALL OTHER PROPERTY AND ASSETS AND ANY REVENUES DERIVED FROM
5 THOSE SOURCES SHALL BE VALID AND BINDING FROM THE TIME THE NOTES
6 ARE EXECUTED AND DELIVERED. THE LIEN SHALL AUTOMATICALLY ATTACH AND
7 BE EFFECTIVE, BINDING, AND ENFORCEABLE AGAINST THE COUNTY, ITS
8 SUCCESSORS, TRANSFEREES, AND CREDITORS, AND ALL OTHERS ASSERTING
9 RIGHTS, REGARDLESS OF WHETHER THOSE PARTIES HAVE NOTICE OF THE LIEN
10 AND WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY, RECORDATION,
11 FILING, OR FURTHER ACT. IN ADDITION, THE AMOUNTS COLLECTED THAT ARE
12 SUBJECT TO THE LIEN SHALL BE HELD IN TRUST FOR THE OWNERS OF THE
13 NOTES AUTHORIZED BY THIS SUBSECTION.

14 (6) The proceeds of the notes shall be placed in and used as
15 the whole or part of the fund established pursuant to section 87b,
16 after the expenses of borrowing have been deducted.

17 (7) The notes issued pursuant to this section shall comply
18 with all of the following:

19 (a) Be in an aggregate principal amount not exceeding the
20 aggregate amount of the delinquent taxes pledged, exclusive of
21 interest.

22 (b) Bear interest not exceeding 14.5% per annum.

23 (c) Be in those denominations, and mature on the date not
24 exceeding 6 years after their date of issue, as the board of
25 commissioners by its resolution determines.

26 (d) May be issued at an original issue discount not to exceed
27 2% of the face value of the note issued.

1 (8) The resolution authorizing issuance of the notes may
2 provide that all or part of the notes shall be subject to
3 prepayment and, if subject to prepayment, shall provide the amount
4 of call premium payable, if any, the number of days' notice of
5 prepayment that shall be given, and whether the notice shall be
6 written or published, or both. Otherwise, the notes shall not be
7 subject to prepayment.

8 (9) The sale and award of notes shall be conducted and made by
9 the treasurer of the county issuing them at a public or private
10 sale. If a public sale is held, the notes shall be advertised for
11 sale once not less than 5 days before sale in a publication printed
12 in the English language and circulated in this state that carries
13 as a part of its regular service notices of the sales of municipal
14 bonds and that has been designated in the resolution as a
15 publication complying with these qualifications. The notice of sale
16 shall be in the form designated by the county treasurer. The notes
17 may be sold subject to the option of the county treasurer and the
18 county treasurer may withhold a part of the issue from delivery if,
19 in his or her opinion, sufficient funds are available before
20 delivery of the notes to make full delivery unnecessary to the
21 purposes of the borrowing.

22 (10) The notes are full faith and credit obligations of the
23 county issuing them and, subject to section 87d, if the proceeds of
24 the taxes pledged are not sufficient to pay the principal and
25 interest of the notes when due, the county shall impose a general
26 ad valorem tax without limitation as to rate or amount on all
27 taxable property in the county to pay the principal and interest

1 and may reimburse itself from delinquent taxes collected.

2 (11) If the resolution provides and subject to section 87d,
3 the notes may be designated general obligation tax notes.

4 (12) Notwithstanding any other provisions of this section and
5 section 87d, all the following apply:

6 (a) Interest on the notes may be payable at any time provided
7 in the resolution, and may be set, reset, or calculated as provided
8 in the resolution.

9 (b) Notes issued under this section may have 1 or more of the
10 following attributes:

11 (i) Made the subject of a put or agreement to repurchase by
12 the county treasurer.

13 (ii) Secured by a letter of credit issued by a bank under an
14 agreement entered into by the county treasurer or by any other
15 collateral that the resolution may authorize.

16 (iii) Callable as set forth in the resolution.

17 (iv) Reissued by the county treasurer once reacquired by the
18 county treasurer under any put or repurchase agreement.

19 (c) The county treasurer may by order do 1 or more of the
20 following:

21 (i) Authorize the issuance of renewal notes.

22 (ii) Refund or refund in advance notes by the issuance of new
23 notes, whether the notes to be refunded have or have not matured.

24 (iii) Issue notes partly to refund notes and partly for any
25 other purposes authorized by this act.

26 (iv) Buy and sell any notes issued under this section.

27 (d) Renewal, refunding, or advance refunding notes shall

1 comply with all of the following:

2 (i) Shall be sold and the proceeds applied to the purchase
3 redemption or payment of the notes to be renewed or refunded.

4 (ii) Shall not be subject to the revised municipal finance
5 act, 2001 PA 34, MCL 141.2101 to 141.2821.

6 (iii) May be sold or resold at a public or private sale.

7 (iv) May pledge the delinquent taxes pledged in the issue to
8 be refunded in advance after the original issue is defeased by the
9 advance refunding issue.

10 (e) Notes may be issued secured by a second lien on delinquent
11 taxes, interest, and county property tax administration fees
12 already the subject of a first lien because of the issuance of a
13 prior note issue.

14 (f) Any notes issued may be secured in whole or in part under
15 a trust or escrow agreement, which agreement may also govern the
16 issuance of renewal notes, refunding notes, and advance refunding
17 notes. The agreement may authorize the trustee or escrow agent to
18 make investments of any type authorized in the agreement.

19 (13) The notes issued under this section and interest on the
20 notes shall be payable in lawful money of the United States of
21 America and shall be exempt from all taxation by this state or a
22 taxing authority in this state.

23 (14) The notes issued under this section may be made payable
24 at a bank or trust company, or may be made registrable as to
25 principal or as to principal and interest under the terms and
26 conditions specified in the authorizing resolution or by the county
27 treasurer when awarding the notes.

1 (15) Notwithstanding 1966 PA 293, MCL 45.501 to 45.521, a
2 county operating under a home rule charter shall not be restricted
3 by the provisions of the home rule charter in connection with the
4 powers granted to the county to issue notes by sections 87b and 87d
5 and this section. The treasurer of a county described in this
6 subsection, notwithstanding any charter provisions to the contrary,
7 shall have all of the powers granted to county treasurers by
8 sections 87b and 87d and this section.

9 (16) If the treasurer authorizes on the order authorizing the
10 notes, any notes issued may be secured in whole or in part under a
11 trust or escrow agreement. That agreement may authorize the trustee
12 or escrow agent to make investments of any type authorized in the
13 agreement.

14 (17) Notes issued under this act are exempt from the revised
15 municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

16 (18) **THIS SECTION MAY BE SUPERSEDED BY SECTION 87F, AS**
17 **PROVIDED IN SECTION 87F(1).**

18 **SEC. 87F. (1) IN ANY COUNTY THAT HAS CREATED A DELINQUENT TAX**
19 **REVOLVING FUND UNDER SECTION 87B, THE COUNTY BOARD OF COMMISSIONERS**
20 **MAY, BY RESOLUTION, ELECT TO CONTINUE THE DELINQUENT TAX REVOLVING**
21 **FUND UNDER THIS SECTION. THIS SECTION SUPERSEDES SECTIONS 87B AND**
22 **87C AS TO A DELINQUENT TAX REVOLVING FUND CONTINUED UNDER THIS**
23 **SECTION. A RESOLUTION PASSED UNDER THIS SUBSECTION SHALL AUTHORIZE**
24 **THE COUNTY TREASURER TO DO THE FOLLOWING:**

25 (A) **OPERATE THE DELINQUENT TAX REVOLVING FUND FOR THE NEXT 6**
26 **YEARS IN ACCORDANCE WITH THIS SECTION.**

27 (B) **ISSUE THE COUNTY'S DELINQUENT TAX REVENUE NOTES DURING**

1 THAT TIME PURSUANT TO THE REVENUE BOND ACT OF 1933, 1933 PA 94, MCL
2 141.103 TO 141.140, IN AN AMOUNT THAT WILL NOT EXCEED THE AGGREGATE
3 AMOUNT OF THE FOLLOWING:

4 (i) THE DELINQUENT TAXES PLEDGED TO SECURE EACH BORROWING.

5 (ii) AT THE OPTION OF THE COUNTY TREASURER, A NOTE RESERVE
6 FUND IN AN AMOUNT NOT TO EXCEED 15% OF EACH BORROWING.

7 (iii) THE COST OF ISSUANCE.

8 (2) UPON THE BOARD OF COMMISSIONERS' PASSAGE OF THE RESOLUTION
9 UNDER SUBSECTION (1), THE DELINQUENT TAX REVOLVING FUND SHALL BE
10 CONTINUED, AND THE FUND MAY BE DESIGNATED BY THE COUNTY TREASURER
11 AS THE "100% TAX PAYMENT FUND". THEREAFTER, ALL DELINQUENT TAXES,
12 EXCEPT TAXES ON PERSONAL PROPERTY, DUE AND PAYABLE TO THE TAXING
13 UNITS IN THE COUNTY, EXCEPT THOSE UNITS THAT COLLECT THEIR OWN
14 DELINQUENT TAXES AFTER MARCH 1 BY CHARTER OR OTHERWISE, ARE DUE AND
15 PAYABLE TO THE COUNTY TREASURER, ON BEHALF OF THE TAXING UNITS IN
16 THE COUNTY AND THIS STATE. MONEY AND OTHER PROPERTY AND ASSETS HELD
17 IN THE DELINQUENT TAX REVOLVING FUND SHALL BE KEPT SEPARATE FROM
18 AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEY, PROPERTY, OR
19 ASSETS IN THE CUSTODY OF THE COUNTY TREASURER. ALL MONEY, PROPERTY,
20 AND ASSETS ACQUIRED BY THE COUNTY TREASURER, WHETHER AS REVENUES OR
21 OTHERWISE, SHALL BE HELD BY IT IN TRUST FOR THE TAXING UNITS IN THE
22 COUNTY FOR WHICH THE TAXES ARE LEVIED. THE COUNTY SHALL HAVE NO
23 RIGHT, TITLE, OR INTEREST IN THE DELINQUENT TAX REVOLVING FUND
24 EXCEPT FOR THE RIGHT TO PAYMENT PROVIDED FOR IN SECTION 87C(3). IF
25 THE COUNTY DETERMINES TO BORROW PURSUANT TO SECTION 87C OR 87D,
26 THAT BORROWING SHALL BE DONE ON BEHALF OF THE COUNTY AND ITS TAXING
27 UNITS AND THE PRIMARY OBLIGATION TO PAY TO THE COUNTY TREASURER THE

1 AMOUNT OF TAXES AND THE INTEREST ON THE TAXES SHALL REST WITH THE
2 LOCAL TAXING UNITS AND THIS STATE FOR THE STATE EDUCATION TAX UNDER
3 THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906.
4 IF THE DELINQUENT TAXES THAT ARE DUE AND PAYABLE TO THE COUNTY
5 TREASURER ON BEHALF OF THE TAXING UNITS IN THE COUNTY AND THIS
6 STATE ARE NOT RECEIVED BY THE COUNTY TREASURER FOR ANY REASON, THE
7 COUNTY TREASURER HAS FULL RIGHT OF RECOURSE AGAINST THE TAXING UNIT
8 OR TO THIS STATE FOR THE STATE EDUCATION TAX UNDER THE STATE
9 EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, TO RECOVER
10 THE AMOUNT OF THE DELINQUENT TAXES AND INTEREST AT THE RATE OF 1%
11 PER MONTH OR FRACTION OF A MONTH OR A LOWER RATE AS ESTABLISHED BY
12 RESOLUTION OF THE BOARD OF COMMISSIONERS UNTIL REPAYED TO THE COUNTY
13 TREASURER BY THE TAXING UNIT. HOWEVER, IF THE COUNTY TREASURER
14 BORROWS TO PROVIDE FUNDS FOR THOSE PAYMENTS, THE INTEREST RATE
15 SHALL NOT EXCEED THE HIGHEST INTEREST RATE PAID ON THAT BORROWING.
16 IF THE BOARD OF COMMISSIONERS REDUCES THE INTEREST RATE ON THE
17 RECOVERY OF UNCOLLECTED DELINQUENT TAXES AS PROVIDED IN THIS
18 SUBSECTION, THAT DECREASE SHALL NOT APPLY TO ANY YEAR'S DELINQUENT
19 TAXES WHEN BORROWING AGAINST THAT YEAR'S DELINQUENT TAXES OCCURRED
20 BEFORE THE BOARD OF COMMISSIONERS ADOPTED A RESOLUTION TO REDUCE
21 THE INTEREST RATE ON THE RECOVERY OF UNCOLLECTED DELINQUENT TAXES.
22 ANY AMOUNT THAT IS DUE FROM A LOCAL TAXING UNIT OR THIS STATE FOR A
23 PRIOR YEAR'S UNCOLLECTED DELINQUENT TAX IS A LIEN AGAINST ANY
24 FUTURE DELINQUENT TAX PAYMENTS THAT MAY BE PAYABLE TO A LOCAL
25 TAXING UNIT OR THIS STATE AND THE LIEN SHALL BE SATISFIED BY
26 OFFSETTING THE AMOUNT DUE TO THE COUNTY FROM THE LOCAL TAXING UNIT
27 OR THIS STATE WHEN DISTRIBUTIONS FROM THE DELINQUENT TAX REVOLVING

1 FUND ARE MADE BY THE COUNTY TREASURER TO THE LOCAL TAXING UNIT OR
2 THIS STATE IN A SUBSEQUENT YEAR. A RESOLUTION OR AGREEMENT
3 PREVIOUSLY EXECUTED OR ADOPTED TO THIS EFFECT IS VALIDATED AND
4 CONFIRMED. FOR DELINQUENT STATE EDUCATION TAXES UNDER THE STATE
5 EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906, THE COUNTY
6 MAY OFFSET UNCOLLECTIBLE DELINQUENT TAXES AGAINST COLLECTIONS OF
7 THE STATE EDUCATION TAX UNDER THE STATE EDUCATION TAX ACT, 1993 PA
8 331, MCL 211.901 TO 211.906, RECEIVED BY THE COUNTY AND OWED TO
9 THIS STATE UNDER THIS ACT. THE FUND SHALL BE SEGREGATED INTO
10 SEPARATE FUNDS OR ACCOUNTS FOR EACH YEAR'S DELINQUENT TAXES.

11 (3) THE DELINQUENT TAXES RETURNED TO THE COUNTY TREASURER
12 SHALL REMAIN THE PROPERTY OF THE LOCAL UNITS OF GOVERNMENT AND THE
13 COUNTY TREASURER SHALL SOLELY SERVE AS A COLLECTION AGENT FOR THOSE
14 DELINQUENT TAXES.

15 (4) ALL OF THE TAXES, INTEREST, FEES, AND CHARGES REQUIRED TO
16 BE COLLECTED BY THE COUNTY TREASURER BY THIS ACT RELATED TO
17 DELINQUENT TAXES SHALL REMAIN IN FULL FORCE AND EFFECT IN THE EVENT
18 THIS SECTION APPLIES.

19 (5) WHILE THIS SECTION IS IN EFFECT, THE COUNTY TREASURER
20 SHALL HAVE THE POWER TO BORROW MONEY AND ISSUE DELINQUENT TAX
21 REVENUE NOTES AS PERMITTED BY THE REVENUE BOND ACT OF 1933, 1933 PA
22 94, MCL 141.101 TO MCL 141.140, FOR THE PURPOSE OF CONTINUING THE
23 DELINQUENT TAX REVOLVING FUND.