

HOUSE BILL No. 5372

February 11, 1988, Introduced by Reps. Willis Bullard, Munsell and Emmons
and referred to the Committee on Taxation.

A bill to amend section 43 of Act No. 206 of the Public Acts
of 1893, entitled as amended
"The general property tax act,"
as amended by Act No. 146 of the Public Acts of 1984, being sec-
tion 211.43 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 43 of Act No. 206 of the Public Acts of
2 1893, as amended by Act No. 146 of the Public Acts of 1984, being
3 section 211.43 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 43. (1) The supervisor of each township, immediately
6 upon authorization to raise money by taxation pursuant to an
7 election held under section 36 — or on or before the November 5
8 in each year, shall notify the township treasurer of the amount

1 of the state, county, school, and public transportation authority
2 taxes as apportioned to his or her township.

3 (2) The treasurer, immediately upon authorization to raise
4 money by taxation pursuant to an election held under section 36
5 ~~—~~ or on or before the third day immediately preceding the day
6 the taxes to be collected become a lien, shall give to the county
7 treasurer a bond running to the county in the actual amount of
8 state, county, and school taxes, except school taxes collected
9 through a city treasurer, with sufficient sureties to be approved
10 by the supervisor of the township and the county treasurer, con-
11 ditioned that he or she will pay over to the county treasurer as
12 required by law all state and county taxes, ~~and~~ pay over to the
13 respective school treasurers all school taxes ~~—, which~~ THAT he
14 or she ~~shall collect~~ COLLECTS during each year of his or her
15 term of office, and duly and faithfully perform all the other
16 duties of the office of treasurer. If a corporate surety bond is
17 provided, then the bond shall be approved only by the county
18 treasurer. When the bond is furnished by a surety company autho-
19 rized to transact business under the laws of this state, it
20 ~~shall be~~ IS sufficient that the bond is equal to 40% of the
21 amount of state, county, and school taxes. When the bond is fur-
22 nished by a surety company, the premium and cost of the bond
23 given to the county shall be paid by the county treasurer from
24 the general fund of the county against which the premium and cost
25 is made a charge. However, the county treasurer having paid the
26 premium may bill each district school board afforded protection
27 by the bond ~~—~~ that portion of the premium charge as is

1 allocated to the school taxes ~~—~~ and the school district
2 treasurers shall pay that allocated premium charge as determined
3 by the county treasurer for the protection of school taxes from
4 available school district funds. If the county treasurer and
5 township supervisor determine that the bond of the township trea-
6 surer recorded with the township clerk and on file with the town-
7 ship supervisor is adequate and sufficient to safeguard the
8 proper accounting of state, county, and school taxes as required
9 by law, ~~then~~ the township treasurer shall not be required to
10 file with the county treasurer the bond provided for in this
11 section. ~~—, and the~~ THE county treasurer shall deliver to the
12 supervisor on or before the day the taxes to be collected become
13 a lien a signed statement of approval of the bond. ~~—, upon~~ UPON
14 the receipt of ~~which~~ THE SIGNED STATEMENT and on or before the
15 day the taxes to be collected become a lien, the supervisor shall
16 deliver to the township treasurer the tax roll of this township.
17 The county treasurer shall file and safely keep the bond in his
18 or her office ~~—~~ and shall give to the township treasurer a
19 receipt stating that the required bond was received, which
20 receipt the township treasurer shall deliver to the supervisor on
21 or before the day the taxes to be collected become a lien. ~~The~~
22 ~~supervisor, after~~ AFTER the delivery of the receipt and on or
23 before the day the taxes to be collected become a lien, THE
24 SUPERVISOR shall deliver to the township treasurer the tax roll
25 of the township.

1 (3) Except as provided in subsections (4) and (5), tax
2 collections shall be delivered pursuant to the following
3 schedule:

4 (a) Within 10 business days after the first and fifteenth
5 day of each month, the township or city treasurer shall account
6 for and deliver to the county treasurer the total amount of state
7 and county tax collections on hand on the first and fifteenth day
8 of each month; to the school district treasurers the total amount
9 of school tax collections on hand on the first and fifteenth day
10 of each month; and to the public transportation authorities the
11 total amount of public transportation authority tax collections
12 on hand the first and fifteenth day of each month. If the inter-
13 mediate school district and community college district provide
14 for direct payment pursuant to subsection (9), the township or
15 city treasurer shall also account for and deliver to the interme-
16 diate school district and the community college district the
17 total respective amounts of school tax collections on hand the
18 first and fifteenth day of each month. This subdivision shall
19 not apply to the month of March.

20 (b) Within 10 business days after the last day of February,
21 the township or city treasurer shall account for and deliver to
22 the county treasurer at least 90% of the total amount of state
23 and county tax collections on hand on the last day of February;
24 to the school district treasurers at least 90% of the total
25 amount of school tax collections on hand on the last day of
26 February; and to the public transportation authorities at least
27 90% of the total amount of public transportation authority tax

1 collections on hand on the last day of February. If the
2 intermediate school district and community college district pro-
3 vide for direct payment pursuant to subsection (9), the township
4 or city treasurer shall also account for and deliver to the
5 intermediate school district and community college district at
6 least 90% of the total respective amounts of school tax collec-
7 tions on hand on the last day of February.

8 (c) A final adjustment and delivery of the total amount of
9 tax collections on hand for the county, community college dis-
10 tricts, intermediate school districts, school districts, and
11 public transportation authorities shall be made not later than
12 April 1 of each year.

13 (4) Instead of following the schedule prescribed in subsec-
14 tion (3), the township or city serving as the tax collecting unit
15 and the local governmental unit for which the tax collections are
16 made may enter into an agreement to establish an alternative
17 schedule for delivering tax collections.

18 (5) A township which has a state equalized valuation of
19 \$15,000,000.00 or less shall account for and deliver to the
20 county treasurer, the school district treasurers, and the public
21 transportation authorities and, if the intermediate school dis-
22 trict and community college district provide for direct payment
23 pursuant to subsection (9), the intermediate school district
24 treasurers and community college treasurers the taxes collected
25 up to and including January 10, within 10 business days
26 thereafter. However, a township treasurer subject to this
27 subsection shall at no time have on hand collections of state,

1 county, community college, intermediate school district when
2 applicable pursuant to subsection (9), school DISTRICT, and
3 public transportation authority taxes in excess of 25% of the
4 amount of the taxes apportioned to the township and, whenever
5 collections on hand reach this percentage, the township treasurer
6 shall immediately account for and turn over the total amount of
7 state and county tax collections on hand to the county treasurer,
8 the total respective amounts of school tax collections on hand to
9 the respective treasurers, and the total respective amounts of
10 public transportation authority tax collections on hand to the
11 respective public transportation authorities. The township trea-
12 surer shall notify the secretary or superintendent of each commu-
13 nity college district, intermediate school district, and school
14 district applicable and each of the applicable public transporta-
15 tion authorities of the total amount of taxes paid to the respec-
16 tive treasurer or authority, which notification shall show the
17 different funds for which the taxes were collected.

18 (6) Except as may be provided under section 1613 of Act
19 No. 451 of the Public Acts of 1976, being section 380.1613 of the
20 Michigan Compiled Laws, when a county treasurer is collecting the
21 school district or intermediate school district levy, the county
22 treasurer shall account for and deliver to the appropriate local
23 governmental unit treasurer the tax collections received by the
24 county treasurer within 10 business days after the county trea-
25 surer receives the funds.

26 (7) The county treasurer shall account for and deposit in
27 the county library fund for the use of the county library board,

1 county tax collections received pursuant to a tax levied under
2 section 1 of Act No. 138 of the Public Acts of 1917, being sec-
3 tion 397.301 of the Michigan Compiled Laws, within 10 business
4 days after the county treasurer receives the funds.

5 (8) The county treasurer shall account for and deliver to
6 the boards of each metropolitan transportation authority the
7 county tax collections for transportation authority purposes
8 received by the county treasurer within 10 business days after
9 the county treasurer receives the funds.

10 (9) For taxes that become a lien in December 1984 or there-
11 after, an intermediate school district board or the board of
12 trustees of a community college may provide that a local tax col-
13 lecting treasurer shall account for and deliver tax collections
14 directly to the respective intermediate school district or commu-
15 nity college treasurer pursuant to the schedule contained in
16 subsections (3), (4), and (5) for delivery of the respective
17 taxes to the county treasurer. A resolution shall be adopted at
18 least 60 days before the day taxes to be collected become a lien
19 and shall specify the period for which the resolution ~~shall be~~
20 IS effective. Copies of the resolution shall be transmitted to
21 each local tax collecting treasurer and county treasurer within
22 the intermediate school district or community college district.

23 (10) A treasurer who ~~wilfully~~ WILLFULLY neglects or
24 refuses to perform a duty required by subsections (3) to (8) is
25 subject to the penalty prescribed in section 119(1).

26 (11) INTEREST EARNED ON TAX COLLECTIONS FROM TAX YEARS
27 BEGINNING AFTER DECEMBER 31, 1987 MADE BY A CITY, TOWNSHIP, OR

1 COUNTY BEFORE THE TAX COLLECTIONS ARE ACCOUNTED FOR AND DELIVERED
2 TO THE RESPECTIVE TAXING UNITS PURSUANT TO THIS SECTION SHALL
3 ALSO BE ACCOUNTED FOR AND DELIVERED TO THE RESPECTIVE TAXING
4 UNITS ON A PRO RATA BASIS. INTEREST ON TAX COLLECTIONS FROM TAX
5 YEARS BEGINNING BEFORE JANUARY 1, 1988 THAT WAS MADE BY A CITY,
6 TOWNSHIP, OR COUNTY BEFORE THOSE COLLECTIONS WERE ACCOUNTED FOR
7 AND DELIVERED TO THE RESPECTIVE TAXING UNITS IN COMPLIANCE WITH
8 THE REQUIREMENTS OF THIS SECTION AND THAT WAS RETAINED AND DEPOS-
9 ITED FOR USE IN THE GENERAL FUND OF THAT CITY, TOWNSHIP, OR
10 COUNTY IS NOT SUBJECT TO CLAIM OR RETROACTIVE COLLECTION BY THOSE
11 TAXING UNITS.

12 (12) ~~-(++)~~ As used in this section:

13 (a) "Metropolitan transportation authority" means an author-
14 ity created under the metropolitan transportation authorities act
15 of 1967, Act No. 204 of the Public Acts of 1967, being sections
16 124.401 to 124.425 of the Michigan Compiled Laws.

17 (b) "Public transportation authority" means an authority
18 created under Act No. 55 of the Public Acts of 1963, being sec-
19 tions 124.351 to 124.359 of the Michigan Compiled Laws.