

SENATE BILL NO. 243

March 11, 2021, Introduced by Senator MACDONALD and referred to the Committee on Appropriations.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 44a (MCL 211.44a), as amended by 2012 PA 184.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 44a. (1) Notwithstanding any other statutory or charter
2 provision to the contrary, beginning in 2005 and each year after
3 2005, a county shall impose as a summer property tax levy that
4 portion of the number of mills allocated to the county by a county
5 tax allocation board or authorized for the county through a

1 separate tax limitation vote as provided in this section. The
2 portion of the total number of mills allocated to a county by a
3 county tax allocation board or authorized for a county through a
4 separate tax limitation vote that ~~shall~~**must** be imposed in each
5 year as a summer property tax levy under this section is as
6 follows:

7 (a) In 2005, 1/3 of the total number of mills allocated to the
8 county by a county tax allocation board or authorized for the
9 county through a separate tax limitation vote.

10 (b) In 2006, 2/3 of the total number of mills allocated to the
11 county by a county tax allocation board or authorized for the
12 county through a separate tax limitation vote.

13 (c) In 2007 and each year after 2007, the total number of
14 mills allocated to the county by a county tax allocation board or
15 authorized for the county through a separate tax limitation vote.

16 (2) Notwithstanding any other statutory or charter provision
17 to the contrary, beginning in 2013 and each year after 2013, a
18 millage that is levied by any taxing authority within a local tax
19 collecting unit that had been previously billed and collected as
20 part of the winter property tax levy in a preceding tax year may be
21 accelerated and collected earlier in that tax year as a summer
22 property tax levy if all of the following conditions are satisfied:

23 (a) The aggregate amount of the revenue from the levy and
24 collection of all individual millages that would be levied and
25 collected in the winter tax bill totals \$100.00 or less per
26 individual tax bill, excluding any property tax administration fee.
27 A millage may be accelerated and collected earlier for only those
28 tax bills that total \$100.00 or less for all individual millages
29 and that millage may be levied and collected as a winter property

1 tax levy for all other tax bills that total more than \$100.00 for
 2 all individual millages. Any additional millage approved to be
 3 levied by any taxing authority after collection of the summer
 4 property tax levy ~~shall~~**must** be collected as part of a winter
 5 property tax levy as provided in this act.

6 (b) A resolution authorizing the summer collection is approved
 7 by all of the following:

8 (i) The county board of commissioners.

9 (ii) The legislative body of the local tax collecting unit.

10 (iii) The county tax allocation board, if any.

11 (c) Within 60 days of approval of the resolutions required
 12 under subdivision (b), the local tax collecting unit notifies all
 13 owners of property on the tax roll that if the aggregate amount of
 14 the revenue from the levy and collection of all individual millages
 15 that would be levied and collected in the winter tax bill totals
 16 \$100.00 or less, excluding any property tax administration fee,
 17 those millages will be accelerated and collected as a summer
 18 property tax levy.

19 (3) Before June 30 and in conformance with the procedures
 20 prescribed by this act, the taxes being collected as a summer
 21 property tax levy ~~shall~~**must** be spread in terms of millages on the
 22 assessment roll, the amount of tax levied ~~shall~~**must** be assessed in
 23 proportion to the taxable value, and a tax roll ~~shall~~**must** be
 24 prepared that commands the appropriate treasurer to collect on July
 25 1 the taxes indicated as due on the tax roll.

26 (4) Taxes authorized to be collected ~~shall~~ become a lien
 27 against the property on which assessed, and **are** due from the owner
 28 of that property on July 1.

29 (5) All taxes and interest imposed pursuant to this section

1 that are unpaid before March 1 ~~shall~~**must** be returned as delinquent
2 on March 1 and collected pursuant to this act.

3 (6) Interest ~~shall~~**must** be added to taxes collected after
4 September 14 at that rate imposed by section 78a on delinquent
5 property tax levies that became a lien in the same year. However,
6 if September 14 is on a Saturday, Sunday, or legal holiday, the
7 last day taxes are due and payable before interest is added is on
8 the next business day and interest ~~shall~~**must** be added to taxes
9 that remain unpaid on the immediately succeeding business day. The
10 tax levied under this act that is collected with the city taxes
11 ~~shall be~~**is** subject to the same penalties, interest, and collection
12 charges as city taxes and ~~shall~~**must** be returned as delinquent to
13 the county treasurer in the same manner and with the same interest,
14 penalties, and fees as city taxes.

15 (7) All or a portion of the fees or charges, or both,
16 authorized under section 44 may be imposed on taxes paid before
17 March 1 and ~~shall~~**must** be retained by the treasurer actually
18 performing the collection of the summer property tax levy pursuant
19 to this section, regardless of whether all or part of these fees or
20 charges, or both, have been waived by the township or city.

21 (8) Collections ~~shall~~**must** be remitted to the county for which
22 the taxes were collected pursuant to section 43.

23 (9) To the extent applicable and consistent with the
24 requirements of this section, this act ~~shall apply~~**applies** to
25 proceedings in relation to the assessment, spreading, and
26 collection of taxes pursuant to this section.

27 (10) Each county shall establish a restricted fund known as
28 the revenue sharing reserve fund. The total amount required to be
29 placed in the revenue sharing reserve fund for each county ~~shall~~

1 **must** equal the amount of that county's December 2004 property tax
 2 levy of the total number of mills allocated to the county by a
 3 county tax allocation board or authorized for the county through a
 4 separate tax limitation vote, less any amount of tax levy captured
 5 and used under a tax increment financing plan under ~~1975 PA 197,~~
 6 ~~MCL 125.1651 to 125.1681; the tax increment finance authority act,~~
 7 ~~1980 PA 450, MCL 125.1801 to 125.1830; the local development~~
 8 ~~financing act, 1986 PA 281, MCL 125.2151 to 125.2174; **part 2, 3, or**~~
 9 ~~**4 of the recodified tax increment financing act, 2018 PA 57, MCL**~~
 10 ~~**125.4201 to 125.4230, MCL 125.4301 to 125.4329, and MCL 125.4401 to**~~
 11 ~~**125.4420,**~~ or the brownfield redevelopment financing act, 1996 PA
 12 381, MCL 125.2651 to ~~125.2672,~~ **125.2670,** and shall ~~shall~~ **must** be
 13 deposited in the revenue sharing reserve fund as provided in this
 14 section. Revenues credited to the revenue sharing reserve fund from
 15 the December tax levy of a county with a fiscal year ending
 16 December 31 shall ~~shall~~ **must** be accrued to the fiscal year ending in the
 17 year of that December property tax levy. Revenue shall ~~shall~~ **must** be
 18 credited to the fund by each county as follows:

19 (a) From the county's December 2004 property tax levy, 1/3 of
 20 the total December levy of the total number of mills allocated to
 21 the county by a county tax allocation board or authorized for the
 22 county through a separate tax limitation vote, less any amount of
 23 tax levy captured and used under a tax increment financing plan
 24 under ~~1975 PA 197, MCL 125.1651 to 125.1681; the tax increment~~
 25 ~~finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830; the~~
 26 ~~local development financing act, 1986 PA 281, MCL 125.2151 to~~
 27 ~~125.2174; **part 2, 3, or 4 of the recodified tax increment financing**~~
 28 ~~**act, 2018 PA 57, MCL 125.4201 to 125.4230, MCL 125.4301 to**~~
 29 ~~**125.4329, and MCL 125.4401 to 125.4420,**~~ or the brownfield

1 redevelopment financing act, 1996 PA 381, MCL 125.2651 to
 2 ~~125.2672-125.2670~~.

3 (b) From the county's December 2005 property tax levy, 1/2 of
 4 the remaining balance required to be deposited in the fund.

5 (c) From the county's December 2006 property tax levy, the
 6 balance required to be deposited in the fund.

7 (11) All of the following apply to a revenue sharing reserve
 8 fund established under subsection (10):

9 (a) Funds in the revenue sharing reserve fund may not be
 10 expended in any fiscal year except as provided in this section.

11 (b) Funds in the revenue sharing reserve fund may be used
 12 within a county fiscal year for cash flow purposes at the
 13 discretion of the county.

14 (c) Interest earnings on funds deposited in the revenue
 15 sharing reserve fund ~~shall~~**must** be credited to the revenue sharing
 16 reserve fund. However, the county is not required to reimburse the
 17 revenue sharing reserve fund for a reduction of interest earnings
 18 that occurs because funds in the revenue sharing reserve fund were
 19 used for cash flow purposes.

20 (d) The revenue sharing reserve fund ~~shall~~**must** be separately
 21 reported in the annual financial report required under section 4 of
 22 1919 PA 71, MCL 21.44.

23 (12) For a county fiscal year that ends on December 31, 2004,
 24 a county may expend in that fiscal year an amount not to exceed the
 25 payments made to that county under the Glenn Steil state revenue
 26 sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, in
 27 October and December 2003 and, if the payment is accrued back to
 28 the county's 2003 fiscal year, February 2004.

29 (13) Not later than March 1, 2005, a county that receives a

1 payment in October 2004 as provided in a bill making appropriations
2 to the department of treasury for the 2004-05 fiscal year shall pay
3 the amount of that payment to the state treasurer from the revenue
4 sharing reserve fund. A county that does not make the payment
5 required under this subsection shall not make any expenditures from
6 the fund provided under subsection ~~(13)~~. **(14)**.

7 (14) For each fiscal year of a county that begins after
8 September 30, 2004, a county may expend from the revenue sharing
9 reserve fund an amount not to exceed the total payments made to
10 that county under the Glenn Steil state revenue sharing act of
11 1971, 1971 PA 140, MCL 141.901 to 141.921, in the state fiscal year
12 ending September 30, 2004, adjusted annually by the inflation rate,
13 without regard to any executive orders issued after May 17, 2004.
14 As used in this subsection, "inflation rate" means that term as
15 defined in section 34d.

16 (15) A county's required 2012 revenue sharing reserve fund
17 balance ~~shall~~**must** be reduced by an amount equal to the amount of
18 county allocated property tax the county had to refund for the 2004
19 tax year due to a single court judgment, if the refund of 2004
20 county allocated tax due to that judgment was at least 70% of the
21 county's 2011 allowable withdrawal from its revenue sharing reserve
22 fund. The refund amount ~~shall~~**must** include the interest the county
23 paid on the 2004 property tax refund.

24 (16) If a resolution authorizing a summer property tax levy
25 for a tax previously billed as part of the winter property tax levy
26 is approved under subsection (2), the treasurer that collects the
27 summer property tax levy shall establish a restricted fund to be
28 known as the other levies reserve fund for any millage collected
29 that was previously billed as part of the winter property tax levy.

1 Any millage that had been previously billed and collected as part
2 of the winter property tax levy in a preceding tax year that is
3 accelerated and collected earlier as a summer property tax levy
4 shall ~~must~~ be deposited into the other levies reserve fund. The
5 treasurer that collects the summer property tax levy shall
6 distribute to the local taxing authorities the revenues credited to
7 the other levies reserve fund from the summer property tax
8 collection of a millage that had been previously billed and
9 collected as part of a winter property tax levy on December 1 of
10 the tax year that the December property tax levy would otherwise
11 have been due and payable. If a millage previously billed and
12 collected as part of the winter property tax levy is accelerated
13 and collected earlier as a summer property tax levy, and if the
14 millage collected in that summer property tax levy is less than
15 that millage would have been if levied as part of the immediately
16 succeeding winter property tax levy, the treasurer that collected
17 the summer property tax levy may issue a supplemental winter tax
18 bill for the deficiency or, if approved by a resolution of the
19 legislative body of the local unit that collected the summer
20 property tax levy, pay any deficiency from that local unit's
21 general fund. The treasurer collecting the summer property tax levy
22 shall account for interest earned on the other levies reserve fund
23 and interest shall ~~must~~ be transmitted to the various local tax
24 collecting units in proportion to the revenue collected from a
25 millage previously billed and collected as part of the winter
26 property tax levy in a preceding tax year that is accelerated and
27 collected earlier as a summer property tax levy, after a deduction
28 of reasonable expenses incurred by the treasurer in administering
29 the accounting and disbursement of funds, to the extent that those

1 expenses are in addition to the expenses of accounting and
2 disbursing other taxes.

3 (17) The treasurer that collects the state education tax shall
4 collect the summer property tax levy under this section.

5 (18) An owner of qualified pandemic-affected real property may
6 apply to the department of treasury for this state's payment of any
7 interest or penalties charged to that property under this section
8 or local charter for unpaid summer 2020 property taxes. The
9 application must be made by not later than April 15, 2021 in a form
10 and manner prescribed by the department of treasury. If the
11 department of treasury determines that the applicant's property is
12 qualified pandemic-affected real property, the department shall, by
13 not later than April 30, 2021, make a payment on behalf of the
14 applicant to the county treasurer described in subdivision (f) (ii)
15 in an amount equal to the unpaid interest or penalties charged to
16 that property under this section or local charter for unpaid summer
17 2020 property taxes. The department of treasury's criteria,
18 including required taxpayer documentation, for determining payment
19 eligibility under this subsection must be narrowly tailored to
20 determining only whether the property is qualified pandemic-
21 affected real property and the amount of unpaid interest or
22 penalties charged to that property under this section or local
23 charter for unpaid summer 2020 property taxes. As used in this
24 subsection:

25 (a) "Eligible business" means any of the following:

26 (i) An entertainment venue.

27 (ii) An exercise facility.

28 (iii) A food service establishment.

29 (iv) A recreation facility or place of public amusement.

1 (b) "Entertainment venue" includes an auditorium, arena,
2 banquet hall, cinema, concert hall, conference center, performance
3 venue, sporting venue, stadium, or theater.

4 (c) "Exercise facility" means a facility in which individuals
5 participate in individual or group physical activity, including a
6 gymnasium, fitness center, or exercise studio.

7 (d) "Food service establishment" means that term as defined in
8 section 1107 of the food law, 2000 PA 92, MCL 289.1107.

9 (e) "Principal residence" means property exempt under section
10 7cc from the tax levied by a local school district for school
11 operating purposes.

12 (f) "Qualified pandemic-affected real property" means real
13 property that meets all of the following:

14 (i) Is 1 of the following:

15 (A) The owner's principal residence.

16 (B) Used primarily for the operation of an eligible business
17 that experienced economic hardship as a result of the COVID-19
18 pandemic or the government's response to the pandemic, or both.

19 (ii) Was returned under section 78a to the county treasurer for
20 delinquent summer 2020 property taxes that remain unpaid and
21 include unpaid interest or penalties charged under this section or
22 local charter.

23 (iii) Was not subject to unpaid delinquent taxes in 2018 or
24 2019.

25 (g) "Recreation facility or place of public amusement"
26 includes an amusement park, arcade, bingo hall, bowling alley,
27 casino, nightclub, skating rink, water park, or trampoline park.

28 Enacting section 1. The legislature intends that the
29 appropriation described in section 406 of 2021 PA 2 be used to fund

1 this state's payment of interest or penalties charged to qualified
2 pandemic-affected real property for unpaid summer 2020 property
3 taxes, as provided in section 44a of the general property tax act,
4 1893 PA 206, MCL 211.44a, as amended by this amendatory act.